

FORTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, April 24, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Darryl Bell.

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

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

The President declared a quorum present.

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

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

S.F. No. 1362: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws affected; amending Minnesota Statutes 1984, chapters 35; 37; 92; 219; 315; 344; 390; 458; 589; 629; and 631; Laws 1959, chapter 699, section 4; Laws 1961, chapter 545, section 1; Laws 1963, chapters 254, section 1; and 827, section 1; Laws 1965, chapter 344, as amended; Laws 1967, chapter 541, section 1, as amended; Laws 1971, extra session, chapter 35, sections 7, 8, and 9; Laws 1974, chapter 218; Laws 1975, chapter 326, section 1; Laws 1976, chapter 234, section 3, as

amended; Laws 1979, chapters 269, section 1; and 303, article 10, section 16; Laws 1980, chapter 453, section 1; and chapter 595, section 5; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110, sections 1 and 2; and 257, section 1; Laws 1984, chapters 397, section 1; 498, section 1; and 548, section 9; repealing Minnesota Statutes 1984, sections 458.13; 458.16, subdivision 3; 458.192, subdivision 3a; 458.41; 458.50; 458.51; 458.52; 458.54; 458.55; 458.56; 458.57; 458.58; and 458.60.

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

Page 191, delete lines 7 to 24

Page 208, delete lines 15 to 36

Page 209, delete lines 1 to 8

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

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

H.F. No. 83: A bill for an act relating to courts; eliminating restrictions on the chief judge's ability to make assignments to juvenile court in Hennepin and Ramsey counties; amending Minnesota Statutes 1984, section 260.019, subdivision 3.

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

Page 1, delete section 1 and insert:

“Section 1. [REPEALER.]

Minnesota Statutes 1984, section 260.019, subdivision 3, is repealed.”

Amend the title as follows:

Page 1, line 4, delete “amending” and insert “repealing”

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

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

S.F. No. 1434: A bill for an act relating to real estate; providing for service in forcible entry and unlawful detainer actions; amending Minnesota Statutes 1984, section 566.06.

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

Page 2, line 2, delete “*personal or substitute*”

Page 2, line 3, delete “*or by the sheriff or constable*” and insert “, with at least one of the attempts having been made between the hours of 6:00 and 10:00 p.m.”

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

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

S.F. No. 1363: 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 certain laws; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 3C.12, subdivision 2; 8.31, subdivision 2; 13.37, subdivision 2; 14.47, subdivision 8; 16A.065; 16A.133, subdivision 1; 16B.64, subdivision 2; 21.92; 35.09, subdivision 1; 42.09, subdivision 9; 46.046, subdivision 1; 47.101, subdivisions 2 and 3; 47.29, subdivision 1; 47.30, subdivisions 2 and 3; 47.51; 48.89, subdivision 1; 60A.03, subdivision 2; 62D.04, subdivision 1; 62D.041, subdivision 5; 62D.09; 62H.06; 83.23, subdivision 3; 106.631, subdivisions 2 and 4; 116J.58, subdivision 4; 122.531, subdivisions 3a and 5; 124A.03, subdivision 3; 204B.14, subdivision 5; 214.13, subdivision 4; 240.16, subdivision 6; 256B.431, subdivision 4; 257.67, subdivision 3; 260.121, subdivision 3; 268.04, subdivision 32; 268.08, subdivision 1; 268.675, subdivision 1; 270.84, subdivision 1; 290.531; 290A.111, subdivision 2; 296.18, subdivision 1; 297A.391; 307.06; 309.502; 349.51, subdivision 5; 352.01, subdivision 2A; 360.531, subdivision 7; 363.071, subdivision 1; 388.051, subdivision 2; 422A.101, subdivision 2; 453.55, subdivision 11; 473.384, subdivision 6; 473.446, subdivision 1; 474.17, subdivision 3; 474.19, subdivisions 3 and 7; 519.01; 525.619; 571.41, subdivision 5b; amending Laws 1984, chapter 463, article 7, section 53, subdivision 2; reenacting Minnesota Statutes 1984, sections 10A.31, subdivision 5; 62D.03, subdivision 4; repealing Minnesota Statutes 1984, sections 124A.035, subdivision 6; 177.295; 204B.19, subdivision 3; repealing Laws 1977, chapter 434, sections 4 and 5; chapter 386, section 1; Laws 1978, chapter 772, section 8; Laws 1980, chapter 522, section 4; Laws 1983, chapter 222, section 14; chapter 247, sections 122, 176, and 217; chapter 253, section 19; chapter 299, section 20; chapter 301, section 220; chapter 314, article 11, section 19; chapter 359, section 149; Laws 1984, chapter 464, section 12, clause (g), and the second paragraph after clause (g); chapter 468, section 1; chapter 471, sections 14, 15, and 16; chapter 514, article 2, section 13; chapter 541, section 1; chapter 543, section 8; chapter 618, section 59; that part of Laws 1984, chapter 629, section 2, that amends section 375.193; Laws 1984, chapter 638, section 3; chapter 654, article 2, section 118.

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

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

S.F. No. 591: A bill for an act relating to attachments; providing procedures for the prejudgment seizure of property; amending Minnesota Statutes 1984, sections 570.01; 570.02; 570.08; 570.11; 570.12; and 570.14; repealing Minnesota Statutes 1984, sections 570.013; 570.03; 570.04; 570.05; 570.06; 570.07; 570.09; 570.093; and 570.13; proposing coding for new law in Minnesota Statutes, chapter 570.

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

Page 5, line 31, delete "*and shall take precedence over all other*" and

insert a period

Page 5, line 32, delete everything before "At"

Page 10, line 15, delete "570.04" and insert "6"

Page 11, line 1, delete "\$1,000" and insert "\$500"

Page 11, line 21, after the first comma, insert "a letter of credit,"

Page 13, line 26, delete "reorder" and insert "recorder"

Page 17, line 12, before "and" insert "570.10;"

Amend the title as follows:

Page 1, line 7, before "and" insert "570.10;"

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

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 648: A bill for an act relating to state departments and agencies; transferring authority for administration of the rural rehabilitation corporation trust liquidation act from the state executive council to the commissioner of energy and economic development; creating a governor's rural development council; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1984, section 9.36.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 580: A bill for an act relating to the city of Lakeville; appropriating money to return a forfeiture.

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

Delete everything after the enacting clause and insert:

"Section 1. [LAKEVILLE BOND APPLICATION DEPOSIT REFUND.]

\$16,044 is appropriated from the general fund to the energy and economic development authority to refund an industrial development bond allocation application deposit under Minnesota Statutes, section 474.19, to the city of Lakeville.

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. Willet from the Committee on Finance, to which was re-referred

S.F. No. 429: A bill for an act relating to industrial development bonds;

requiring the refund of application deposits to the city of Fergus Falls; appropriating money for the refund.

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 BOND APPLICATION DEPOSIT REFUND.]

\$30,000 is appropriated from the general fund to the energy and economic development authority to refund an industrial development bond allocation application deposit under Minnesota Statutes, section 474.19, to the city of Fergus Falls.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, delete “deposits” and insert “deposit”

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 684: A bill for an act relating to health; requiring insurance coverage for special dietary treatment for phenylketonuria; providing a testing program; allowing a deduction for the costs of the special dietary treatment; appropriating money; amending Minnesota Statutes 1984, sections 62E.06, subdivision 1; and 290.089, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62A and 144.

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

Page 2, line 1, delete everything after the period

Page 2, delete line 2

Page 4, line 30, delete everything after the period

Page 4, delete line 31

Pages 6 and 7, delete section 6

Amend the title as follows:

Page 1, line 6, delete “appropriating money;”

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 251: A bill for an act relating to nursing homes; establishing an educational program for resident and family advisory councils; authorizing a surcharge on license fees; requiring evaluation and a report to the legislature

by the Minnesota board on aging; appropriating money; amending Minnesota Statutes 1984, sections 256B.421, subdivision 8; and 256B.431, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 144A.

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

Page 2, line 4, after "fee" insert "for nursing homes and boarding care homes" and after "section" insert "144.53 or"

Page 2, line 5, delete "\$2" and insert "\$1"

Page 2, line 7, delete "APPROPRIATION;"

Page 2, line 10, delete "Money in"

Page 2, delete lines 11 and 12

Page 2, line 14, after "programs" insert "and funding sources"

Page 5, after line 7, insert:

"Sec. 4. [APPROPRIATION.]

Money in the nursing home advisory council fund is appropriated to the Minnesota board on aging for the purposes of section 1 to be available until June 30, 1987."

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 627: A bill for an act relating to natural resources; grants and loans for certain dam reconstruction and repair projects; appropriating money; amending Laws 1979, chapter 300, section 4, subdivisions 2, as amended, 3 and 4; and Laws 1981, chapter 361, section 3, subdivision 3.

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

Page 3, line 7, after "DIKES" insert "; HANOVER DAM"

Page 3, after line 13, insert:

"Subd. 2. [HANOVER DAM REMOVAL.] \$85,000 is appropriated from the state building fund to the commissioner of natural resources for the state's contribution toward the cost of removal of the Hanover dam on the Crow River, in Wright and Hennepin counties, the cost of repair of erosion damage to river banks, and the cost of restoring wetlands drained as a result of failure of the dam. The state's contribution is available only if the counties, cities, and other local governmental units in which the dam is located contribute an equal amount of money for these same purposes. The dam removal, bank repair, and wetland restoration work shall be done under a joint powers or similar agreement entered into by the local units of government and approved by the commissioner. The state and local units of government may seek recovery of their costs, including costs related to initial breaking of the dam, from any private person who has an ownership interest in the dam, damsite, or abutments."

Page 3, line 14, delete "2" and insert "3"

Page 3, line 15, delete "subdivision 1" and insert "subdivisions 1 and 2"

Page 3, line 17, delete "\$250,000" and insert "\$335,000"

Amend the title as follows:

Page 1, line 3, delete "and repair" and insert ", repair, and removal"

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

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

S.F. No. 742: A bill for an act relating to agriculture; authorizing conservation reserve contracts covering marginal agricultural land; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 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. [40.41] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 4.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 3. [MARGINAL AGRICULTURAL LAND.] "Marginal agricultural land" means erosive land that is composed of class IIIe, IVe, V, VI, VII, or VIII soil, as identified in the land capability classification system of the United States department of agriculture and the county soil survey.

Sec. 2. [40.43] [CONSERVATION RESERVE PROGRAM.]

Subdivision 1. [AUTHORITY.] The commissioner may contract with landowners for the conservation of marginal agricultural land. The contracts must be for a period of five to ten years with provision for renewal for an additional five- to ten-year period. The commissioner may adjust payment rates for a renewal period after examining the condition of the established cover, land values, and crop values. A contract may not provide for payment of more than \$10,000 to a landowner in any year. Contracts under this section are exempt from contractual provisions of chapter 16B.

Subd. 2. [ELIGIBLE LAND.] Land may be placed in the conservation reserve program if the land:

(1) is marginal agricultural land;

(2) is privately owned;

(3) is not currently set aside or diverted under another federal or state government program; and

(4) has been in crop production or rotation pasture in at least two of the prior five years.

Subd. 3. [LANDOWNER'S AGREEMENT.] (a) The contract must require the landowner:

(1) to place marginal agricultural land in the program for the period of the contract;

(2) not to place more than 20 percent of the landowner's total acreage within the state in the program, unless the land has previously been in a conservation program approved by the commissioner;

(3) to seed the land by the date specified in the contract and establish and maintain a continuous cover either of a grass-legume mixture or of native grasses for the term of the contract at seeding rates determined by the commissioner, and, if required by the commissioner, to plant trees on the land;

(4) not to burn, fill, impair, or destroy the wildlife habitat and other natural features of the land;

(5) not to use the land for agricultural crop production purposes as determined by the commissioner;

(6) to prevent livestock from grazing on land in the program, unless a severe drought or other natural disaster has occurred and the approval of the commissioner is obtained after the commissioner has consulted with the commissioner of natural resources;

(7) not to conduct chemical spraying or mowing, except for spot weed control necessary to comply with noxious weed control laws or emergency control of pests necessary to protect public health;

(8) not to convert other wetlands, woodlots, shelterbelts, windbreaks, brushlands, native prairie, or wild hay land that has not been in crop production and is a part of the same farm operation to the production of wheat, corn, oats, barley, soybeans, grain or cane sorghum, sugar beets, forage crops, or pasture during the term of the contract;

(9) to forfeit all rights to further payments and to refund to the state all payments received under the contract if the contract is violated and the commissioner determines that the violation warrants termination of the contract; and

(10) to comply with additional provisions required by the commissioner.

(b) The commissioner may require that the landowner make refunds or accept payment adjustments if the commissioner determines that a violation by the landowner does not warrant termination of the contract.

Subd. 4. [COMMISSIONER'S AGREEMENT.] The commissioner must:

(1) make a payment to the landowner to establish the cover crop required by the contract in an amount up to \$75 per acre as determined by the commissioner;

(2) make a payment to the landowner to pay the cost of planting trees required by the contract in an amount up to \$75 per acre;

(3) make annual payments to the landowner for the period of the contract at a rate equal to five percent of the most recent fair market value of the land in the program, as established by the county assessor; and

(4) provide advice about soil and water conservation through the local soil and water conservation district in cooperation with field personnel of the department of natural resources.

Subd. 5. [CONTRACT RENEWAL.] A contract may be renewed at the end of the contract period for an additional period of five to ten years by mutual agreement of the commissioner and the landowner, subject to a rate adjustment by the commissioner. If the landowner sells or otherwise transfers the ownership or right of occupancy of the land during the contract period, the new landowner is subject to the original contract unless a new contract is entered.

Subd. 6. [CONTRACT TERMINATION.] The commissioner may terminate a contract by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest. The commissioner may agree to a modification of a contract that is necessary to carry out the purposes of the program or facilitate its administration.

Sec. 3. [40.45] [COOPERATION AND TECHNICAL ASSISTANCE.]

Subdivision 1. [COOPERATION.] In implementing section 2, the commissioner must share information and cooperate with the commissioner of natural resources, the United States Fish and Wildlife Service, the Agricultural Stabilization and Conservation Service and Soil Conservation Service of the United States Department of Agriculture, the agricultural extension service of the University of Minnesota, county boards, and interested private organizations and individuals.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner must provide technical assistance through the local soil and water conservation districts to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the commissioner on the form and content of the conservation reserve contract and on cultural practices relating to the establishment and maintenance of permanent cover. The commissioners of agriculture and natural resources shall jointly prepare an informational booklet about state and federal programs for land acquisition, conservation, and retirement and make the booklets available to the public.

Sec. 4. [40.47] [RULES.]

The commissioner may adopt rules to administer and implement sections 2 and 3.

Sec. 5. [APPROPRIATION.]

§ _____ is appropriated from the general fund to the commissioner of agriculture for the period ending June 30, 1987, to carry out the provisions of sections 1 to 4. No more than ten percent shall be expended for administrative expenses, including technical assistance.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, delete "17" and insert "40"

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 Finance, to which was re-referred

S.F. No. 5: A bill for an act relating to alcoholic beverages; temporarily increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for the prevention of alcohol-impaired driving among young drivers and for education on avoidable health risks; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

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

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1984, section 171.29, subdivision 2, is amended to read:

Subd. 2. ~~Any~~ A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before his drivers license is reinstated. A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a ~~\$100~~ \$150 fee before his drivers license is reinstated; ~~75 percent~~ \$75 of this fee shall be credited to the trunk highway fund ~~and 25 percent~~, \$25 shall be credited to the general fund, ~~and \$50 shall be credited to a special account. Money in the account is appropriated to the commissioner of education for grants to school districts to develop curriculum relating to, and programs for education in elementary and secondary schools on, avoidable health risks related to alcohol and other drugs. The state board of education shall adopt rules for the distribution of the grants."~~

Page 3, delete lines 10 to 20 and insert:

"Subdivision 1. [DEFINITION.] (a) As used in this chapter, "minor" means an individual who has not attained the age of 21 years.

(b) If United States Code, title 23, section 158, is declared unconstitutional by the United States court of appeals for the eighth circuit or by the United States supreme court, or if section 158 is repealed by the congress of the United States or otherwise invalidated, or if the enforcement of section 158 is enjoined or stayed, "minor" means an individual who has not attained the age of 19 years."

Page 7, line 20, delete "prior to that"

Page 7, delete lines 21 and 22

Page 7, line 23, delete "court of appeals, or in the event that"

Page 7, line 24, delete "both"

Page 7, line 25, delete "and nonintoxicating malt liquor"

Amend the title as follows:

Page 1, line 2, delete "temporarily"

Page 1, line 5, delete "the prevention of"

Page 1, delete line 6

Page 1, line 7, after "risks" insert "related to alcohol and other drugs"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 818: A bill for an act relating to employment and economic opportunity; providing for the streamlining and coordination of job, economic development, and income-maintenance programs; setting as dual goals the lowering of unemployment rates and welfare caseloads; creating the board for the blind; abolishing the department of economic security; creating a new department of employment and training; transferring responsibilities of the department of economic security to the department of employment and training and the department of human services; transferring certain employment and training functions of the department of human services and the department of administration to the department of employment and training; providing for biennial statewide plans for employment and training and apprenticeships; providing for coordination of state and federal jobs programs; establishing community investment programs; granting rulemaking authority; changing formulas for paying local agencies for general assistance grants to recipients subject to work requirements; removing a sunset provision from the Minnesota emergency employment development act; appropriating money; amending Minnesota Statutes 1984, sections 86.33, by adding subdivisions; 116J.035, by adding a subdivision; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 129A.02, subdivision 2; 136.63, by adding a subdivision; 136C.06; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.736; 256.737; 256C.24; 256C.25; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.04, by adding subdivisions; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.35; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; and 268.686; proposing coding for new law in Minnesota Statutes, chapter 268; proposing coding for new law as Minnesota Statutes, chapters 267 and 268A; repealing Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; and 268.81.

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

Page 2, line 4, delete "*profound*"

Page 2, after line 25, insert:

"Sec. 2. Minnesota Statutes 1984, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges

listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of education;	\$57,500-\$70,000
Commissioner of finance;	
Commissioner of transportation;	
Commissioner of human services;	
Chancellor, community college system;	
Chancellor, state university system;	
Director, vocational technical education;	
Executive director, state board of investment;	
<i>Coordinator of full productivity and opportunity;</i>	
Commissioner of administration;	\$50,000-\$60,000
Commissioner of agriculture;	
Commissioner of commerce;	
Commissioner of corrections;	
Commissioner of economic security <i>employment and training;</i>	
Commissioner of employee relations;	
Commissioner of energy and economic development;	
Commissioner of health;	
Commissioner of labor and industry;	
Commissioner of natural resources;	
Commissioner of revenue;	
Commissioner of public safety;	
Chairperson, waste management board;	
Chief administrative law judge; office of administrative hearings;	
Director, pollution control agency;	
Director, state planning agency;	
Executive director, higher education coordinating board;	
Executive director, housing finance agency;	
Executive director, teacher's retirement association;	
Executive director, state retirement system;	
Commissioner of human rights;	\$40,000-\$52,500
Director, department of public service;	
Commissioner of veterans' affairs;	
Director, bureau of mediation services;	
Commissioner, public utilities commission;	
Member, transportation regulation board;	
Director, zoological gardens."	

Page 2, line 35, after the semicolon, insert "*the ways in which exclusive bargaining representatives shall be notified and concurrence provided for with respect to the job duties of persons employed in projects;*"

Page 3, line 4, after "REPORTING" insert "; CORPS MEMBER

STATUS; FEES''

Page 3, line 8, after the period, insert "*Corps members are not eligible for unemployment compensation or other benefits except workers' compensation, and they are not employees of the state of Minnesota within the meaning of section 43A.02, subdivision 21. The commissioner may charge a fee for any service performed by the corps.*"

Page 3, line 24, delete "PLANS" and insert "PLAN"

Page 6, line 16, strike "human"

Page 6, line 17, strike "services" and insert "*employment and training*"

Page 6, line 29, before "For" insert "*Notwithstanding any other law,*"

Page 9, line 3, strike "human services" and insert "*employment and training*"

Page 15, line 9, delete the period

Page 15, lines 10 to 13, delete the new language

Page 16, delete lines 10 to 18

Page 17, lines 13 and 14, delete the new language

Page 17, lines 14 and 16, strike "1985" and insert "1987"

Page 17, lines 18 to 20, delete the new language

Page 18, line 12, strike "the department of"

Page 18, line 13, delete the new language and insert "*responsible departments and administrative authorities*"

Page 18, line 14, strike "human"

Page 18, line 15, strike "services"

Page 19, line 16, delete "44" and insert "45"

Page 19, after line 20, insert:

"Sec. 20. [256C.265] [COUNCIL FOR THE HEARING IMPAIRED.]

Subdivision 1. [MEMBERSHIP.] There is created the Minnesota council for the hearing impaired within the department of human services. The council consists of seven members appointed by the commissioner and a representative of each advisory council established under section 256C.24, subdivision 3. At least four of the members appointed by the commissioner must be hearing impaired. Council members are appointed for four-year terms, except for the members first appointed, of whom three are appointed for a term ending December 31, 1990, two for terms ending December 31, 1989, and two for terms ending December 31, 1988.

Subd. 2. [REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the council shall be as provided in section 15.0575.

Subd. 3. [DUTIES.] The council shall:

(1) advise the commissioner regarding the development of policies, programs, services affecting the hearing impaired, and on the use of appropriate federal funds;

(2) create a public awareness of the special needs and potentialities of hearing impaired persons; and

(3) provide the commissioner with a review of ongoing services, programs, and proposed legislation affecting the hearing impaired."

Page 19, line 29, delete "50" and insert "51"

Page 19, line 34, strike "1" and insert "1a"

Page 20, line 5, delete "50" and insert "51"

Page 21, line 25, before the semicolon, insert "standard if the recipient were not employed"

Page 21, line 34, after "advised" insert "no later than six months"

Page 21, line 35, delete "received" and insert "began to receive" and delete "for six months"

Page 22, line 1, delete "50" and insert "51"

Page 22, line 4, delete "similar" and insert "comparable" and after the first "work" insert "in that locality"

Page 23, lines 21, 28, and 30, strike "economic security" and insert "employment and training"

Page 24, line 8, before "joint" insert "one or more counties operating under a" and delete "power" and insert "powers" and after "or" insert "a"

Page 24, line 9, before the period, insert "designated under the jobs training partnership act or under sections 268.671 to 268.686"

Page 28, line 2, delete everything after the period

Page 28, delete lines 3 to 7

Page 28, line 12, delete "50" and insert "51"

Page 28, line 15, before "support" insert "job related" and after "services" insert "not to exceed ten percent of the allocation"

Page 28, line 16, after "in" insert "public or"

Page 28, delete lines 19 to 21 and insert "cooperate with the commissioner of human services in determining and implementing the most effective means of disregarding a youth's earnings from family income for purposes of the aid to families with dependent children program, to the extent permitted by the federal government."

Pages 29 and 30, delete section 32

Page 31, line 36, delete "37 to 41" and insert "38 to 42"

Page 32, line 3, delete "267.03" and insert "41" and delete "6" and insert "2"

Page 32, line 15, delete "occupational" and insert "opportunities"

Page 32, line 20, before "aid" insert "unemployment compensation,"

Page 32, line 28, before "joint" insert "one or more counties operating

under a" and delete "power" and insert "powers" and after "or" insert "a"

Page 32, line 29, before the period, insert "*designated under the jobs training partnership act or under sections 268.671 to 268.686*"

Page 33, line 17, delete everything after "15A.081"

Page 33, line 18, delete everything before the period

Page 33, line 21, delete "37" and insert "38" and delete "40" and insert "41"

Page 33, line 33, delete "38" and insert "39"

Page 34, lines 5 and 15, delete "38" and insert "39"

Page 34, line 30, delete "coordinator" and insert "commissioner"

Page 35, line 20, delete "government" and insert "governments"

Page 35, line 27, delete "38" and insert "39"

Page 36, line 2, delete "by" and insert "between"

Page 36, line 19, after "resources," insert "and public safety,"

Page 38, line 27, delete everything after "be" and insert "based on"

Page 38, line 28, delete "weight to"

Page 38, line 29, delete everything after "unit"

Page 38, line 30, delete "state" and delete "12-month" and insert "most recent six-month" and delete everything after "period"

Page 38, line 31, delete "public" and insert "general" and delete "recipients" and insert "cases and aid to families with dependent children cases"

Page 38, line 32, delete everything after "unit"

Page 38, line 33, delete "recipients in the state" and delete "12-month" and insert "most recent six-month" and delete "ending the most"

Page 38, line 34, delete "recent March 31"

Page 39, line 11, delete "For the"

Page 39, delete lines 12 to 14

Page 39, line 17, delete "For"

Page 39, delete lines 18 to 20

Page 39, line 30, delete "president" and insert "chancellor"

Page 41, line 30, delete "and"

Page 41, line 32, delete the period and insert "; and"

(7) have authority to make emergency and permanent rules to carry out the purposes of this chapter."

Page 43, line 12, delete "and"

Page 43, line 14, after "intake," insert "referral, and" and after "inven-

tory" delete ", and"

Page 43, line 15, delete "referral" and delete "35" and insert "41" and delete the period and insert "; and"

Page 43, after line 15, insert:

"(13) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired."

Page 43, line 19, delete "may" and insert "shall"

Page 46, after line 10, insert:

"Subd. 5. The commissioner of employment and training shall establish a supported work program for recipients of aid to families with dependent children who have received public assistance for more than three years and who are residents of counties that have had more than three percent of their aid to families with dependent children recipients on such assistance for three years or longer. The goals of the supported work program must be made a part of the biennial plan of the commissioner."

Page 46, line 18, delete "43 to 57" and insert "44 to 55"

Page 46, line 27, delete "occupational" and insert "opportunities"

Page 47, line 8, before "staff" insert "or out-stationed"

Page 47, line 13, before the period, insert "and shall establish the circumstances under which the requirements for co-location or out-stationing may be waived"

Page 48, line 24, delete "In developing community"

Page 48, delete line 25

Page 48, line 26, delete everything before "In" and insert "The coordinator shall prohibit use of participants in the programs to do the work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985. The exclusive bargaining representative shall be provided notice in advance of any placements in a community investment program. Concurrence with respect to job duties of persons placed under the community investment program shall be obtained from the appropriate exclusive bargaining representative."

Page 48, line 27, delete "counties must incorporate into their" and insert "a county's"

Page 48, line 28, delete "plans" and insert "plan must (a) plan for"

Page 48, line 35, before the period, insert "; and (b) plan for placements in programs that do not replace work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985"

Page 50, line 12, after "(2)" insert "develop community investment programs in consultation with the exclusive representatives of their employees;

(3)"

Page 50, line 17, delete "which" and insert "utilizing existing programs

that”

Page 50, line 18, delete “other”

Page 50, line 19, after “cities,” insert “counties,”

Renumber the clauses in sequence

Page 51, line 13, before “shall” insert “or general assistance”

Page 51, line 17, delete “43 to 57” and insert “44 to 55”

Page 51, line 20, delete “50” and insert “75”

Page 51, line 23, delete “50” and insert “25”

Page 53, line 22, delete “and certified service”

Page 53, line 23, delete “providers”

Page 54, line 4, delete “August” and insert “June”

Page 54, line 7, after the period, insert “Allocations must be made by July 1 of each odd-numbered year.”

Page 55, after line 11, insert:

“(d) If a disproportionate amount of the funds are provided to any one of the groups described in section 55, subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share.”

Page 55, line 22, after “program” insert “with demonstrated effectiveness may be”

Page 55, line 24, delete “is” and insert “as”

Page 57, line 1, after the period, insert “Responsibilities of the department of human services specified in sections 12, 13, 14, and 21, together with designated support functions, are transferred to the department of employment and training.”

Page 57, line 3, after the period, insert “Commencing with the passage and signing of this act, the commissioners of economic security, human services, administration, finance, and employee relations shall cooperate in assuring a smooth transfer of the designated personnel, equipment, and supplies to carry out the purposes of this act.”

Page 57, line 8, delete “54” and insert “55”

Pages 59 and 60, delete section 58 and insert:

“Sec. 59. [TRANSFER.]

The commissioner of finance shall transfer, according to section 15.039, positions and appropriations for existing programs and agencies as required by this act.”

Page 60, line 14, delete “55” and insert “56”

Page 60, line 15, delete “36” and insert “37” and delete “11” and insert “12” and delete “14” and insert “15”

Page 60, line 16, delete “54” and insert “55”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "board" and insert "councils for the hearing impaired and"

Page 1, line 24, delete "appropriating money;"

Page 1, line 25, after "sections" insert "15A.081, subdivision 1;"

Page 1, line 35, delete "268.35;"

Page 1, line 38, delete "chapter" and insert "chapters 256C and"

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

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

H.F. No. 852: A bill for an act relating to state lands; directing conveyance of an easement over certain state lands to the city of Duluth.

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

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

S.F. No. 1070: A bill for an act relating to environment; providing for state grants for the construction of collector sewers in totally unsewered cities; amending Minnesota Statutes 1984, section 116.16, subdivision 2.

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

Page 2, line 23, after "ponds" insert "*the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or subdivision 1a, that are in existence as of January 1, 1985.*"

Page 2, lines 26 to 30, delete the new language

Page 2, line 31, strike "the provision of"

Page 2, line 32, strike "collector sewers as defined in agency rules,"

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

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

H.F. No. 1388: A resolution memorializing the President, Congress, and the Secretary of Agriculture to require certain minimum levels of solids-not-fat in fluid milk marketed for direct human consumption.

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

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

S.F. No. 1202: A bill for an act relating to environment; requiring the commissioner of health to monitor the quality of water in private water wells in the metropolitan area; amending Minnesota Statutes 1984, section 473.845, subdivision 2.

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

Page 1, line 14, delete "and" and insert "water supply wells and may monitor"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

H.F. No. 399 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.
399	377				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 399 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 399 and insert the language after the enacting clause of S.F. No. 377, the second engrossment; further, delete the title of H.F. No. 399 and insert the title of S.F. No. 377, the second engrossment.

And when so amended H.F. No. 399 will be identical to S.F. No. 377, and further recommends that H.F. No. 399 be given its second reading and substituted for S.F. No. 377, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1113 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.
1113	795				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1113 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1113 and

insert the language after the enacting clause of S.F. No. 795, the first engrossment; further, delete the title of H.F. No. 1113 and insert the title of S.F. No. 795, the first engrossment.

And when so amended H.F. No. 1113 will be identical to S.F. No. 795, and further recommends that H.F. No. 1113 be given its second reading and substituted for S.F. No. 795, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1570 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.
1570	1197				

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

H.F. No. 507 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.
507	536				

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

H.F. No. 863 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.
863	833				

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

H.F. No. 886 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.
886	1057				

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

H.F. No. 558 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.
558	541				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 558 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 558 and insert the language after the enacting clause of S.F. No. 541, the first engrossment; further, delete the title of H.F. No. 558 and insert the title of S.F. No. 541, the first engrossment.

And when so amended H.F. No. 558 will be identical to S.F. No. 541, and further recommends that H.F. No. 558 be given its second reading and substituted for S.F. No. 541, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 368 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.
368	1037				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 368 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 368 and insert the language after the enacting clause of S.F. No. 1037, the first engrossment; further, delete the title of H.F. No. 368 and insert the title of S.F. No. 1037, the first engrossment.

And when so amended H.F. No. 368 will be identical to S.F. No. 1037, and further recommends that H.F. No. 368 be given its second reading and substituted for S.F. No. 1037, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 418 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.
418	438				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 418 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 418 and insert the language after the enacting clause of S.F. No. 438, the second engrossment; further, delete the title of H.F. No. 418 and insert the title of S.F. No. 438, the second engrossment.

And when so amended H.F. No. 418 will be identical to S.F. No. 438, and further recommends that H.F. No. 418 be given its second reading and substituted for S.F. No. 438, 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. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred the following appointment as reported in the Journal for February 7, 1985:

TAX COURT
Jean Stepan

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

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

H.F. No. 847 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.
847	41				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 847 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 847 and insert the language after the enacting clause of S.F. No. 41, the first engrossment; further, delete the title of H.F. No. 847 and insert the title of S.F. No. 41, the first engrossment.

And when so amended H.F. No. 847 will be identical to S.F. No. 41, and further recommends that H.F. No. 847 be given its second reading and substituted for S.F. No. 41, 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. 1362, 1434, 1363, 591, 580, 429, 684, 251, 627, 5, 818, 1070 and 1202 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 83, 648, 852, 1388, 399, 1113, 1570, 507, 863, 886, 558, 368, 418 and 847 were read the second time.

MOTIONS AND RESOLUTIONS

Messrs. Spear, Lessard, Chmielewski and Schmitz introduced—

Senate Resolution No. 73: A Senate resolution expressing the sense of the Senate that the President of the United States should not pay tribute to those who perpetrated the holocaust.

Referred to the Committee on Rules and Administration.

Messrs. Frederickson; Moe, R.D.; Bernhagen; Chmielewski and Isackson introduced—

Senate Concurrent Resolution No. 16: A Senate concurrent resolution

congratulating Minnesota Rural Electric Cooperatives on their 50th Anniversary.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 896: A bill for an act relating to energy; providing for the method of calculating the payback of certain energy conservation investments; amending Minnesota Statutes 1984, section 116J.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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 656: A bill for an act relating to local government; allowing for an increase in the appropriation a county may make for a county humane society in any year; authorizing the Otter Tail county board to adopt an ordinance for the control of dogs and cats; amending Minnesota Statutes 1984, section 343.11.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1254: A bill for an act relating to local government; permitting insurance and indemnification of certain municipal electric power personnel; correcting a statutory cross reference; amending Minnesota Statutes 1984, section 453.55, 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 67 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 759: A bill for an act relating to elections; changing certain procedures and deadlines related to absentee ballots; changing the municipal election filing deadline; amending Minnesota Statutes 1984, sections 203B.17, subdivision 2; 203B.21, subdivision 3; 204B.35, subdivision 4; and 205.13, subdivision 1.

Mr. Peterson, R.W. moved to amend H.F. No. 759, as amended pursuant to Rule 49, adopted by the Senate April 3, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 231.)

Page 3, line 12, delete "or her"

Page 3, line 12, strike the old language before "a" and insert "become"

Page 3, line 14, strike "his" and insert "an"

The motion prevailed. So the amendment was adopted.

H.F. No. 759 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Belanger, Knaak and Merriam voted in the negative.

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

SPECIAL ORDER

S.F. No. 1193: A bill for an act relating to taxation; aggregate removal production; changing the time at which a penalty for failure to file is imposed; imposing a penalty; amending Minnesota Statutes 1984, section 298.75, subdivisions 4, 5, and 6.

Mr. Stumpf moved to amend S.F. No. 1193 as follows:

Pages 1 and 2, delete section 2

Renumber the remaining section

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete "file is imposed" and insert "eliminating time requirement for notifying operator of unpaid tax"

Page 1, line 6, delete " , 5, "

The motion prevailed. So the amendment was adopted.

S.F. No. 1193 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 1199: A bill for an act relating to the city of New Brighton;

providing an exception from the New Brighton police civil service system for the chief and deputy chief of police.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	Merriam	Moe, D.M.	Peterson, R.W.	Spear
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So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Mr. Peterson, R.W. 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. 886 and that the rules of the Senate be so far suspended as to give H.F. No. 886, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 886: A resolution memorializing the governments of the United States and Sweden that the State of Minnesota adopts the County of Kronoberg as a sister state.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1197: A bill for an act relating to cities of Circle Pines and Lino

Lakes; permitting cities to determine the size of Circle Pines utilities commission.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 335: A bill for an act relating to animals; changing certain duties and powers of the board of animal health; amending Minnesota Statutes 1984, sections 35.03; 35.05; and 35.069.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1198: A bill for an act relating to local government; authorizing the creation of a youth coordinating board in the city of Minneapolis.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1244: A bill for an act relating to the city of Burnsville; increasing the total number of on-sale liquor licenses.

Was read the third time 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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski and Renneke voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 901: A bill for an act relating to human services; increasing incentives for enforcing and collecting child support; amending Minnesota Statutes 1984, sections 256.74, subdivisions 1 and 5; 256.87, subdivisions 1a and 3; 257.58, subdivision 1; 518.551, subdivision 7; 518.611, subdivisions 2, 3, 4, and 6, and by adding a subdivision; 518.645; 543.20; repealing Minnesota Statutes 1984, section 257.62, subdivision 4.

Ms. Reichgott moved to amend S.F. No. 901 as follows:

Page 6, after line 34, insert:

"Sec. 6. Minnesota Statutes 1984, section 518.55, is amended by adding a subdivision to read:

Subd. 3. [NOTICE OF ADDRESS OR RESIDENCE CHANGE.] Every

obligor shall notify the court, the obligee, and the public authority responsible for collection, if applicable, of a change of address or residence within 60 days of the address or residence change. Every order for support or maintenance must contain a conspicuous notice of the requirements of this subdivision. The court may waive or modify the requirements of this subdivision by order if necessary to protect the obligor from contact by the obligee."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring child support or maintenance obligors to file address or residence changes;"

Page 1, line 6, after the first semicolon, insert "518.55, by adding a subdivision;"

Mr. Sieloff moved to amend the Reichgott amendment to S.F. No. 901 as follows:

Page 1, line 6, delete "*the court*," and after "*obligee*" delete the comma

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

The question recurred on the Reichgott amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 901 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1278: A bill for an act relating to financial institutions; providing for the extension of certain loan assumptions; amending Minnesota Statutes 1984, section 47.20, 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1235: A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; repealing a prior land conveyance; amending Laws 1981, chapter 190, section 3; repealing Laws 1984, chapter 502, article 13, section 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1347: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Koochiching 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1353: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in St. Louis 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1203: A bill for an act relating to state departments and agencies; requiring agencies to provide services and materials in languages other than English; proposing coding for new law as Minnesota Statutes, chapter 15B.

Mr. Frederickson moved that S.F. No. 1203, on Special Orders, be stricken and re-referred to the Committee on Finance.

CALL OF THE SENATE

Mr. Spear imposed a call of the Senate for the balance of the proceedings on S.F. No. 1203. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Frederickson.

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

prevailed.

The roll was called, and there were yeas 16 and nays 46, as follows:

Those who voted in the affirmative were:

Belanger	Frank	Isackson	Kronebusch	Ramstad
Benson	Frederick	Kamrath	Laidig	Sjeloff
Bernhagen	Frederickson	Knutson	Peterson, D.L.	Taylor
Dahl				

Those who voted in the negative were:

Adkins	Diessner	Langseth	Olson	Solon
Anderson	Dieterich	Lantry	Pehler	Spear
Berg	Freeman	Lessard	Peterson, C.C.	Storm
Berglin	Gustafson	Luther	Peterson, D.C.	Stumpf
Bertram	Hughes	McQuaid	Peterson, R.W.	Vega
Brataas	Johnson, D.E.	Mehrkens	Petty	Willet
Chmielewski	Johnson, D.J.	Merriam	Pogemiller	
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Knaak	Nelson	Samuelson	
Dicklich	Kroening	Novak	Schmitz	

The motion did not prevail.

Mr. Spear moved to amend S.F. No. 1203 as follows:

Page 3, line 14, delete "*local or public*" and insert "*state or local*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1203 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Freeman	Laidig	Novak	Reichgott
Berglin	Gustafson	Langseth	Olson	Samuelson
Bertram	Hughes	Lantry	Pehler	Solon
Brataas	Johnson, D.E.	Luther	Peterson, C.C.	Spear
Davis	Johnson, D.J.	McQuaid	Peterson, D.C.	Stumpf
DeCramer	Jude	Merriam	Peterson, R.W.	Vega
Dicklich	Knaak	Moe, D.M.	Petty	Waldorf
Diessner	Kroening	Moe, R.D.	Pogemiller	Willet
Dieterich	Kronebusch	Nelson	Ramstad	

Those who voted in the negative were:

Anderson	Bernhagen	Frederickson	Mehrkens	Storm
Belanger	Dahl	Isackson	Peterson, D.L.	Taylor
Benson	Frank	Kamrath	Schmitz	
Berg	Frederick	Lessard	Sjeloff	

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

SPECIAL ORDER

H.F. No. 204: A bill for an act relating to higher education; creating a student advisory council to the higher education coordinating board; requiring, as nearly as possible, one-sixth of the terms of voting members of the

higher education coordinating board to expire each year; amending Minnesota Statutes 1984, section 136A.02, subdivisions 1 and 1a, 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 256: A bill for an act relating to motor vehicles; defining terms; regulating van-type motor homes; amending Minnesota Statutes 1984, sections 168.011, subdivision 25, and by adding subdivisions; and 168.27, subdivisions 2 and 10.

Mr. Schmitz moved to amend H.F. No. 256, as amended pursuant to Rule 49, adopted by the Senate April 3, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 406.)

Page 1, line 17, strike "are units designed and used for" and insert "provide"

Page 1, line 18, strike everything after "quarters" and insert "A vehicle is considered to provide temporary living quarters if it."

Page 1, lines 19 and 21, strike "are" and insert "is"

Page 1, line 24, delete "are" and insert "is"

Page 2, line 33, delete "and certified as a motor home"

The motion prevailed. So the amendment was adopted.

H.F. No. 256 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 814: A bill for an act relating to education; establishing the state council on vocational technical education; proposing coding for new law in Minnesota Statutes, chapter 136C.

Mr. Peterson, R.W. moved to amend S.F. No. 814 as follows:

Page 1, line 12, after "agency" insert "*in the executive branch*"

Page 1, line 12, delete "*Public Law Number*"

Page 1, line 13, delete "98-524," and insert "*section 112 of*"

Page 1, line 13, after "1984" insert "*, United States Code, Title 20, Section 2320,*"

Page 1, line 14, delete "*such*" and delete "*as may be*"

Page 1, line 17, delete "*the Carl D. Perkins*"

Page 1, delete line 18 and insert "*United States Code, Title 20, Section 2320.*"

Page 1, line 19, delete "*shall be*" and insert "*are*"

Page 1, line 25, delete "*shall*" and insert "*must*"

Page 2, line 1, delete "*the council's*" and insert "*a special*"

Page 2, line 1, after "*account*" insert "*for the council*"

Page 2, line 13, delete "*council shall name an*"

Page 2, delete line 14 and insert "*state board of vocational technical education shall act as fiscal agent for the council and*"

Page 2, delete lines 19 and 20

Page 2, line 21, delete everything before "*The*"

Page 2, after line 26, insert:

"Sec. 2. [TRANSITION.]

All employees of the council on the effective date of this act are appointed to the civil service of the state and shall become state employees without competitive or qualifying examination. The commissioner of employee relations shall place each employee in the proper job classification. Each em-

ployee is appointed at no loss in salary, but no employee may receive an increase in salary until the employee's salary comes within the range for that job classification. The commissioner of employee relations shall establish the compensation range for the executive director of the council. Accumulations of sick leave and vacation benefits earned by the employee shall transfer subject to any maximum allowed in the appropriate state compensation plan."

Page 2, line 30, delete the second "the"

Page 2, line 31, delete "supplements to" and delete "1984"

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

S.F. No. 814 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:

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

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

SPECIAL ORDER

S.F. No. 453: A bill for an act relating to natural resources; reducing fees for camping spaces within a state park and state park motor vehicle permits for physically handicapped persons; amending Minnesota Statutes 1984, section 85.05.

Mr. Frederickson moved to amend S.F. No. 453 as follows:

Page 2, line 15, delete "or"

Page 2, line 17, after the comma, insert "or a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3,"

Page 3, line 26, delete "or"

Page 3, line 28, before the period, insert "or a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3"

The motion prevailed. So the amendment was adopted.

S.F. No. 453 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1357: A bill for an act relating to contempt of court; providing penalties for failure to file a complete income tax return pursuant to court order; proposing coding for new law in Minnesota Statutes, chapter 588.

Was read the third time 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:

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

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Dicklich moved that S.F. No. 506, No. 61 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Dicklich moved that S.F. No. 1330, No. 81 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Dicklich moved that S.F. No. 938, No. 90 on General Orders, be

stricken and returned to its author. The motion prevailed.

Mr. Dicklich moved that S.F. No. 1261, No. 133 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Dicklich moved that S.F. No. 873, No. 153 on General Orders, be stricken and returned to its author. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 879 be withdrawn from the Committee on Rules and Administration, the committee report from the Committee on Economic Development and Commerce be adopted, and the bill be given a second reading. The motion prevailed. Amendments adopted. Report adopted.

S.F. No. 879 was read the second time.

Mr. Knaak moved that S.F. Nos. 1145 and 1277, on General Orders, be stricken and returned to their author. The motion prevailed.

Mr. Spear moved that S.F. No. 922, No. 23 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Jude moved that S.F. No. 452, No. 71 on General Orders, be stricken and re-referred to the Committee on Public Utilities and State Regulated Industries. The motion prevailed.

SPECIAL ORDER

S.F. No. 1356: A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; amending Minnesota Statutes 1984, sections 3.736, subdivision 3; 65B.44, subdivision 6; 181.13; 429.061, subdivision 1; and 631.09.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1388: A bill for an act relating to courts; clarifying the jurisdiction of the court of appeals to issue writs; amending Minnesota Statutes 1984, section 480A.06, 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Olson	Renneke
Anderson	DeCramer	Kronebusch	Peterson, C.C.	Schmitz
Belanger	Diessner	Laidig	Peterson, D.C.	Sieloff
Benson	Frank	Langseth	Peterson, D.L.	Spear
Berg	Frederickson	Lantry	Peterson, R.W.	Storm
Berglin	Isackson	Luther	Petty	Stumpf
Bernhagen	Johnson, D.E.	McQuaid	Pogemiller	Taylor
Bertram	Jude	Merriam	Purfeerst	Vega
Brataas	Kamrath	Moe, D.M.	Ramstad	Waldorf
Dahl	Knaak	Moe, R.D.	Reichgott	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 274: A bill for an act relating to civil commitment; requiring a hearing for the continued commitment of mentally retarded persons; amending Minnesota Statutes 1984, section 253B.13, 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Peterson, C.C.	Sieloff
Anderson	Diessner	Kronebusch	Peterson, D.C.	Spear
Belanger	Dieterich	Laidig	Peterson, D.L.	Storm
Benson	Frank	Langseth	Peterson, R.W.	Stumpf
Berg	Frederick	Lantry	Petty	Taylor
Berglin	Frederickson	Luther	Pogemiller	Waldorf
Bernhagen	Isackson	McQuaid	Purfeerst	Willet
Bertram	Johnson, D.E.	Mehrrens	Ramstad	
Brataas	Jude	Merriam	Reichgott	
Dahl	Kamrath	Moe, R.D.	Renneke	
Davis	Knaak	Olson	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 825: A bill for an act relating to occupations and professions; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, subdivisions 2, 5, 6b, and by adding a subdivision; 326.242, subdivisions 1, 2, 3, 6, and 9; 326.243; 326.244, subdivisions 1, 2, and 5; and 326.246.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 454: A bill for an act relating to motor vehicles; providing defense to charge of operating motor vehicle without valid registration; amending Minnesota Statutes 1984, sections 168.09, by adding a subdivision; and 168.11, 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 954: A bill for an act relating to veterans; reestablishing the board of governors of the Big Island Veterans Camp; providing for its appointment and duties; transferring certain state land to the board; providing for the pos-

sible disposition of the land by the board; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1984, sections 197.13; 197.15; 197.16; 197.17; 197.18; and 197.19.

Ms. Olson moved to amend S.F. No. 954 as follows:

Page 3, line 1, delete everything after the comma

Page 3, line 2, delete everything before the period and insert "*or if the camp is not used solely as a camp for and by disabled and other veterans and their families and operated and maintained in compliance with all state, federal, and local laws, the board may dispose of the property at market value as provided in this section. Before disposing of the property, the board shall give Hennepin county park reserve district notice by certified mail of its decision to dispose of the property. Hennepin county park reserve district shall have the option for one year from receipt of the notice to acquire the property by negotiation or to commence eminent domain proceedings pursuant to chapter 117. The district shall obtain legislative approval before purchasing the property*"

Mr. Peterson, R.W. moved to amend the Olson amendment to S.F. No. 954 as follows:

Page 1, line 13, delete everything after "*negotiation*"

Page 1, line 14, delete everything before the period

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 41 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Peterson, D.C.	Schmitz
Anderson	Frederick	Lessard	Peterson, D.L.	Storm
Benson	Frederickson	Luther	Peterson, R.W.	Stumpf
Berg	Gustafson	McQuaid	Petty	Taylor
Bernhagen	Isackson	Mehrkens	Purfeerst	Wegscheid
Bertram	Johnson, D.E.	Moe, D.M.	Ramstad	
Chmielewski	Jude	Moe, R.D.	Reichgott	
Dahl	Kamrath	Olson	Renneke	
Diessner	Kronebusch	Pehler	Samuelson	

Those who voted in the negative were:

Berglin	Dieterich	Lantry	Sieloff	Waldorf
DeCramer	Knaak	Merriam	Solon	Willet
Dicklich	Kroening	Pogemiller	Vega	

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

Mr. Sieloff moved to amend the Olson amendment to S.F. No. 954 as follows:

Page 1, line 14, after the period, insert "*If Hennepin county park reserve district has not purchased the property or commenced eminent domain proceedings to acquire the property within the option period, the board may sell the property to any person or entity pursuant to such terms and conditions as the board may determine*" and delete "*The district shall obtain legislative approval before purchasing the property.*"

Page 1, line 13, after "negotiation" insert "or to commence eminent domain proceedings pursuant to chapter 117"

Mr. Peterson, R.W. requested division of the amendment as follows:

First portion:

Page 1, line 14, after the period, insert "If Hennepin county park reserve district has not purchased the property or commenced eminent domain proceedings to acquire the property within the option period, the board may sell the property to any person or entity pursuant to such terms and conditions as the board may determine" and delete "The district shall obtain legislative approval before purchasing the property."

Second portion:

Page 1, line 13, after "negotiation" insert "or to commence eminent domain proceedings pursuant to chapter 117"

The question was taken on the first portion of the Sieloff amendment. The motion did not prevail. So the first portion of the Sieloff amendment was not adopted.

The Chair ruled that the second portion of the Sieloff amendment was not in order because it was an equivalent question of the Peterson, R.W. amendment.

RECONSIDERATION

Ms. Peterson, D.C. moved that the vote whereby the Peterson, R.W. amendment was adopted, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the Peterson, R.W. amendment. The motion did not prevail. So the amendment was not adopted.

Mr. Sieloff moved to amend the Olson amendment to S.F. No. 954 as follows:

Page 1, line 12, delete "one year" and insert "two years"

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

The question recurred on the Olson amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 954 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1254: A bill for an act relating to occupational safety and health; prescribing duties of employers and of employees; providing for standards; providing for the use of investigative information; providing for enforcement mechanisms; amending Minnesota Statutes 1984, sections 182.651, subdivision 14; 182.653, subdivisions 4a, 4b, 4c, 4e, and 4f; 182.654, subdivision 11; 182.655, subdivisions 10 and 10a; 182.659, by adding a subdivision; 182.661, subdivision 1, and by adding a subdivision; 182.668, subdivision 1; and 182.669, subdivision 1.

Mr. Dicklich moved to amend S.F. No. 1254, as follows:

Page 9, strike lines 29 to 34

Page 13, line 35, after "hearings" insert "for a hearing"

Page 13, line 35, after "judge" insert "pursuant to the provisions of chapter 14"

Page 14, line 9, delete "November 26, 1985" and insert "May 25, 1986"

The motion prevailed. So the amendment was adopted.

S.F. No. 1254 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Isackson and Kamrath voted in the negative.

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

SPECIAL ORDER

S.F. No. 986: A bill for an act relating to workers' compensation; providing for miscellaneous changes; amending Minnesota Statutes 1984, sections 176.021, subdivision 3b; 176.101, subdivision 3e; 176.102, subdivisions 3 and 8; 176.103, subdivision 3; 176.136, by adding a subdivision; 176.138; 176.191, subdivision 3; 176.511, subdivisions 1 and 2; and 176.66, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1984, sections 79.22, subdivision 2; 176.081, subdivision 4; and 176.134.

Mr. Chmielewski moved to amend S.F. No. 986 as follows:

Page 2, line 7, delete "*seciton*" and insert "*section*"

Page 3, after line 17, insert:

"Sec. 3. Minnesota Statutes 1984, section 176.101, subdivision 3i, is amended to read:

Subd. 3i. [LAY OFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed at that job because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of until (1) the weeks remaining in the monitoring period expires, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury the sum of monitoring period compensation paid and impairment compensation paid or payable is equal to the amount of economic recovery compensation that would have been paid if that compensation were payable, whichever occurs first. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and in at the same amount rate as when temporary total compensation ceased, provided that the minimum monitoring period compensation rate is 66 2/3 percent of the weekly wage for permanent partial disability as determined by section 176.011, subdivision 18 and subject to the maximums specified therein.

(c) Compensation under this subdivision shall not be escalated pursuant to section 176.645.

(d) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(e) Upon the employee's return to work pursuant to this section the insurer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 4. Minnesota Statutes 1984, section 176.101, subdivision 3t, is amended to read:

Subd. 3t. [MINIMUM ECONOMIC RECOVERY COMPENSATION.]
 (a) Economic recovery compensation pursuant to this section shall be at least 120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. ~~The monitoring period shall be at least 120 percent of the weeks during which impairment compensation would be payable if paid weekly.~~

(b) Where an employee has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability and the employee is unable to return to his former employment for medical reasons attributable to the injury, the employee shall receive 26 weeks of economic recovery compensation. This paragraph shall not be used to determine monitoring period compensation under subdivision 3i and shall not be a minimum for determining the amount of compensation when an employee has suffered a permanent partial disability."

Page 8, after line 36, insert:

"Sec. 11. Minnesota Statutes 1984, section 176.191, subdivision 5, is amended to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration ~~pursuant to the rules of the American arbitration association~~. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis. Arbitration costs shall be paid by the parties, except the employee, on a pro rata basis."

Page 9, line 5, after "for" insert "at least"

Page 10, after line 36, insert:

"Sec. 16. Minnesota Statutes 1984, section 352E.03, is amended to read:

352E.03 [WORKERS' COMPENSATION COURT OF APPEALS COURTS.]

Eligibility to receive benefits as herein provided shall be determined by the workers' compensation ~~court of appeals courts~~ in the manner provided by chapter 176. A decision of the workers' compensation court of appeals hereunder may be reviewed by the Minnesota supreme court in the same manner and subject to the same procedures governing all other appeals from the decisions of the workers' compensation court of appeals. *The time limi-*

tation for commencing an action under this chapter is determined by section 176.151, paragraph (2)."

Page 11, line 2, delete "79.22, subdivision 2;"

Page 11, after line 3, insert:

"Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 11 and 13 to 17 are effective the day after final enactment. Section 12 is effective July 1, 1985."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivision 3b" and insert "by adding a subdivision"

Page 1, line 5, delete "subdivision" and insert "subdivisions" and after "3e" insert ", 3i, and 3t"

Page 1, line 8, after the second semicolon insert "176.191, subdivision 5; and 352E.03;"

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

Mr. Johnson, D.E. moved to amend S.F. No. 986 as follows:

Page 1, after line 25, insert:

"Sec. 2. Minnesota Statutes 1984, section 176.021, is amended by adding a subdivision to read:

Subd. 9. [EMPLOYER RESPONSIBILITY FOR WELLNESS PROGRAMS.] Accidental injuries incurred while participating in voluntary recreational programs, including but not limited to athletic events, parties and picnics, do not arise out of and in the course of the employment even though the employer pays some or all of the cost thereof. This exclusion shall not apply in the event that the injured employee was ordered or assigned by his employer to participate in the program."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivision 3b" and insert "by adding subdivisions"

Mr. Frank questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the amendment. The motion did not prevail. So the amendment was not adopted.

Mr. Merriam moved to amend S.F. No. 986 as follows:

Page 11, line 2, delete "79.22, subdivision 2;"

Amend the title as follows:

Page 1, line 11, delete "79.22, subdivision 2;"

The motion prevailed. So the amendment was adopted.

S.F. No. 986 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 54 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Frank	Lantry	Peterson, D.C.	Vega
Dicklich	Kroening			

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

SPECIAL ORDER

S.F. No. 115: A bill for an act relating to motor vehicles; providing for free license plates for former prisoners of war; amending Minnesota Statutes 1984, section 168.125.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1140: A bill for an act relating to agriculture; requiring swine herd identification for disease control and meat inspection; proposing coding for new law in Minnesota Statutes, chapter 35.

Mr. Peterson, D.L. moved to amend S.F. No. 1140 as follows:

Page 1, line 15, delete "the same" and insert "a U.S.D.A. sealed"

Page 1, line 20, after "section" insert ", and"

The motion prevailed. So the amendment was adopted.

S.F. No. 1140 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1148: A bill for an act relating to commerce; defining "trade secret"; amending Minnesota Statutes 1984, section 325C.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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 781: A bill for an act relating to juvenile court; clarifying the authority to release juvenile court records; amending Minnesota Statutes 1984, section 260.161, 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 565: A bill for an act relating to soil and water conservation; changing powers and duties of the state board; amending Minnesota Statutes 1984, section 40.03, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1374: A bill for an act relating to state parks; establishing lease rate for a certain part of Fort Snelling state park.

Mr. Benson moved to amend S.F. No. 1374 as follows:

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1984, section 162.06, subdivision 5, is amended to read:

Subd. 5. [STATE PARK ROAD ACCOUNT.] After deducting for ad-

ministrative costs and for the disaster account and research account as heretofore provided from the remainder of the total sum provided for in subdivision 1, there shall be deducted a sum equal to the three quarters of one percent of the remainder but not to exceed the sum of \$200,000 annually. *This sum shall be used to reimburse up to \$1,000 of the cost incurred by each county and each township in maintaining roads included in the county state-aid highway system that provide access to state parks, the Voyageurs national park, and the metropolitan regional parks.* The remaining sum ~~so deducted~~ shall be set aside in a separate account and shall be used for the establishment, location, relocation, construction, reconstruction and improvement of those roads included in the county state-aid highway system under Minnesota Statutes 1961, Section 162.02, Subdivision 6 which provide access to the headquarters of or the principal parking lot located within a state park. At the request of the commissioner of natural resources the counties wherein such roads are located shall do such work as requested in the same manner as on any other county state-aid highway and shall be reimbursed for such construction, reconstruction or improvements from the amount set aside by this subdivision. Any sums paid to counties in accordance with this subdivision shall reduce the money needs of said counties in the amounts necessary to equalize their status with those counties not receiving such payments. Any balance of the amount so set aside, at the end of each year shall be transferred to the county state-aid highway fund."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing maintenance funds for roads providing access to certain parks;"

Page 1, line 3, before the period, insert "; amending Minnesota Statutes 1984, section 162.06, subdivision 5"

Mr. Frank questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 1374 was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

Mrs. Lantry moved to amend H.F. No. 907 as follows:

Page 3, line 12, delete "and"

Page 3, line 13, after "courts" insert ", employees of the municipal court, and the second judicial district administrator's office"

The motion prevailed. So the amendment was adopted.

H.F. No. 907 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 58 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messr. Dicklich and Novak voted in the negative.

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

SPECIAL ORDER

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

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1077: A bill for an act relating to courts; providing for reimbursement of residents required to testify in another state in criminal cases; amending Minnesota Statutes 1984, section 634.06.

Mr. Chmielewski moved to amend S.F. No. 1077 as follows:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1984, section 485.01, is amended to read:

485.01 [APPOINTMENT; BOND; DUTIES.]

A clerk of the district court for each county within the judicial district, *who shall also be known as the court administrator*, shall be appointed by a majority of the district court judges in the district, after consultation with the county court judges of the county court district affected. The clerk, before entering upon the duties of his office, shall give bond to the state, to be approved by the chief judge of the judicial district, in a penal sum of not less than \$1,000 nor more than \$10,000 conditioned for the faithful discharge of his official duties. The bond, with his oath of office, shall be filed for record with the county recorder. The clerk shall perform all duties assigned him by law and by the rules of the court. ~~He~~ *The clerk and all deputies shall not practice as an attorney in the court of which he is the clerk they are employed. The duties, functions, and responsibilities of the clerk of the district court shall be performed by the court administrator.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “providing that the clerk of district court shall be known as court administrator; prohibiting deputies from practicing law in their court;”

Page 1, line 5, delete “section” and insert “sections 485.01; and”

Mr. Benson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 1077 was read the third time 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:

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 951: A bill for an act relating to the Minnesota historical society; authorizing local heritage preservation commissions; amending Minnesota Statutes 1984, section 471.193.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1071: A bill for an act relating to corporations; providing for access by shareholders to certain corporate records; protecting the privacy of individuals; amending Minnesota Statutes 1984, sections 302A.011, by adding a subdivision; and 302A.461, subdivisions 4 and 5, 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 56 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Peterson, C.C. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 459: A bill for an act relating to probate; clarifying provisions relating to the award of costs in guardianship and conservatorship proceedings; providing for the payment of reasonable fees and expenses for certain guardians and conservators; amending Minnesota Statutes 1984, section 525.703.

Mr. Merriam moved to amend S.F. No. 459 as follows:

Page 1, after line 9, insert:

"PART 1

INTESTATE SUCCESSION

Section 1. [524.2-101] [INTESTATE ESTATE.]

Except as provided in sections 525.14 and 525.145, and subject to the allowances provided in section 525.15, and the payment of the expenses of administration, funeral expenses, expenses of last illness, taxes, and debts, any part of the estate of a decedent not effectively disposed of by the decedent's will passes to the decedent's heirs as prescribed in sections 2 to 13.

Sec. 2. [524.2-102] [SHARE OF THE SPOUSE.]

The intestate share of the surviving spouse is:

- (1) if there is no surviving issue of the decedent, the entire intestate estate;*
- (2) if there are surviving issue all of whom are issue of the surviving spouse also, the first \$70,000, plus one-half of the balance of the intestate estate;*
- (3) if there are surviving issue one or more of whom are not issue of the surviving spouse, one-half of the intestate estate.*

Sec. 3. [524.2-103] [SHARE OF HEIRS OTHER THAN SURVIVING SPOUSE.]

The part of the intestate estate not passing to the surviving spouse under section 2, or the entire intestate estate if there is no surviving spouse, passes as follows:

- (1) to the issue of the decedent; any who are children of the decedent take*

equally and others by representation;

(2) if there is no surviving issue, to the parent or parents equally;

(3) if there is no surviving issue or parent, to the issue of the parents or either of them by representation;

(4) if there is no surviving issue, parent, or issue of a parent, to the next of kin in equal degree, except that when there are two or more collateral kindred in equal degree claiming through different ancestors, those who claim through the nearest ancestor shall take to the exclusion of those claiming through an ancestor more remote.

Sec. 4. [524.2-104] [REQUIREMENT THAT HEIR SURVIVE DECEDENT FOR 120 HOURS.]

A person who fails to survive the decedent by 120 hours is deemed to have predeceased the decedent for purposes of descent of the homestead, exempt property and intestate succession, and the decedent's heirs are determined accordingly. If the time of death of the decedent or of the person who would otherwise be an heir, or the times of death of both, cannot be determined, and it cannot be established that the person who would otherwise be an heir has survived the decedent by 120 hours, it is deemed that the person failed to survive for the required period. This section is not to be applied where its application would result in a taking of intestate estate by the state under section 5.

Sec. 5. [524.2-105] [NO TAKER.]

If there is no taker under the provisions of sections 2 to 13, the intestate estate passes to the state.

Sec. 6. [524.2-106] [REPRESENTATION.]

If representation is called for by sections 2 to 13:

(1) In the case of issue of the decedent, the estate is divided into as many shares as there are surviving children of the decedent and deceased children who left issue who survive the decedent, each surviving child receiving one share and the share of each deceased child being divided among his or her issue in the same manner.

(2) In the case of issue of the parents of the decedent (other than issue of the decedent) the estate is divided into as many shares as there are surviving heirs in the nearest degree of kinship and deceased persons in the same degree who left issue who survived the decedent, each surviving heir in the nearest degree receiving one share and the share of each deceased person in the same degree being divided among his children, and the descendants of deceased children of him, in the same manner as specified in clause (1).

Sec. 7. [524.2-107] [DEGREE OF KINDRED AND KINDRED OF HALF BLOOD.]

The degree of kindred shall be computed according to the rules of the civil law. Relatives of the half blood inherit the same share they would inherit if they were of the whole blood.

Sec. 8. [524.2-108] [AFTERBORN HEIRS.]

Relatives of the decedent conceived before his death but born thereafter

inherit as if they had been born in the lifetime of the decedent.

Sec. 9. [524.2-109] [MEANING OF CHILD AND RELATED TERMS.]

If, for purposes of intestate succession, a relationship of parent and child must be established to determine succession by, through, or from a person:

(1) An adopted person is the child of an adopting parent and not of the natural parents except that adoption of a child by the spouse of a natural parent has no effect on the relationship between the child and that natural parent. If a parent dies and a child is subsequently adopted by a stepparent who is the spouse of a surviving parent, any rights of inheritance of the child or the child's issue from or through the deceased parent of the child which exist at the time of the death of that parent shall not be affected by the adoption.

(2) In cases not covered by clause (1), a person born out of wedlock is a child of the mother. That person is also a child of the father, if:

(i) the natural parents participated in a marriage ceremony before or after the birth of the child, even though the attempted marriage is void; or

(ii) the paternity is established by an adjudication or by acknowledgment, consent, or agreement pursuant to sections 257.51 to 257.74 before the death of the father or is established thereafter by clear and convincing proof, except that the paternity established under this clause is ineffective to qualify the father or his kindred to inherit from or through the child unless the father has openly treated the child as his, and has not refused to support the child.

Sec. 10. [524.2-111] [DEBTS TO DECEDENT.]

A debt owed to the decedent is not charged against the intestate share of any person except the debtor. If the debtor fails to survive the decedent, the debt is not taken into account in computing the intestate share of the debtor's issue.

Sec. 11. [524.2-112] [ALIENAGE.]

No person is disqualified to take as an heir because he or a person through whom he claims is or has been an alien.

Sec. 12. [524.2-113] [PERSONS RELATED TO DECEDENT THROUGH TWO LINES.]

A person who is related to the decedent through two lines of relationship is entitled to only a single share based on the relationship which would entitle such person to the larger share.

Sec. 13. [524.2-114] [INSTRUMENTS REFERENCING INTESTACY LAWS.]

If a maker has executed a will or other instrument on or before December 31, 1986, which directs disposition of all or part of the estate pursuant to the intestacy laws of the state of Minnesota, the laws to be applied shall be in accordance with the laws of intestate succession in effect on or before December 31, 1986, unless the will or instrument directs otherwise.

PART 2

ELECTIVE SHARE OF SURVIVING SPOUSE

Sec. 14. [524.2-201] [RIGHT TO ELECTIVE SHARE.]

(a) *If a married person domiciled in this state dies, the surviving spouse has a right of election to take an elective share of one-third of the augmented estate under the limitations and conditions hereinafter stated.*

(b) *If a married person not domiciled in this state dies, the right, if any, of the surviving spouse to take an elective share in property in this state is governed by the law of the decedent's domicile at death.*

Sec. 15. [524.2-202] [AUGMENTED ESTATE.]

The augmented estate means the estate reduced by funeral and administration expenses, the homestead, family allowances and exemptions, liens, mortgages, and enforceable claims, to which is added the sum of the following amounts:

(1) *The value of property transferred by the decedent at any time during the marriage, to or for the benefit of any person other than the surviving spouse, to the extent that the decedent did not receive adequate and full consideration in money or money's worth for the transfer, if the transfer is of any of the following types:*

(i) *any transfer under which the decedent retained at the time of death the possession or enjoyment of, or right to income from, the property;*

(ii) *any transfer to the extent that the decedent retained at the time of death a power, either alone or in conjunction with any other person, to revoke or to consume, invade or dispose of the principal for his or her own benefit;*

(iii) *any transfer whereby property is held at the time of decedent's death by decedent and another with right of survivorship;*

(iv) *any transfer made within one year of death of the decedent to the extent that the aggregate transfers to any one donee in the year exceeds \$30,000.*

Any transfer is excluded if made with the written consent or joinder of the surviving spouse. Property is valued as of the decedent's death except that property given irrevocably to a donee during lifetime of the decedent is valued as of the date the donee came into possession or enjoyment if that occurs first.

(2) *The value of property owned by the surviving spouse at the decedent's death, plus the value of property transferred by the spouse at any time during marriage to any person other than the decedent which would have been includible in the spouse's augmented estate if the surviving spouse had predeceased the decedent, to the extent the owned or transferred property is derived from the decedent by any means other than testate or intestate succession or as an obligation of support without a full consideration in money or money's worth. For purposes of this clause:*

(i) *Property derived from the decedent includes, but is not limited to, any beneficial interest of the surviving spouse in a trust created by the decedent during the decedent's lifetime, any property appointed to the spouse by the decedent's exercise of a general or special power of appointment also exercisable in favor of others than the spouse, any proceeds of insurance, including accidental death benefits, on the life of the decedent attributable to premiums paid by the decedent, any lump sum immediately payable and the commuted value of the proceeds of annuity contracts under which the de-*

cedent was the primary annuitant attributable to premiums paid by him, the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit, or retirement plan, exclusive of the federal social security system, by reason of service performed or disabilities incurred by the decedent, any property held at the time of decedent's death by decedent and the surviving spouse with right of survivorship, any property held by decedent and transferred by contract to the surviving spouse by reason of the decedent's death, and the value of the share of the surviving spouse resulting from rights in community property in this or any other state formerly owned with the decedent.

(ii) Property owned by the spouse at the decedent's death is valued as of the date of death. Property transferred by the spouse is valued at the time the transfer became irrevocable, or at the decedent's death, whichever occurred first. Income earned by included property prior to the decedent's death is not treated as property derived from the decedent.

(iii) Property owned by the surviving spouse as of the decedent's death, or previously transferred by the surviving spouse, is presumed to have been derived from the decedent except to the extent that the surviving spouse establishes that it was derived from another source.

(3) The value of property paid to or for the benefit of any person other than the surviving spouse as a result of the decedent's death if the property is any of the following types:

(i) any proceeds of insurance (including accidental death benefits, but excluding insurance proceeds paid for a bona fide business purpose) on the life of the decedent attributable to premiums paid by the decedent during the marriage,

(ii) any lump sum immediately payable and the commuted value of the proceeds of annuity contracts under which the decedent was the primary annuitant attributable to premiums paid by the decedent during the marriage, or

(iii) the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit or retirement plan, exclusive of the federal social security system, by reason of service performed or disabilities incurred by the decedent, attributable to premiums or contributions paid by the decedent during the marriage.

For purposes of this clause, any premiums paid by the decedent's employer, the decedent's partner, a partnership of which the decedent was a member, or the decedent's creditors, are deemed to have been paid by the decedent.

Unless the payer of any such property has received written notice of intention to file a petition for the elective share, the property may be paid, upon request and satisfactory proof of the decedent's death, to the designated beneficiary of the property. Payment made discharges the payer from all claims for the amounts paid. The protection here given does not extend to payments made after the payer has received written notice of intention to file a petition for the elective share. Unless the notice is withdrawn by the surviving spouse, the surviving spouse must concur in any demand for withdrawal if the payer is to be protected under this provision.

For an insurer, the written notice of intention to file a petition for the elective share shall be mailed to its home office by registered mail, return receipt requested, or shall be served upon the insurer in the same manner as a summons in a civil action. Upon receipt of written notice of intention to file a petition for the elective share, an insurer may pay any amounts owed by it specified in clause (3) into the court in which the probate proceedings relating to the estate of the decedent are venued, or if no proceedings have been commenced, into the court having jurisdiction of decedents' estates located in the county of the insured's residence. The court shall hold the funds and, upon its determination under clause (d) of section 18, shall order its disbursement in accordance with the determination. If no petition is filed in the court within the specified time under clause (a) of section 18, or if filed, the demand for an elective share is withdrawn under clause (c) of section 18, the court shall order disbursement to the designated beneficiary. Payment made into the court discharges the insurer from all claims for the amounts paid.

Upon petition to the probate court by the designated beneficiary, the court may order that all or part of the property may be paid to the designated beneficiary in such amount and subject to such conditions as are consistent with this section.

Sec. 16. [524.2-203] [RIGHT OF ELECTION PERSONAL TO SURVIVING SPOUSE.]

The right of election of the surviving spouse may be exercised only during his lifetime by him. In the case of a protected person, the right of election may be exercised only by order of the court in which protective proceedings as to his property are pending, after finding (1) that exercise is necessary to provide adequate support for the protected person during his probable life expectancy and (2) that the election will be consistent with the best interests of the natural bounty of the protected person's affection.

Sec. 17. [524.2-204] [WAIVER OF RIGHT TO ELECT AND OF OTHER RIGHTS.]

The right of election of a surviving spouse and the rights of the surviving spouse to the homestead, exempt property and family allowance, or any of them, may be waived, wholly or partially, after marriage, by a written contract, agreement or waiver signed by the party waiving after fair disclosure. Unless it provides to the contrary, a waiver of "all rights", or equivalent language, in the property or estate of a spouse is a waiver only of the right to elective share. Any waiver prior to marriage must be made pursuant to section 519.11.

Sec. 18. [524.2-205] [PROCEEDING FOR ELECTIVE SHARE; TIME LIMIT.]

(a) The surviving spouse may elect to take an elective share in the augmented net estate by filing in the court and mailing or delivering to the personal representative, if any, a petition for the elective share within nine months after the date of death, or within six months after the probate of the decedent's will, whichever limitation last expires. However, nonprobate transfers, described in section 15, clause (1) and clause (3), shall not be included within the augmented estate for the purpose of computing the elective share, if the petition is filed later than nine months after death. The court

may extend the time for election as it sees fit for cause shown by the surviving spouse before the time for election has expired.

(b) *The surviving spouse shall give notice of the time and place set for hearing to persons interested in the estate and to the distributees and recipients of portions of the augmented net estate whose interests will be affected by the taking of the elective share.*

(c) *The surviving spouse may withdraw his demand for an elective share at any time before entry of an order by the court determining the elective share.*

(d) *After notice and hearing, the court shall determine the amount of the elective share and shall order its payment from the assets of the augmented net estate or by contribution as appears appropriate under section 20. If it appears that a fund or property included in the augmented net estate has not come into the possession of the personal representative, or has been distributed by the personal representative, the court nevertheless shall fix the liability of any person who has any interest in the fund or property or who has possession thereof, whether as trustee or otherwise. The proceeding may be maintained against fewer than all persons against whom relief could be sought, but no person is subject to contribution in any greater amount than he would have been if relief had been secured against all persons subject to contribution.*

(e) *The order or judgment of the court may be enforced as necessary in suit for contribution or payment in other courts of this state or other jurisdictions.*

Sec. 19. [524.2-206] [EFFECT OF ELECTION ON BENEFITS BY WILL OR STATUTE.]

A surviving spouse is entitled to the allowances provided in section 525.15 whether or not he or she elects to take an elective share.

Sec. 20. [524.2-207] [CHARGING SPOUSE WITH GIFTS RECEIVED; LIABILITY OF OTHERS FOR BALANCE OF ELECTIVE SHARE.]

(a) *In the proceeding for an elective share, values included in the augmented estate which pass or have passed to the surviving spouse, or which would have passed to the surviving spouse but were renounced, are applied first to satisfy the elective share and to reduce any contributions due from other recipients of transfers included in the augmented estate. For purposes of this paragraph, the electing spouse's beneficial interest in any life estate or in any trust shall be computed as if worth one-half of the total value of the property subject to the life estate, or of the trust estate, unless higher or lower values for these interests are established by proof.*

(b) *Remaining property of the augmented estate is so applied that liability for the balance of the elective share of the surviving spouse is equitably apportioned among the recipients of the augmented estate in proportion to the value of their interests therein.*

(c) *Only original transferees from, or appointees of, the decedent and their donees, to the extent the donees have the property or its proceeds, are subject to the contribution to make up the elective share of the surviving spouse. A person liable to contribution may choose to give up the property transferred to him or to pay its value as of the time it is considered in computing the augmented estate.*

PART 3

SPOUSE AND CHILDREN UNPROVIDED FOR IN WILLS

Sec. 21. [524.2-301] [OMITTED SPOUSE.]

(a) *If a testator fails to provide by will for his surviving spouse who married the testator after the execution of the will, the omitted spouse shall receive the same share of the estate he would have received if the decedent left no will unless it appears from the will that the omission was intentional or the testator provided for the spouse by transfer outside the will and the intent that the transfer be in lieu of a testamentary provision is shown by statements of the testator or from the amount of the transfer or other evidence.*

(b) *In satisfying a share provided by this section, the devises made by the will abate as provided in section 524.3-902.*

Sec. 22. [524.2-302] [PRETERMITTED CHILDREN.]

(a) *If a testator fails to provide in his will for any of his children born or adopted after the execution of his will, the omitted child receives a share in the estate equal in value to that which he would have received if the testator had died intestate unless:*

(1) *it appears from the will that the omission was intentional;*

(2) *when the will was executed the testator had one or more children and devised substantially all his estate to the other parent of the omitted child; or*

(3) *the testator provided for the child by transfer outside the will and the intent that the transfer be in lieu of a testamentary provision is shown by statements of the testator or from the amount of the transfer or other evidence.*

(b) *If at the time of execution of the will the testator fails to provide in his will for a living child solely because he believes the child to be dead, the child receives a share in the estate equal in value to that which he would have received if the testator had died intestate.*

(c) *In satisfying a share provided by this section, the devises made by the will abate as provided in section 524.3-902.*

PART 4

MISCELLANEOUS PROVISIONS

Sec. 23. Minnesota Statutes 1984, section 257.34, subdivision 1, is amended to read:

Subdivision 1. [ACKNOWLEDGMENT BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born 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 such child born to the mother at any time before or up to 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 257.57 and 257.66;

(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~~ 9; and

(f) Be conclusive evidence that the signatories are parents of the child for the purposes of chapter 573.

Sec. 24. Minnesota Statutes 1984, section 525.13, is amended to read:

525.13 [ESTATE.]

As used in sections 525.13 to ~~525.173~~ 525.161, the word "estate" includes every right and interest of a decedent in property, real or personal, except such as are terminated or otherwise extinguished by his death.

Sec. 25. Minnesota Statutes 1984, section 525.145, is amended to read:

525.145 [DESCENT OF HOMESTEAD.]

(1) Where there is a surviving spouse the homestead, including a manufactured home which is the family residence, shall descend free from any testamentary or other disposition thereof to which the spouse has not consented in writing or by election to take under the will as provided by law, as follows:

(a) If there be no surviving child or issue of any deceased child, to the spouse;

(b) If there be children or issue of deceased children surviving, then to the spouse for the term of the spouse's natural life and the remainder in equal shares to the children and the issue of deceased children by right of representation.

(2) Where there is no surviving spouse and the homestead has not been disposed of by will it shall descend as other real estate.

(3) Where the homestead passes by descent or will to the spouse or children or issue of deceased children, it shall be exempt from all debts which were not valid charges thereon at the time of decedent's death except that the homestead shall be subject to a claim filed pursuant to section 246.53 for state hospital care or 256B.15 for medical assistance benefits. If the homestead passes to a person other than a spouse or child or issue of a deceased child, it shall be subject to the payment of the items mentioned in section ~~525.16~~ 1. No lien or other charge against any homestead which is so exempted shall be enforced in the probate court, but the claimant may enforce the lien or charge by an appropriate action in the district court."

Page 2, after line 36, insert:

“Sec. 27. [REPEALER.]

Minnesota Statutes 1984, sections 525.16; 525.17; 525.171; 525.172; 525.173; 525.20; 525.201; 525.202; 525.212; 525.213; 525.214; 525.215; and 525.216 are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 25 and 27 are effective for estates of decedents dying after December 31, 1986.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert “adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse’s elective share, and omitted spouses and children;”

Page 1, line 7, delete “section” and insert “sections 257.34, subdivision 1; 525.13; 525.145; and”

Page 1, line 7, before the period insert “; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1984, sections 525.16; 525.17; 525.171; 525.172; 525.173; 525.20; 525.201; 525.202; 525.212 to 525.216”

The motion prevailed. So the amendment was adopted.

S.F. No. 459 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Moe, R.D.	Reichgott
Anderson	Frank	Knutson	Nelson	Renneke
Belanger	Frederick	Kroening	Olson	Samuelson
Benson	Frederickson	Kronebusch	Pehler	Schmitz
Berg	Freeman	Laidig	Peterson, C.C.	Sieloff
Berglin	Gustafson	Langseth	Peterson, D.C.	Spear
Bernhagen	Hughes	Lantry	Peterson, D.L.	Storm
Bertram	Isackson	Lessard	Peterson, R.W.	Stumpf
Brataas	Johnson, D.E.	McQuaid	Petty	Taylor
Dahl	Jude	Mehrkens	Pogemiller	Willer
DeCramer	Kamrath	Merriam	Ramstad	

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

SPECIAL ORDER

S.F. No. 1214: A bill for an act relating to negligence; clarifying immunity from liability for volunteer firefighters who render assistance at scenes of emergency; amending Minnesota Statutes 1984, section 604.05, 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1382: A bill for an act relating to courts; providing for transcript fees in the second judicial district; amending Minnesota Statutes 1984, section 486.06; proposing coding for new law in Minnesota Statutes, chapter 486.

Was read the third time 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 8, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Knutson	Moe, R.D.	Renneke
Anderson	Frederickson	Kronebusch	Olson	Schmitz
Belanger	Freeman	Laidig	Peterson, D.C.	Sieloff
Berg	Gustafson	Langseth	Peterson, D.L.	Spear
Berglin	Hughes	Lantry	Peterson, R.W.	Storm
Bernhagen	Isackson	Lessard	Petty	Taylor
DeCramer	Jude	Luther	Purfeerst	
Dicklich	Kamrath	McQuaid	Ramstad	
Diessner	Knaak	Mehrrens	Reichgott	

Those who voted in the negative were:

Bertram	Dahl	Merriam	Stumpf	Willet
Chmielewski	Frank	Pehler		

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 927: A bill for an act relating to watercraft; exempting certain boats from watercraft licensing requirements; amending Minnesota Statutes 1984, section 361.03, subdivision 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1238: A bill for an act relating to intoxicating liquor; authorizing the issuance of temporary on-sale intoxicating liquor licenses; amending Minnesota Statutes 1984, 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 46 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kronebusch	Pehler	Spear
Anderson	Frederick	Laidig	Peterson, D.C.	Storm
Belanger	Frederickson	Langseth	Peterson, D.L.	Stumpf
Benson	Gustafson	Lantry	Peterson, R.W.	Taylor
Berglin	Hughes	Lessard	Petty	Wegscheid
Bernhagen	Isackson	Luther	Purfeerst	Willet
Bertram	Jude	McQuaid	Ramstad	
Dahl	Kamrath	Mehrkens	Reichgott	
DeCramer	Knutson	Merriam	Schmitz	
Diessner	Kroening	Moe, R.D.	Sieloff	

Messrs. Chmielewski, Freeman, Knaak and Renneke voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1329: A bill for an act relating to taxation; clarifying definitions for sales and use tax; clarifying exemptions; providing an exemption for certain mailing materials used for advertising purposes; imposing civil and criminal penalties for underreporting or failing to report motor vehicle excise tax; repealing certain refund procedures; amending Minnesota Statutes 1984, sections 297A.01, subdivision 11; 297A.041; 297A.25, subdivision 1; 297B.10; and 297B.11; repealing Minnesota Statutes 1984, section 297A.35, 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 661: A bill for an act relating to commerce; regulating membership camping; prescribing the powers and duties of the commissioner; proposing coding for new law as Minnesota Statutes, chapter 82A.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that S.F. No. 801, No. 222 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

MEMBERS EXCUSED

Mr. Freeman was excused from the Session of today from 4:45 to 5:00 p.m. and from 7:30 to 10:00 p.m. Mr. Johnson, D.J. was excused from the Session of today from 3:30 to 11:30 p.m. Mr. Solon was excused from the Session of today from 9:00 to 11:30 p.m. Mr. Hughes was excused from the Session of today from 7:30 to 11:00 p.m.

The following members were excused from today's Session for brief periods of time: Messrs. Lessard, Purfeerst, Novak, Ramstad, Waldorf and Wegscheid.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, April 25, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FIFTH DAY

St. Paul, Minnesota, Thursday, April 25, 1985

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John Rettger.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1216:

H.F. No. 1216: A bill for an act relating to agriculture; clarifying the meaning of lender in the Minnesota emergency farm operating loans act; amending Laws 1985, chapter 4, section 3, subdivision 8.

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

Redalen; Anderson, G., and McDonald have been appointed as such com-

mittee on the part of the House.

House File No. 1216 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 April 24, 1985

Mr. Moe, R.D. moved that H.F. No. 1216 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. 683, 882, 937 and 633.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 24, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 683: A bill for an act relating to probate; allowing a minor to be a donor for purposes of the Uniform Anatomical Gift Act; amending Minnesota Statutes 1984, sections 525.922, subdivision 1; and 525.924, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1223, now on General Orders.

H.F. No. 882: A bill for an act relating to natural resources; authorizing the commissioner to enter into agreements with other states for forest fire prevention and suppression purposes; proposing coding for new law in Minnesota Statutes, chapter 88.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 614, now on General Orders.

H.F. No. 937: A bill for an act relating to wild animals; altering provisions relating to taking and possession of certain animals; amending Minnesota Statutes 1984, sections 98.48, subdivision 5; 100.27, subdivisions 1, 3, and 4; and 100.29, subdivisions 15 and 25.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 791, now on General Orders.

H.F. No. 633: A bill for an act relating to traffic regulations; providing for a temporary definition of school bus; providing for book racks and "MN" designation on school buses; amending Minnesota Statutes 1984, section 169.44, by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 622, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now

adopted, with the exception of reports pertaining to appointments. The motion prevailed.

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

H.F. No. 268: A bill for an act relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous activity; stating effect of removing certain provisions; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.

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

Page 2, line 22, delete “; *unless the plaintiff shows that*”

Page 2, delete lines 23 to 25

Page 2, line 26, delete everything before the period

Page 3, delete section 6

Page 3, line 32, delete “6” and insert “5”

Renumber the sections in sequence

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

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 116: A bill for an act relating to labor; creating an employees social responsibility act; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Delete everything after the enacting clause and insert:

“Section 1. [181.931] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] For the purposes of sections 1 to 8 the terms defined in this section have the meanings given them.

Subd. 2. [EMPLOYEE.] “Employee” means a person who receives compensation, in any form, for services rendered to an employer. Employee includes a person employed by the state or any political subdivision of the state. Employee does not include an independent contractor or a person rendering services to an employer on behalf of an independent contractor.

Subd. 3. [EMPLOYER.] “Employer” means any person having one or more employees and includes the state and any political subdivisions of the state.

Sec. 2. [181.932] [DISCLOSURE OF INFORMATION.]

Subdivision 1. [REPORT TO LAW ENFORCEMENT OFFICIAL.] An

employee having knowledge of the commission of a crime by the person's employer may report the matter to any law enforcement official where the crime occurred.

Subd. 2. [DISCLOSURE OF IDENTITY.] No law enforcement official shall disclose, or cause to disclose, the identity of any employee making a report or providing information, under subdivision 1, without the employee's consent.

Sec. 3. [181.933] [PROHIBITED ACTIONS.]

An employer shall not discharge, discipline, threaten, or otherwise discriminate against or penalize an employee regarding the employee's compensation, terms, conditions, locations, or privileges of employment because the employee, or a person acting on behalf of the employee: (1) makes a report under section 2; (2) participates in an investigation, hearing, or inquiry involving a report made under section 2; or (3) refuses to participate in any activity that violates any criminal law. This section does not protect an employee making statements or disclosures in bad faith or knowing that they are false or in reckless disregard of the truth.

Sec. 4. [181.934] [CIVIL ACTION.]

Subdivision 1. [TIME LIMITATION.] An employee who alleges a violation of section 3 may bring a civil action for appropriate injunctive relief, or actual damages, or both within one year after the date of the employer's actions violating section 3.

Subd. 2. [DEFENSES.] It shall be a defense to any action brought pursuant to this section that the personnel action was predicated upon grounds other than the employee's exercise of any rights protected by section 3.

Sec. 5. [181.935] [REMEDIES.]

The district court may order reinstatement of the employee, the payment of back wages with interest, full reinstatement of fringe benefits and seniority rights, actual and compensatory damages, attorney's fees, or any combination of these remedies for each violation of section 3.

Sec. 6. [181.936] [FALSE DISCLOSURE.]

An employee who makes a false disclosure under section 2, in bad faith or knowing that it is false or in reckless disregard of the truth, is liable for a fine of not more than \$300 and for costs of litigation, including reasonable attorney's fees, incurred by the employer.

Sec. 7. [181.937] [CONFIDENTIAL INFORMATION.]

Sections 1 to 6 do not permit disclosures that would violate federal or state law or diminish or impair the rights of any person to the continued protection of privileged or confidential communications.

Sec. 8. [181.939] [COMPENSATION.]

Sections 1 to 8 do not require an employer to compensate an employee for participation in any investigation, hearing, or inquiry held by a public body or public officer pursuant to section 3.

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

adopted.

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

S.F. No. 1458: A bill for an act relating to traffic regulations; removing certain restrictions on special permits to move manufactured homes; amending Minnesota Statutes 1984, section 169.86, subdivision 1.

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

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

S.F. No. 1414: A bill for an act relating to the city of Plymouth; authorizing the reassessment of special assessments against certain lands in the city.

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

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

H.F. No. 1150: A bill for an act relating to state lands; providing for the sale of certain tax-forfeited land in Chisago 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. [STATE LAND CONVEYANCE.]

(a) Notwithstanding the public sale requirements of Minnesota Statutes, section 282.01, Chisago county may sell to George Gibson, 1032 E. Minnehaha, St. Paul, Minnesota, at private sale but otherwise in the manner provided for appraisal, sale, and conveyance of tax-forfeited land in Minnesota Statutes, chapter 282, the following described real property in Chisago county:

Cambridge Lake Estates,

Unit 4, Block 2, Lot 16.

(b) George Gibson owns an adjacent lot that is undersized for permanent housing. The lot in paragraph (a) is also undersized for permanent housing. Acquisition of the adjoining lot would allow Mr. Gibson to build permanent housing on the combined lots.”

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

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

S.F. No. 1450: A bill for an act relating to natural resources; altering certain provisions regarding water permit fees; amending Minnesota Statutes

1984, section 105.44, subdivision 10.

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

Page 1, line 12, delete the first comma and insert "or" and delete ", or extend the duration of"

Page 1, line 15, delete the first comma and insert "or" and after "transfer" delete ", or"

Page 1, line 16, delete the new language

Page 1, lines 23 to 25, delete the new language

Page 2, lines 1 to 4, reinstate the stricken language and delete the new language

Page 2, after line 24, insert:

"Sec. 2. [105.542] [CIVIL PENALTY.]

A person who undertakes a project without a permit or application required under sections 105.37 to 105.64, or knowingly undertakes a project in excess of permit limitations may be assessed a civil penalty up to \$750."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing a penalty for water permit violations;"

Page 1, line 5, before the period, insert "proposing coding for new law in Minnesota Statutes, chapter 105"

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

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

S.F. No. 926: A bill for an act relating to environment; amending the authority of the metropolitan waste control commission with regard to the siting and operation of sewage sludge disposal facilities; amending Minnesota Statutes 1984, section 473.153, subdivisions 1, 2, and 7.

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

Page 3, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1984, section 473.153, subdivision 7, is amended to read:

Subd. 7. [EXEMPTIONS.] Nothing in this section shall be construed to preclude the commission from continuing to use existing sewage sludge disposal facilities. In addition, to the same extent and upon the same conditions as sewage sludge may be applied on private property pursuant to section 473.516, subdivisions 3 and 4, the commission may use any site of less than 500 acres owned by the commission for the purpose of landspreading sewage sludge for a period no longer than four years. Any property currently used by

the commission and permitted by the agency for disposing of the commission's solid waste may continue to be used for that purpose by the commission, as permitted by the agency, for a period not to exceed four years."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was re-referred to the Committee on Rules and Administration.

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

H.F. No. 35: A bill for an act relating to agriculture; making certain changes in the family farm security program; amending Minnesota Statutes 1984, sections 16A.80, subdivision 2a; 41.56, subdivisions 3, 4, and 4a; 41.57, subdivisions 2 and 3; 41.59, subdivision 1; and 41.61, 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 1984, section 41.56, subdivision 3, is amended to read:

Subd. 3. [DEFAULT, FILING CLAIM.] (a) Within 90 days of a default on a guaranteed family farm security loan, the lender shall send notice to the ~~applicant~~ participant stating that the commissioner must be notified if the default continues for 180 days, and the consequences of that default. The lender and the ~~applicant~~ participant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

(b) *If the commissioner determines that a participant has defaulted and cannot make scheduled family farm security loan payments because of unique or temporary circumstances, the commissioner may make a loan to the participant to pay the participant's family farm security loan payments for up to two consecutive years. The loan to the participant must be:*

(1) *for an amount that the commissioner determines can be paid back in addition to the family farm security loan after examining the participant's cash flow projections;*

(2) *structured to be completely amortized within eight years; and*

(3) *at an interest rate of four percent below the prevailing Federal Land Bank interest rate for land purchase loans.*

(c) After 180 days from the initial default, if the ~~applicant~~ participant has not made arrangements to meet his obligation, the lender shall file a claim with the commissioner, identifying the loan and the nature of the default, and assigning to the state all of the lender's security and interest in the loan in exchange for payment according to the terms of the family farm security loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the commissioner all sums owed the commissioner by the ~~applicant~~ participant and retain title to the property in lieu of payment by the commissioner under the terms of the loan guarantee. If the commissioner determines that the terms of the family farm security loan guarantee have been met, he shall

authorize payment of state funds to the lender, and shall notify the defaulting party. The state of Minnesota shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. The commissioner may, on behalf of the state, commence foreclosure or termination proceedings in the manner provided by law.

Sec. 2. Minnesota Statutes 1984, section 41.56, subdivision 4, is amended to read:

Subd. 4. [SALE OF DEFAULTED PROPERTY.] In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall, ~~within 15 days of the expiration of the period of redemption,~~ undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which he is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within ~~two~~ three years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

Sec. 3. Minnesota Statutes 1984, section 41.56, subdivision 4a, is amended to read:

Subd. 4a. [SALE FOR CASH.] When the commissioner sells any farm property for cash, he shall follow the procedures provided in this subdivision. ~~If the sale will be completed more than 15 days after the last published notice of sale as provided in subdivision 4, the commissioner shall publish another notice as provided in that subdivision.~~ The commissioner shall sell the property to the highest bidder by taking sealed bids or by bids at public auction. The commissioner may refuse to accept any or all bids and, upon refusal, negotiate a sale at least the price of the highest bid, if any. ~~If a bid is accepted, the successful bidder shall be selected within 15 days of the date of the last published notice of sale.~~ The successful bidder shall submit bid security in the form of a certified check or bid bond, money order, or bank draft in the amount of ~~two~~ five percent of the bid price on the day of selection and shall remit the balance of the purchase price within 90 days of the date of sale.

Upon remittance by the purchaser of the balance within 90 days of the date of sale, the commissioner shall transfer title to the property, including any acquired mineral rights, to the purchaser by quitclaim deed. In the event that the purchaser fails to remit all of the balance within 90 days of the date of sale, the purchaser forfeits all rights to the property and any money paid for the property and the commissioner shall recommence the sale process specified in this subdivision.

Sec. 4. Minnesota Statutes 1984, section 41.57, subdivision 2, is amended to read:

Subd. 2. [PAYMENT ADJUSTMENT.] To be eligible for payment adjustment a family farm security loan shall have a maximum term of 20 years and shall provide for payments at least annually so that the loan shall be amortized over its term with equal annual payments of principal and interest, adjusted for variable interest rates, except that a loan to be amortized over a term of ten years or less need not provide for equal annual payments of principal and interest. During the first ten years of a family farm security loan, the commissioner shall annually pay to the lender four percent of the outstanding balance due at the beginning of that year and the *applicant participant* shall pay the remainder of the payment due. After the tenth year, the *applicant participant* shall make payments according to the stated interest rate. The *applicant participant* may petition the commissioner for one ten year renewal of the payment adjustment. If a renewal is granted, in the 21st year the *applicant participant* shall reimburse the commissioner for the sums paid on the *applicant's participant's* behalf under this subdivision. If no renewal is granted, the *applicant participant* shall reimburse the commissioner in the 11th year for the sums paid on the *applicant's participant's* behalf under this subdivision. The obligation to repay the payment adjustment is a lien against the property. If the *applicant participant* does not reimburse the state within the required time period, the commissioner may charge interest at the rate of two percent above the prevailing rate charged by the Federal Land Bank of St. Paul on the net amount owed for the period of delinquency. To recover the adjustment payment due in delinquency cases, the commissioner may proceed to foreclose by advertisement on the lien as if it were a real estate mortgage following the procedures in chapter 580.

Sec. 5. Minnesota Statutes 1984, section 41.57, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REVIEW OF NET WORTH.] The *applicant participant*, his dependents and spouse shall annually submit to the commissioner a statement of their net worth. If their net worth in any year exceeds the sum of \$135,000, the *applicant participant* shall be ineligible for a payment adjustment in that year.

Sec. 6. Minnesota Statutes 1984, section 41.58, is amended by adding a subdivision to read:

Subd. 4. [RESTRUCTURING SELLER SPONSORED LOANS.] *The commissioner may enter an agreement with a seller and a participant to restructure a seller sponsored loan as follows:*

(1) the seller must agree to reduce the remaining balance of the loan by at least ten percent;

(2) *the restructured loan must be amortized for the remaining period of the seller sponsored loan;*

(3) *the reduced balance is 100 percent guaranteed under subdivision 1.*

Sec. 7. Minnesota Statutes 1984, section 41.59, subdivision 1, is amended to read:

Subdivision 1. [IMMEDIATE REPAYMENT OF LOAN.] Any ~~applicant~~ *applicant participant* who sells or conveys the property for which a family farm security loan was issued shall immediately retire the entire indebtedness still owed to the lender and the commissioner. The new owner may negotiate a family farm security loan in his own right, but under no circumstances may the original loan be assumed by the new owner. If the new owner is granted a family farm security loan, the new owner may agree to assume the original ~~applicant's~~ *applicant's participant's* responsibility to reimburse the commissioner for a payment adjustment received, as a portion of the total purchase price. That portion of the purchase price may not be included under the guarantee or considered when calculating the payment adjustment for the new owner. This subdivision is not intended to prohibit the ~~applicant~~ *applicant participant* from granting a security interest in the property for the purposes of securing an additional loan.

Any ~~applicant~~ *applicant participant* who fails to personally maintain the land covered by a family farm security loan in active agricultural production for a period of time longer than one year is in default. The default may be waived by the commissioner in the event of a physical disability or other extenuating circumstances.

Sec. 8. Minnesota Statutes 1984, section 41.61, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL ACCOUNT; STANDING APPROPRIATION.] There is created a special account in the state treasury for the purposes of financing the family farm security program.

The amount needed from time to time to pay lenders for defaulted loans and make other payments authorized by this chapter including *loans for defaulted loan payments under section 41.56, subdivision 3, paragraph (b), and insurance premiums and, taxes, repairs and maintenance costs, and sale expenses* on defaulted farms is appropriated from the special account to the commissioner. Money is also appropriated to the commissioner from the special account so that the commissioner may purchase the rights of first lienholders at mortgage foreclosure sales *and purchase United States department of agriculture commodity credit corporation loans for grain storage bins and silos.* The sum of all outstanding family farm security loans guaranteed by the commissioner at any time may not exceed \$100,000,000.

Sec. 9. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing for loan restructuring; extending the time for sales of defaulted property; allowing purchase of certain loans;"

Page 1, line 4, delete "16A.80, subdivision 2a;"

Page 1, line 6, after "3;" insert "41.58, by adding a subdivision;"

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

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

S.F. No. 1064: A bill for an act relating to local government; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition and betterment of a new fire hall; permitting participation by other local government units; providing for the debt limit of the city of McGregor.

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

Page 2, after line 35, insert:

"Sec. 4. Minnesota Statutes 1984, section 282.01, is amended by adding a subdivision to read:

Subd. 7b. [FOND DU LAC RESERVATION LANDS.] If a parcel of land subject to sale under sections 282.01 to 282.13 includes land within the Fond du Lac Indian reservation, the county auditor shall first offer the land to the Fond du Lac band of Chippewa Indians for sale at the appraised value. The cost of any survey or appraisal must be added to and made a part of the appraised value. To determine whether the band wants to buy the land, the county auditor shall give written notice to the band. If the band wants to buy the land, it shall submit a written offer to the county auditor within two weeks after receiving the notice. If the offer is for at least the appraised value, the county auditor shall accept it."

Page 3, delete lines 1 to 6 and insert:

"Sections 1 to 3 are effective the day following final enactment. Section 4 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Carlton county for land in Carlton county and by the governing body of St. Louis county for land in St. Louis county."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "McGregor" insert "; requiring land within the Fond du Lac Indian reservation to be offered for sale to the Fond du Lac band; amending Minnesota Statutes 1984, section 282.01, by adding a subdivision"

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

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

S.F. No. 1131: A bill for an act relating to the city of South St. Paul;

providing for the financing of certain public improvements.

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

Page 2, line 21, delete "LOCAL APPROVAL;"

Page 2, delete lines 22 to 24 and insert:

"This act is effective the day following final enactment."

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

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

S.F. No. 1485: A bill for an act relating to the city of South St. Paul; authorizing the expenditure of certain tax increments to pay costs of a combined storm-sanitary sewer separation project.

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

Page 1, line 21, delete "LOCAL APPROVAL" and insert "EFFECTIVE DATE"

Page 1, delete lines 22 to 24 and insert:

"This act is effective the day following final enactment."

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

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

S.F. No. 1499: A bill for an act relating to Goodhue county; permitting the county to levy a tax for the county historical society.

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

Page 1, line 7, delete "3-1/2" and insert "one-third"

Page 1, line 8, delete "mills" and insert "mill"

Page 1, delete lines 12 to 14 and insert:

"Sec. 2. [REVERSE REFERENDUM.]

If the Goodhue county board intends to exercise the authority provided by section 1 in subsequent years, it shall pass a resolution stating the fact before January 1, 1986. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution con-

firming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election prior to December 1, 1986.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after "society" insert "; imposing a reverse referendum requirement"

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

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

S.F. No. 925: A bill for an act relating to economic development; granting certain powers to municipalities; amending Minnesota Statutes 1984, sections 16B.61, subdivision 3; 273.73, subdivisions 9, 12, and by adding a subdivision; 273.74, subdivision 3; 273.75, subdivision 1; 273.76, subdivision 1; 458.16, by adding a subdivision; 462.352, subdivisions 5, 7, 9, 10, 15, and by adding a subdivision; 462.357, subdivision 1; 462.358, subdivision 2a; 472.08, subdivision 1; 472A.03; 474.02, by adding a subdivision; Laws 1980, chapter 595, section 3, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465; and proposing coding for new law as Minnesota Statutes, chapter 472B.

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 12, delete "472B.03" and insert "472B.01"

Page 2, line 20, after "methods" insert "and"

Page 3, line 13, delete "472B.04" and insert "472B.02"

Page 3, line 16, after the comma, insert "but only if the municipality has been granted authority to exercise the powers enumerated in chapter 458,"

Page 3, line 22, delete ", not withstanding any"

Page 3, line 23, delete "other law," and delete "by public or private"

Page 3, line 24, delete "sale"

Page 4, line 2, delete "substantially"

Page 4, line 10, after "117" insert "*, provided that any exercise of the right of eminent domain hereby conferred shall not be for the purpose of preventing the development, mining, and use of mineral resources*"

Page 4, line 18, delete "5" and insert "3"

Page 4, line 19, delete "472B.05" and insert "472B.03"

Page 5, line 2, delete "472B.06" and insert "472B.04"

Page 5, lines 3 and 7, delete "4 and 5" and insert "2 and 3"

Page 5, line 22, delete "472B.07" and insert "472B.05"

Page 5, line 29, delete "6" and insert "4"

Page 5, line 31, delete "472B.08" and insert "472B.06"

Page 5, line 33, delete "POLICY" and insert "DEPARTMENT OF NATURAL RESOURCES REVIEW" and delete "*The legislature finds that*"

Page 5, delete lines 34 to 36

Page 6, delete lines 1 to 5

Page 6, line 6, delete "*such existing space.*"

Page 6, line 13, after "well" insert "*and exploratory*"

Page 7, line 27, delete "7" and insert "5"

Page 10, after line 18, insert:

"Sec. 12. Minnesota Statutes 1984, section 273.75, is amended by adding a subdivision to read:

Subd. 8. [MINED UNDERGROUND SPACE DEVELOPMENT DISTRICT.] Revenue derived from tax increment from a mined underground space development district may be used only to pay for the costs of excavating the space, of providing public access to the mined underground space including roadways, and of installing utilities in the space."

Page 12, lines 7, 15, and 29, delete "7" and insert "5"

Page 13, lines 4, 17, and 34, delete "7" and insert "5"

Page 14, line 11, delete "7" and insert "5"

Page 16, line 7, delete "7" and insert "5"

Page 16, line 30, delete "8" and insert "6"

Page 18, line 34, delete "7" and insert "5"

Page 19, line 25, delete "7" and insert "5"

Page 20, line 17, after "any" insert "*real*"

Page 20, line 18, delete "*, real or personal,*"

Page 20, line 19, delete "7" and insert "5"

Page 21, line 10, delete "7" and insert "5"

Page 22, line 6, delete "7," and insert "5, or of" and delete "*and con-*

struction.”

Page 22, delete line 7

Page 22, line 8, delete “structures”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “1” insert “, and by adding a subdivision”

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

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

S.F. No. 107: A bill for an act relating to taxation; authorizing imposition of sales tax on lodging in towns and unorganized territories; amending Minnesota Statutes 1984, section 477A.018.

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

Page 1, line 15, strike “other use of space by a”

Page 1, line 16, strike “transient,” and insert “resort”

Page 1, line 17, after the period, insert “A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.”

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

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

S.F. No. 1110: A bill for an act relating to agriculture; restricting ownership of farm land by financial institutions; requiring lenders and farmers to review financial status before foreclosure; amending Minnesota Statutes 1984, sections 290.01, subdivision 20b; 500.24, subdivisions 2, 3, and 5; 580.02; proposing coding for new law in Minnesota Statutes, chapters 47, 581, and 582.

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

Page 1, line 17, before “A” insert “If” and delete “that”

Pages 2 to 6, delete section 2 and insert:

“Sec. 2. [290.491] [TAX ON GAIN; DISCHARGE IN BANKRUPTCY.]

Any tax due under this chapter on a gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be a dischargeable debt in a

bankruptcy proceeding under 11 U.S.C.A. 727."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for discharge in bankruptcy of income tax on certain gain;"

Page 1, line 5, delete "290.01,"

Page 1, line 6, delete "subdivision 20b;"

Page 1, line 8, after "47," insert "290,"

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

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

S.F. No. 910: A bill for an act relating to flood plain management; establishing a state flood hazard mitigation program to mitigate the damaging effects of floods on public and private properties; authorizing grants-in-aid to local government units for flood damage mitigation; appropriating money; amending Minnesota Statutes 1984, section 104.02; proposing coding for new law in Minnesota Statutes, chapter 104.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 104.02, is amended to read:

104.02 [DEFINITIONS.]

Subdivision 1. For the purposes of sections 104.01 to 104.07 the terms defined in this section have the meanings given them.

Subd. 2. "Regional flood" means a flood which is representative of large floods known to have occurred generally in Minnesota and reasonably characteristic of what can be expected to occur on an average frequency in the magnitude of the 100 year recurrence interval.

Subd. 3. "Flood plain" means the areas adjoining a watercourse or water basin which has been or hereafter may be covered by the regional flood.

Subd. 4. "Floodway" means the channel of the watercourse, and the bed of water basins, and those portions of the adjoining flood plains which are reasonably required to carry and discharge, and provide storage for the regional flood.

Subd. 5. "Flood fringe" means that portion of the flood plain outside of the floodway.

Subd. 6. "Local governmental unit" means a county or, statutory or home rule charter city, town, or watershed district.

Subd. 7. "Commissioner" means the commissioner of natural resources.

Subd. 8. "Structural measures" means physical actions taken to modify floods and flooding, including construction of dams, dikes, levees, and flood

bypass channels.

Subd. 9. "Nonstructural measures" means actions in flood plains designed to reduce the damaging effects of floods on existing and potential users of flood plains without physically altering the flood behavior. The measures may include public acquisition of flood plain lands, relocation of structures and facilities, floodproofing of essential facilities, flood warning systems, land use control ordinances, building codes, signs and notifications in regional flood areas, flood risk insurance, and public education.

Subd. 10. "Mitigation" means reducing the effects of floods through structural and nonstructural measures.

Sec. 2. [104.09] [FLOOD DAMAGE MITIGATION PLAN.]

Subdivision 1. [LOCAL GOVERNMENT UNIT.] Each local government unit may develop and implement a flood damage mitigation plan. If a comprehensive water plan is developed by the local government unit, the flood damage mitigation plan must be consistent with the comprehensive water plan. Each local government unit has the authority to:

(1) prepare and adopt a flood damage mitigation plan under this section; and

(2) exercise the powers necessary to implement the flood damage mitigation plan.

Subd. 2. [PLAN REQUIREMENTS.] A flood damage mitigation plan must include:

(1) the flood plain and shoreland management ordinances adopted and administered by the local governmental unit;

(2) the nature, causes, and extent of flooding and flood damages;

(3) the nature and extent of nonstructural measures presently used to prevent flooding;

(4) an evaluation of feasible, practical, and effective structural and non-structural methods and programs which could be implemented to mitigate the flood hazards;

(5) the financial capability of the local government to carry out flood hazard mitigation measures; and

(6) a disclosure of any funds from federal programs provided to local governments and applicable to mitigation efforts.

Subd. 3. [PLAN REVIEW.] The commissioner and state agencies shall review the flood mitigation plan and comment on the following elements:

(1) the feasibility, practicability, and effectiveness of the proposed mitigation measures and the associated nonflood related benefits and detriments;

(2) the recommended level of grant assistance that should be provided to the local government, based on available facts regarding the nature, extent, and severity of flood problems;

(3) the frequency of occurrence of severe flooding that has resulted in declaration of the area as a presidentially declared flood disaster area;

(4) the economic, social, and environmental benefits and detriments of the proposed mitigation measures;

(5) the nature and substance of existing flood plain and shoreland management ordinances and measures being implemented and administered by a local government unit;

(6) the financial capabilities of the local government to solve its flood hazard problems; and

(7) the estimated cost and method of financing of the proposed flood mitigation measures based on local funds and federal and state funding assistance.

Subd. 4. [APPROVAL.] The commissioner may require changes in the flood damage mitigation plan. The commissioner shall approve a flood damage mitigation plan after review and required changes, if any, are made.

Subd. 5. [STATE PROPERTY IN REGIONAL FLOOD AREAS.] (a) The commissioner, subject to availability of flood information, shall notify each state agency that may control or have jurisdiction over lands and facilities located within areas flooded by regional floods showing the extent of regional flooding by lists or maps.

(b) Each state agency occupying or using lands within areas flooded by regional floods as delineated by the commissioner shall prepare an inventory of all structures and facilities, except roads and bridges, located in the areas flooded by a regional flood, estimate the flood damage potential, and a proposed flood hazard mitigation plan that provides for the most feasible, practical, and effective flood mitigation measures for the structures and facilities. The inventory must be submitted to the county board where the areas are located. If a state agency receiving this notice does not have structures or facilities on lands located within the area flooded by a regional flood, the agency shall notify the commissioner.

Sec. 3. [104.095] [GRANTS TO LOCAL GOVERNMENT UNITS.]

The commissioner, after consultation with state agencies, shall make flood damage mitigation planning and implementation grants to local government units. The commissioner shall allocate the planning grants to local government units requesting grants based on the amount of flood damage occurring in each local government unit. The commissioner, after consultation with state agencies, shall make grants to local government units for implementation of flood damage mitigation plans, after approval of the flood damage mitigation plan according to statewide priorities established by rule.

Sec. 4. [REPORT.]

The state planning agency shall make a report on consolidation of state agencies controlling water resources. The report must designate a lead agency and provide for a governing board. At least two-thirds of the members of the board must be locally elected officials from throughout the state.

Sec. 5. [INVENTORY OF FLOOD-PRONE STRUCTURES.]

The commissioner of natural resources shall make an inventory of flood-prone structures. The inventory shall be made in cooperation with other federal, state, and local agencies. The inventory must be completed by De-

ember 31, 1985, and submitted to the senate agriculture and natural resources committee and house environment and natural resources committee.

Sec. 6. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the commissioner of natural resources for planning grants under section 2.

\$_____ is appropriated from the general fund to the commissioner of natural resources to make an inventory of flood-prone structures. The complement of the department of natural resources is increased by six positions.

Sec. 7. [EFFECTIVE DATE.]

This act is effective July 1, 1985.

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

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

S.F. No. 776: A bill for an act relating to health; requiring the commissioner of health to develop programs for the promotion of nonsmoking; providing for tax increase on cigarettes; prohibiting the free distribution of cigarettes; raising the cigarette tax; appropriating money; amending Minnesota Statutes 1984, sections 297.02, by adding a subdivision; 297.03, subdivisions 5 and 10; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding subdivisions; and 297.35, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 124, 144, and 145.

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

Page 4, line 16, delete "3.5" and insert "11.5" and delete everything after "mills" and insert "minus the tax, not to exceed eight mills, imposed by United States Code, title 26, section 5701, as amended."

Page 4, line 17, delete "shall be 7.5 mills"

Page 4, line 19, delete "7" and insert "8" and delete everything after "mills"

Page 4, line 20, delete "shall be 15 mills"

Page 4, delete section 8

Page 5, line 19, after the stricken "one-half" insert "3.8"

Page 5, lines 20 and 21, reinstate the stricken language

Page 5, line 22, delete the new language

Page 5, delete lines 23 to 25

Page 5, line 26, delete "times .5 mills"

Page 6, line 1, delete "August" and insert "November"

Page 6, line 3, delete "3.5" and insert "4"

Page 6, line 6, delete everything after the period

Page 6, delete lines 7 to 9

Page 7, line 29, delete "July" and insert "October"

Page 7, line 30, delete "five" and insert "7.5"

Page 7, line 31, delete everything after the period

Page 7, delete line 32

Page 7, line 35, delete "July" and insert "October"

Page 8, line 1, delete "five" and insert "7.5"

Page 8, line 2, delete everything after the period

Page 8, delete line 3

Page 8, after line 28, insert:

"Sec. 17. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES AND LITTLE CIGARS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of cigarettes at the rate imposed under section 7 on cigarettes and little cigars in his possession or under his control at 12:01 o'clock a.m. on October 1, 1985.

Each distributor, on or before October 20, 1985, shall file a report with the commissioner, in such form as the commissioner may prescribe, showing the tobacco products on hand at 12:01 o'clock a.m. on October 1, 1985, and the amount of tax due thereon.

The tax imposed by this section less the discount provided in section 297.03, subdivision 5, shall be due and payable on or before November 20, 1985, and thereafter shall bear interest at the rate of one percent per month.

Subd. 2. [TOBACCO PRODUCTS.] A floor stocks tax is hereby imposed upon every person engaged in business in this state as a distributor of tobacco products, at the rate imposed under section 13 of the wholesale sales price of each tobacco product in his possession or under his control at 12:01 o'clock a.m. on October 1, 1985.

Each distributor, on or before October 20, 1985, shall file a report with the commissioner, in such form as the commissioner may prescribe, showing the tobacco products on hand at 12:01 o'clock a.m. on October 1, 1985, and the amount of tax due thereon.

The tax imposed by this section less the discount provided in section 297.35, subdivision 1, shall be due and payable on or before November 20, 1985, and thereafter shall bear interest at the rate of one percent per month."

Page 8, lines 31 and 35, delete "10" and insert "9"

Page 9, after line 5, insert:

"Sec. 20. [EFFECTIVE DATE.]

Sections 7, 10, 11, 12, 13, 14, and 17 are effective October 1, 1985, and

apply to cigarettes, tobacco products, and little cigars in the possession of distributors, as defined in Minnesota Statutes, section 297.01, subdivision 7, on the effective date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "subdivisions 5 and" and insert "subdivision"

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

Mr. Spear from the Committee on Judiciary, to which were referred the following appointments as reported in the Journal for January 31, 1985:

BOARD ON JUDICIAL STANDARDS

Hy Applebaum
Janna Roderick Merrick
Raul O. Salazar
James J. Schumacher

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for March 25, 1985:

BOARD ON JUDICIAL STANDARDS

Miriam Lee

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 116, 1458, 1414, 1450, 1064, 1131, 1485, 1499, 925, 107 and 1110 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 268, 1150 and 35 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Ramstad moved that the name of Mr. Merriam be added as a co-author to S.F. No. 348. The motion prevailed.

Mr. Petty moved that the name of Mr. Freeman be added as a co-author to S.F. No. 607. The motion prevailed.

Mr. Nelson introduced—

Senate Resolution No. 74: A Senate resolution commending the Austin

High School Orchestra for being selected as a program of excellence by the Commissioner of Education.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. moved that S.F. 472 be taken from the table. The motion prevailed.

S.F. No. 472: A bill for an act relating to taxation; discontinuing enforcement of the unfair cigarette sales act; modifying certain procedures relating to taxpayer appeals; requiring apportionment of levies in specific situations; clarifying the calculation of property tax credits; clarifying the tax treatment of certain pipelines; modifying provisions relating to the payment of property taxes; allowing for sales of sample packs of cigarettes containing 25 cigarettes; altering the eligibility for confessions of judgment; providing for the recording of state deeds; modifying the deed stamp tax procedure; clarifying the computation of gross earnings tax for taconite railroads; clarifying labor credit provisions; modifying the taconite production tax distribution; reducing occupation and royalty tax rates for certain ore; clarifying process of taconite aid guarantee phase out; requiring payment of current taxes before conveyance of registered land; allowing for memorializing of state deeds on certificates of title; amending Minnesota Statutes 1984, sections 270.06; 270.076, subdivision 2; 270.11, subdivision 7; 270.12, subdivision 3; 272.02, subdivision 1; 273.123, subdivision 5; 273.13, subdivision 4; 273.138, subdivision 5; 273.33, subdivisions 1 and 2; 279.01, subdivision 1; 279.37, subdivision 1; 282.01, subdivision 6; 282.014; 282.301; 282.33, subdivision 1; 282.36; 287.25; 294.22; 297.03, subdivision 10; 298.01, subdivision 1; 298.02, subdivision 1; 298.225; 298.28, subdivision 1; 299.01, subdivision 1; 299.012, subdivision 1; 473H.10, subdivision 3; 508.47, subdivision 4; 508.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1984, sections 298.01, subdivision 2; 299.01, subdivision 2; 325D.41; and 477A.04.

Mr. Johnson, D.J. moved that the Senate do not concur in the amendments by the House to S.F. No. 472, 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.

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 779: A bill for an act relating to taxation; changing certain income tax provisions relating to corporations; amending Minnesota Statutes 1984, sections 290.95, subdivision 1; 290.391; and 290.42.

Mr. Sieloff moved to amend H.F. No. 779, as amended pursuant to Rule 49, adopted by the Senate April 17, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 822.)

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1984, section 290.01, subdivision 20b, is

amended to read:

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

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

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

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

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, or (iii) severance pay distributed to an individual upon discontinuance of the individual's employment due to termination of business operations by the individual's employer, provided that the termination is reasonably likely to be permanent, involves the discharge of at least 75 percent of the employees at that site within a one-year period, and the business is not acquired by another person who continues operations at that site. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's

federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. For purposes of the preceding sentence, "federal adjusted gross income" shall not include railroad retirement or social security benefit amounts provided in sections 86 and 72(r) of the Internal Revenue Code of 1954. For purposes of this clause, "severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

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

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

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

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

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

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

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

(14) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This

exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

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

(16) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause (17). The provisions of this clause shall apply before the provisions of clause (6) apply and an amount subtracted under this clause may not be subtracted under clause (6);

(17) To the extent included in federal adjusted gross income, distributions from an individual retirement account which represent a return of contributions if the contributions were included in gross income pursuant to subdivision 20a, clause (16). The distribution shall be allocated first to return of contributions included in gross income until the amount of the contributions has been exhausted; and

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

(19) To the extent included in federal adjusted gross income, the portion of any gain attributable to the discharge of indebtedness relating to a family farm, but if the gain is long-term capital gain for federal income tax purposes, the modification is limited to 40 percent of the portion of the gain. This modification does not apply to any cash proceeds distributed to the taxpayer after discharge of the debt. For purposes of this clause, "family farm" means the business of agriculture that the taxpayer, the taxpayer's spouse, or a person related to the taxpayer or the taxpayer's spouse within the third degree of kindred, resides on the property or is actively engaged in the operation of the business, and includes any dwellings located on the property. "Agriculture" means the production of livestock, dairy animals or

dairy products, poultry or poultry products, fur-bearing animals, horticultural and nursery stock that is covered by sections 18.44 to 18.61, fruit, vegetables, forage, grain, and bees and apiary products."

Page 2, after line 8, insert:

"Sec. 3. Minnesota Statutes 1984, section 290.16, is amended by adding a subdivision to read:

Subd. 17. [GAIN RELATING TO DISCHARGE OF FARM INDEBTEDNESS.] Gain is not recognized due to discharge of indebtedness relating to a family farm corporation or an authorized farm corporation, except to the extent of any cash proceeds distributed to the corporation after discharge of the debt. For purposes of this subdivision, "family farm corporation" and "authorized farm corporation" have the meanings given them in section 500.24, subdivision 2, except that the term "farming" as used in those definitions shall include the activities listed in section 290.01, subdivision 20b, clause (19)."

Page 5, line 3, before "Section" insert "Sections 1 and 3 are effective for taxable years beginning after December 31, 1980. In addition to the regular prescribed time for filing, amended returns may be filed pursuant to sections 1 and 3 for one year after the date of enactment of this act, notwithstanding any other law to the contrary." and delete "1" and insert "2"

Page 5, line 4, delete "2" and insert "4"

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for nonrecognition of gain from the discharge of farm indebtedness in certain circumstances;"

Page 1, line 4, after "sections" insert "290.01, subdivision 20b;"

Page 1, line 5, after "1," insert "290.16, by adding a subdivision;"

CALL OF THE SENATE

Mr. Sieloff imposed a call of the Senate for the vote on his amendment. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 779 was then progressed.

SPECIAL ORDER

H.F. No. 863: A bill for an act relating to transportation; specifying the method of payment for landscape contractors providing goods or services to the department of transportation; amending Minnesota Statutes 1984, section 161.32, 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 50 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Laidig	Olson	Renneke
Belanger	Frank	Langseth	Pehler	Samuelson
Benson	Frederick	Lessard	Peterson, C.C.	Schmitz
Berglin	Frederickson	Luther	Peterson, D.C.	Spear
Bernhagen	Freeman	McQuaid	Peterson, D.L.	Storm
Bertram	Isackson	Mehrkens	Petty	Stumpf
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	Taylor
Davis	Jude	Moe, R. D.	Purfeerst	Vega
DeCramer	Knutson	Nelson	Ramstad	Waldorf
Dicklich	Kronebusch	Novak	Reichgott	Willett

Mrs. Lantry voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 921: A bill for an act relating to consumer protection; regulating prepayments of certain funeral and burial goods and services; amending Minnesota Statutes 1984, section 149.11.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 399: A bill for an act relating to education; requiring exchange or compensation to the permanent school fund for land in state parks and way-sides; requiring an inventory of other permanent school fund lands; stating the goal of the permanent school fund; proposing coding for new law in Minnesota Statutes, chapters 92 and 120.

Mr. Pehler moved to amend H.F. No. 399, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 377.)

Amend the title as follows:

Page 1, line 2, delete "or" and insert "of"

Page 1, line 3, delete "compensation to the" and delete "for"

The motion prevailed. So the amendment was adopted.

H.F. No. 399 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Nelson	Spear
Anderson	Dicklich	Knutson	Olson	Storm
Belanger	Diessner	Kroening	Pehler	Stumpf
Benson	Frank	Kronebusch	Peterson, C.C.	Taylor
Berg	Frederick	Langseth	Peterson, D.C.	Vega
Bernhagen	Frederickson	Lantry	Peterson, D.L.	Waldorf
Bertram	Freeman	Lessard	Ramstad	Wegscheid
Brataas	Isackson	Luther	Reichgott	Willet
Chmielewski	Johnson, D.E.	McQuaid	Renneke	
Dahl	Jude	Mehrkens	Samuelson	
Davis	Kamrath	Moe, R. D.	Schmitz	

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

SPECIAL ORDER

H.F. No. 507: A bill for an act relating to Hennepin county; setting the form in which county board members' salaries must be stated; amending Laws 1982, chapter 577, section 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 39 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kamrath	Novak	Schmitz
Anderson	Frederick	Knaak	Olson	Storm
Belanger	Frederickson	Knutson	Pehler	Stumpf
Bernhagen	Freeman	Kronebusch	Peterson, D.L.	Taylor
Bertram	Hughes	Laidig	Peterson, R.W.	Vega
Chmielewski	Isackson	Lessard	Ramstad	Waldorf
Dahl	Johnson, D.E.	McQuaid	Reichgott	Wegscheid
Diessner	Jude	Mehrkens	Renneke	

Those who voted in the negative were:

Davis	Lantry	Nelson	Pogemiller	Willet
DeCramer	Luther	Peterson, C.C.	Samuelson	
Kroening	Moe, R. D.	Peterson, D.C.	Spear	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1404: A bill for an act relating to Dakota county; permitting electronic funds transfers.

Mr. Wegscheid moved to amend S.F. No. 1404 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, 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.~~

Sec. 2. [385.071] [ELECTRONIC FUNDS TRANSFER.]

Electronic funds transfer is the process of value exchange via mechanical means without the use of checks, drafts, or similar negotiable instruments. Notwithstanding any other law to the contrary, a county may make electronic funds transfers for investment purposes and for all county expenditures. The county board shall establish policies and procedures for investment and expenditure transactions via electronic funds transfer.”

Delete the title and insert:

“A bill for an act relating to local government; expanding the authority of counties to make electronic funds transfers; amending Minnesota Statutes 1984, section 385.07; and proposing coding for new law in Minnesota Statutes, chapter 385.”

The motion prevailed. So the amendment was adopted.

S.F. No. 1404 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1291: A bill for an act relating to the town of Harmony; allocating money from state transfer funds to replace bridge.

Was read the third time 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:

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

So the bill passed and its title was agreed to:

SPECIAL ORDER

H.F. No. 1570: A bill for an act relating to agriculture; creating an exception to the corporate farming law; amending Minnesota Statutes 1984, section 500.24, 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1411: A bill for an act relating to local government; permitting a home rule or statutory city to contribute to a community seed capital fund; proposing coding for new law in Minnesota Statutes, chapter 465.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 30 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Langseth	Peterson, D. C.	Spear
Benson	Dicklich	Lessard	Pogemiller	Stumpf
Bertram	Freeman	Luther	Reichgott	Vega
Chmielewski	Hughes	Moe, D. M.	Samuelson	Waldorf
Dahl	Johnson, D. J.	Pehler	Schmitz	Wegscheid
Davis	Kroening	Peterson, C. C.	Solon	Willet

Those who voted in the negative were:

Anderson	Diessner	Johnson, D.E.	Lantry	Renneke
Belanger	Frank	Kamrath	McQuaid	Storm
Berg	Frederick	Knaak	Mehrkens	Taylor
Bernhagen	Frederickson	Kronebusch	Peterson, D.L.	
Brataas	Isackson	Laidig	Peterson, R.W.	

So the bill failed to pass.

RECESS

Mr. Hughes moved that the Senate do now recess until 1:45 p.m. The motion prevailed.

The hour of 1:45 p.m. having arrived, the President called the Senate to order.

SPECIAL ORDER

S.F. No. 1358: A bill for an act relating to local government; providing for the maintenance of town cartways; amending Minnesota Statutes 1984, section 164.08, by adding a subdivision.

Mr. Frederickson moved to amend S.F. No. 1358 as follows:

Page 1, lines 10, 11, 14, 15, 22; 23, and 25, before " *property*" insert "*private*"

Page 1, line 23, after the period, insert "*The town board's decision may be appealed within 30 days to the county court of the county in which the cartway is located.*"

Page 1, line 24, before "*Property*" insert "*Private*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1358 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 39 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Knutson	Peterson, D.C.	Spear
Belanger	Frederickson	Lantry	Peterson, D.L.	Storm
Benson	Freeman	Lessard	Peterson, R.W.	Stumpf
Berg	Hughes	Luther	Pogemiller	Taylor
Bernhagen	Isackson	Mehrkens	Purfeerst	Waldorf
Chmielewski	Jude	Moe, R. D.	Reichgott	Wegscheid
Davis	Kamrath	Pehler	Schmitz	Willet
DeCramer	Knaak	Peterson, C.C.	Sieloff	

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

SPECIAL ORDER

S.F. No. 863: A bill for an act relating to commerce; modifying the definition of credit card to include other types of instruments; prescribing criminal penalties for financial transaction card fraud; amending Minnesota Statutes 1984, sections 325G.02, subdivisions 2 and 4; 325G.03; 325G.04;

325G.041; 325G.05; 609.52, subdivisions 1 and 2; and 609.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

Ms. Reichgott moved to amend S.F. No. 863 as follows:

Page 1, lines 22 and 23, delete "*on credit*"

Page 5, line 24, delete "*on credit*"

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend S.F. No. 863 as follows:

Page 2, line 12, after the period insert "*Signing or using a card is not acceptance if those acts were performed under duress as defined under section 609.08.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 863 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:

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

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

SPECIAL ORDER

S.F. No. 1308: A bill for an act relating to Olmsted county; providing for sales, leases, and conveyances; providing certain exceptions to public bidding requirements.

Mr. Benson moved to amend S.F. No. 1308 as follows:

Page 2, after line 36, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 1308 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Peterson, R.W. voted in the negative.

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

SPECIAL ORDER

S.F. No. 1208: A bill for an act relating to the city of Gaylord; authorizing the issuance of general obligation bonds to finance the acquisition and betterment of municipal buildings.

Mr. Renneke moved to amend S.F. No. 1208, as follows:

Page 2, line 12, delete "[LOCAL APPROVAL.]" and insert "[EFFECTIVE DATE.]"

The motion prevailed. So the amendment was adopted.

S.F. No. 1208 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 615: A bill for an act relating to Lake of the Woods county; authorizing the issuance of bonds for the construction of jetties and related public improvements; and authorizing the levy of special assessments.

Was read the third time 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1249: A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; appropriating money; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.14, subdivision 1; 240.15, subdivisions 5 and 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.24; 240.25, subdivisions 1 and 4; 240.29; 541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02.

Mr. Benson moved to amend S.F. No. 1249 as follows:

Page 8, after line 32, insert:

“Sec. 15. [240.145] [QUARTER HORSE RACES.]

Subdivision 1. [ASSIGNMENTS.] The commission shall assign a minimum of 30 days of quarter horse races each year to each class A licensee. Assignments of quarter horse races must be made by July 1, 1986, except that these races may be assigned after that date to a licensee whose license is issued after that date. Each class A licensee must declare and schedule the number of quarter horse races assigned by the commission.

Subd. 2. [HEARING.] The commission shall hold a public hearing before it:

- (1) makes an assignment of quarter horse races;*
- (2) revises the assignment during the year; or*
- (3) assigns quarter horse races to a licensee whose license is issued after the initial assignment.*

Subd. 3. [PENALTY.] The commission shall revoke a class A license for failure on the part of the licensee to declare and schedule the number of

quarter horse races assigned by the commission."

Page 14, line 19, delete "27" and insert "28"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon, insert "requiring assignment of quarter horse racing days;"

Page 1, line 14, before "repealing" insert "proposing coding for new law in Minnesota Statutes, chapter 240;"

CALL OF THE SENATE

Mr. Purfeerst imposed a call of the Senate for the proceedings of S.F. No. 1249. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Benson amendment.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Johnson, D.E.	Kronebusch	Sieloff
Benson	Dicklich	Jude	Laidig	Storm
Berg	Diessner	Kamrath	McQuaid	Taylor
Bernhagen	Frederickson	Knaak	Pehler	Waldorf
Bertram	Gustafson	Knutson	Ramstad	
Brataas	Isackson	Kroening	Renneke	

Those who voted in the negative were:

Adkins	Frank	Mehrrens	Peterson, D.L.	Solon
Belanger	Freeman	Moe, D. M.	Peterson, R. W.	Spear
Berglin	Hughes	Moe, R. D.	Pogemiller	Stumpf
Dahl	Langseth	Novak	Purfeerst	Vega
Davis	Lantry	Olson	Reichgott	Wegscheid
DeCramer	Lessard	Peterson, C.C.	Samuelson	Willet
Dieterich	Luther	Peterson, D.C.	Schmitz	

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

S.F. No. 1249 was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

Was read the third time 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 1, as follows:

Those who voted in the affirmative were:

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

Ms. Olson voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1220: A bill for an act relating to the city of Wadena; permitting the establishment of a port authority.

Was read the third time 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 11, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kronebusch	Olson	Schmitz
Anderson	Frederick	Laidig	Pehler	Sieloff
Belanger	Frederickson	Langseth	Peterson, C.C.	Solon
Bernhagen	Freeman	Lantry	Peterson, D.C.	Storm
Bertram	Gustafson	Lessard	Peterson, D.L.	Stumpf
Brataas	Hughes	Luther	Pogemiller	Vega
Chmielewski	Isackson	McQuaid	Purfeerst	Wegscheid
Dahl	Johnson, D.E.	Mehrrens	Ramstad	Willet
Davis	Jude	Moe, D. M.	Reichgott	
Dicklich	Kamrath	Moe, R. D.	Renneke	
Diessner	Knutson	Novak	Samuelson	

Those who voted in the negative were:

Benson	DeCramer	Knaak	Merriam	Spear
Berg	Dieterich	Kroening	Peterson, R.W.	Waldorf
Berglin				

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 616: A bill for an act relating to the city of Warroad; permitting

the establishment of a port authority.

Was read the third time 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 9, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Kronebusch	Novak	Renneke
Anderson	Frederickson	Laidig	Olson	Samuelson
Belanger	Freeman	Langseth	Pehler	Schmitz
Bernhagen	Gustafson	Lantry	Peterson, C.C.	Sieloff
Bertram	Hughes	Lessard	Peterson, D.C.	Storm
Chmielewski	Isackson	Luther	Peterson, D.L.	Stumpf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Vega
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Waldorf
Diessner	Jude	Moe, D. M.	Ramstad	Wegscheid
Frank	Knutson	Moe, R. D.	Reichgott	Willet

Those who voted in the negative were:

Benson	Berglin	Knaak	Merriam	Spear
Berg	DeCramer	Kroening	Peterson, R.W.	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 904: A bill for an act relating to the city of Red Wing; granting the city of Red Wing the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Mr. Wegscheid moved to amend S.F. No. 904 as follows:

Page 1, line 14, after "Red Wing" insert "and the city of Hastings"

Page 1, line 16, after "3," insert "each"

Page 1, line 23, delete "the" and insert "a"

Page 1, line 24, delete the first "the" and insert "that"

Page 2, line 21, after "city" delete "of"

Page 2, line 22, delete "Red Wing"

Page 3, line 25, after "Wing" insert "or the city of Hastings"

Page 4, line 20, after "effective" insert "for the city of Red Wing"

Page 4, after line 22, insert:

"This act is effective for the city of Hastings the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Hastings."

Amend the title as follows:

Page 1, line 2, delete "the city of Red Wing" and insert "local govern-

ment”

Page 1, line 2, delete “city” and insert “cities”

Page 1, line 3, after “Red Wing” insert “and Hastings”

Page 1, line 4, delete the first “the” and insert “each”

Page 1, line 6, delete “city” and insert “cities”

Page 1, line 8, delete the first “the” and insert “each”

The motion prevailed. So the amendment was adopted.

S.F. No. 904 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 45 and nays 10; as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	McQuaid	Pogemiller
Anderson	Frank	Knaak	Mehrkens	Ramstad
Belanger	Frederick	Knutson	Moe, D. M.	Reichgott
Bernhagen	Freeman	Kronebusch	Novak	Renneke
Bertram	Hughes	Laidig	Olson	Schmitz
Brataas	Isackson	Langseth	Pehler	Storm
Chmielewski	Johnson, D.E.	Lantry	Peterson, C.C.	Vega
Dahl	Johnson, D.J.	Lessard	Peterson, D.C.	Wegscheid
Davis	Jude	Luther	Peterson, D.L.	Willet

Those who voted in the negative were:

Benson	Berglin	Dieterich	Merriam	Spear
Berg	DeCramer	Kroening	Peterson, R.W.	Waldorf

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

SPECIAL ORDER

S.F. No. 1447: A bill for an act relating to the city of Breckenridge; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

Was read the third time 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 10, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Knutson	Mehrkens	Ramstad
Anderson	Freeman	Kronebusch	Moe, D. M.	Reichgott
Belanger	Hughes	Laidig	Nelson	Renneke
Bernhagen	Isackson	Langseth	Novak	Schmitz
Bertram	Johnson, D.E.	Lantry	Pehler	Solon
Dahl	Johnson, D.J.	Lessard	Peterson, C.C.	Vega
Davis	Jude	Luther	Peterson, D.C.	Wegscheid
Frank	Kamrath	McQuaid	Peterson, D.L.	Willet

Those who voted in the negative were:

Benson	Berglin	Knaak	Merriam	Spear
Berg	DeCramer	Kroening	Peterson, R.W.	Waldorf

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 721: A bill for an act relating to the city of Plymouth; permitting the establishment of a port authority; amending Laws 1984, chapter 397, 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 42 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Freeman	Langseth	Pehler	Sieloff
Anderson	Hughes	Lantry	Peterson, C.C.	Solon
Belanger	Isackson	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Johnson, D.J.	Luther	Peterson, D.L.	Vega
Bertram	Jude	McQuaid	Pogemiller	Wegscheid
Davis	Kamrath	Mehrckens	Ramstad	Willet
Diessner	Knutson	Nelson	Reichgott	
Frank	Kronebusch	Novak	Renneke	
Frederick	Laidig	Olson	Schmitz	

Those who voted in the negative were:

Benson	DeCramer	Kroening	Moe, D.M.	Spear
Berg	Knaak	Merriam	Peterson, R.W.	Waldorf
Berglin				

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1398: A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66, subdivision 1; and 475.76, subdivision 1.

Mr. Wegscheid moved to amend S.F. No. 1398 as follows:

Page 3, line 9, delete "*may sell*"

Page 3, line 10, delete "*authorize*" and strike "*to*" and insert "*may*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1398 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

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

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 274: A bill for an act relating to crimes; defining "dangerous weapon" to include flammable liquids; amending Minnesota Statutes 1984, section 609.02, 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 48 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, D.M.	Schmitz
Anderson	Dicklich	Knutson	Moe, R.D.	Sieloff
Belanger	Dieterich	Kroening	Pehler	Spear
Benson	Frank	Kronebusch	Peterson, C.C.	Storm
Berglin	Freeman	Laidig	Peterson, D.C.	Stumpf
Bernhagen	Hughes	Langseth	Peterson, R.W.	Waldorf
Bertram	Isackson	Lantry	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Luther	Purfeerst	Willet
Dahl	Jude	McQuaid	Ramstad	
Davis	Kamrath	Merriam	Reichgott	

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1087: A bill for an act relating to drainage; authorizing the construction of roads rather than bridges or culverts in certain instances; amending Minnesota Statutes 1984, section 106.471, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 106.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 446: A bill for an act relating to real estate; providing conditions for certain transportation department land sales; providing conditions for certain county land sales; amending Minnesota Statutes 1984, sections

161.23, subdivision 2, and by adding subdivisions; and 373.01, subdivision 1.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1234: A bill for an act relating to the city of Saint Paul; permitting the city to issue temporary on-sale wine licenses to nonprofit charitable, religious, or veterans organizations.

Mr. Peterson, R.W. moved to amend S.F. No. 1234 as follows:

Page 1, line 18, delete "*only on any days of the week*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1234 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:

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

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

SPECIAL ORDER

H.F. No. 245: A bill for an act relating to crimes; clarifying elements of the crime of depriving another of custodial or parental rights; amending Minne-

sota Statutes 1984, section 609.26, subdivisions 1 and 2.

Ms. Berglin moved to amend H.F. No. 245, as amended pursuant to Rule 49, adopted by the Senate April 11, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 802.)

Page 2, after line 29, insert:

“Sec. 3. [STUDY REQUIRED.]

The state planning agency shall study and report to the legislature with a plan to assure that comprehensive prenatal care is available to all pregnant women. In preparing this report, the agency shall consult with consumers, health care providers, and other interested persons. The agency shall report to the legislature by October 1, 1985.”

Page 2, line 30, delete “3” and insert “4”

Amend the title as follows:

Page 1, line 2, delete “crimes” and insert “children”

Page 1, line 3, after the semicolon, insert “requiring a study and a plan to provide comprehensive prenatal care;”

The motion prevailed. So the amendment was adopted.

H.F. No. 245 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 650: A bill for an act relating to crimes; increasing the penalty for an offense committed against a transit provider or operator when violence or a threat of violence is not involved; amending Minnesota Statutes 1984, section 609.855, subdivisions 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 315: A bill for an act relating to local government; removing the restriction on the number of mills certain towns may levy to provide fire protection for special fire protection districts; amending Minnesota Statutes 1984, section 368.85, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1113: A bill for an act relating to state lands; authorizing conveyance by commissioner of transportation of certain state lands for historical preservation purposes.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1190: A bill for an act relating to housing; providing for local and regional review and comment on housing programs; extending interest reduction program; ratifying the Minneapolis/St. Paul housing finance board established under a joint powers agreement; clarifying tax status of public housing property managed by the Minneapolis community development agency; amending Minnesota Statutes 1984, sections 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a and 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462C; repealing Minnesota Statutes 1984, sections 462.445, subdivision 13; and 462C.09, subdivision 2.

Mr. Pehler moved to amend S.F. No. 1190 as follows:

Page 11, line 24, after "11." insert "[272.026]" and delete "MINNEAPOLIS"

Page 11, line 25, delete "COMMUNITY DEVELOPMENT" and insert "A HOUSING REDEVELOPMENT AUTHORITY OR PUBLIC HOUSING"

Page 11, line 27, delete "*the Minneapolis community*"

Page 11, line 28, delete "*development*" and insert "*a housing redevelopment authority or public housing*"

Page 11, lines 29 and 35, delete "*Minnesota Statutes,*"

Page 11, line 30, after "*the*" insert "*authority or*"

Page 11, line 32, after "*the*" insert "*authority or*"

Page 12, line 1, delete "*Minnesota Statutes,*"

Amend the title as follows:

Page 1, line 7, delete "the Minneapolis"

Page 1, line 8, delete "community development" and insert "a housing redevelopment authority or public housing"

Page 1, line 14, delete "chapter" and insert "chapters 272 and"

The motion prevailed. So the amendment was adopted.

S.F. No. 1190 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 86: A bill for an act relating to agriculture; changing requirements for certain adulterated milk or cream; providing a penalty; amending Minnesota Statutes 1984, section 32.21.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 944: A bill for an act relating to education; authorizing the sale of computers and related products by the state university board, state board for community colleges, and state board of vocational technical education; requiring contracts with private vendors for service, maintenance, and support; amending Minnesota Statutes 1984, sections 136.24; and 136C.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes 1984, chapter 136.

Mr. Kamrath moved to amend S.F. No. 944 as follows:

Page 1, line 25, delete "a" and delete "vendor" and insert "vendors, in areas in which state universities are located,"

Page 2, line 4, delete "a" and delete "vendor" and insert "vendors, in areas in which community colleges are located,"

Page 2, line 12, delete "a" and delete "vendor" and insert "vendors, in areas in which area vocational technical institutes are located,"

Amend the title as follows:

Page 1, line 6, after "vendors" insert ", in the areas of the institutions,"

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

S.F. No. 944 was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 468: A bill for an act relating to state departments and agencies; clarifying the duties of the state demographer; amending Minnesota Statutes 1984, sections 275.14; 368.01, subdivision 1a; and 368.015.

Was read the third time 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 14, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Novak	Storm
Anderson	Diessner	Langseth	Peterson, D.C.	Stumpf
Benson	Frederickson	Lantry	Peterson, D.L.	Vega
Berglin	Freeman	Lessard	Peterson, R.W.	Waldorf
Bernhagen	Hughes	Luther	Pogemiller	Wegscheid
Brataas	Johnson, D.J.	Merriam	Reichgott	Willet
Chmielewski	Jude	Moe, D.M.		
Dahl	Kamrath	Moe, R.D.	Solon	
DeCramer	Knaak	Nelson	Spear	

Those who voted in the negative were:

Bertram	Frederick	McQuaid	Purfeerst	Sieloff
Dieterich	Isackson	Olson	Ramstad	Taylor
Frank	Knutson	Peterson, C.C.	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1193: A bill for an act relating to corrections; updating the recordkeeping systems of jails and lockups; amending Minnesota Statutes 1984, sections 641.05; and 642.07.

Ms. Berglin moved to amend the amendment placed on H.F. No. 1193 by the Committee on Health and Human Services, adopted by the Senate April 18, 1985, as follows:

Section 1, subdivision 1, fourth line, delete "shall" and insert "may, within the limits of available money,"

Subdivision 2, first paragraph, after "providing" insert " , within the limits of available money,"

The motion prevailed. So the amendment was adopted.

H.F. No. 1193 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 602: A bill for an act relating to alcoholic beverages; allowing certain extensions of credit; amending Minnesota Statutes 1984, sections 340.031, subdivision 2; and 340.405.

Was read the third time 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:

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

Mr. Knutson voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 698: A bill for an act relating to intoxicating liquor; authorizing the city of North Mankato to issue one short-term, on-sale liquor license.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 580: A bill for an act relating to economic development; providing for the election of certain community development corporation directors; amending Minnesota Statutes 1984, section 116M.04, 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 658: A bill for an act relating to wild animals; altering certain provisions regarding taking and possession, and penalties related thereto; amending Minnesota Statutes 1984, sections 97.55, subdivision 16; 98.46, subdivision 5; 98.52, by adding a subdivision; and 100.29, subdivision 8; repealing Minnesota Statutes 1984, section 97.55, subdivision 4.

Mr. Willet moved to amend S.F. No. 658 as follows:

Page 3, after line 5, insert:

“Sec. 4. Minnesota Statutes 1984, section 100.273, subdivision 6, is amended to read:

Subd. 6. No person shall erect “no hunting”, “no trapping”, “no fishing”, “no trespassing”, or other signs prohibiting trespass upon any lands or waters in which he has no right, title, interests, or license. The owner, occupant, or lessee of any private land, or a duly constituted legal authority of public land, may erect signs prohibiting trespassing, hunting, trapping, or fishing if the signs bear letters not less than two inches high, are signed by the owner, occupant, or lessee, and are posted at intervals of not more than 1000 feet upon the boundaries of the area so protected, *or in a wooded area where boundary lines are not clear, at intervals of not more than 500 feet.*

Sec. 5. Minnesota Statutes 1984, section 100.273, subdivision 9, is amended to read:

Subd. 9. (a) Violation of any provision of this section is a misdemeanor, *except as provided in paragraph (b).*

(b) *A person is guilty of a gross misdemeanor who: (1) knowingly disregards signs prohibiting trespass, (2) trespasses after personally being notified by the landowner or lessee not to trespass, or (3) is convicted of violating this section more than once in a three-year period.*

(c) Upon a person's conviction for violating any provision of this section, any license issued to him pursuant to chapter 98, or any registration pursuant to section 84.82, under which he was exercising or attempting to exercise a privilege while violating this section shall immediately become null and void.

(d) *A person convicted of a gross misdemeanor under paragraph (b) may not be issued a license to hunt or trap any wild animal for two years after the*

conviction."

Page 3, line 23, delete "4" and insert "6"

Page 3, line 24, delete "5" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon insert "100.273, subdivisions 6 and 9;"

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

S.F. No. 658 was then progressed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stumpf moved that H.F. No. 1216 be taken from the table. The motion prevailed.

H.F. No. 1216: A bill for an act relating to agriculture; clarifying the meaning of lender in the Minnesota emergency farm operating loans act; amending Laws 1985, chapter 4, section 3, subdivision 8.

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1216, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECONSIDERATION

Mr. Frederick moved that the vote whereby S.F. No. 1411 failed to pass the Senate on April 25, 1985, be now reconsidered. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 1411 be laid on the table. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Isackson; Bernhagen; Mehrkens; Peterson, D.L. and Frederickson introduced—

S.F. No. 1507: A resolution memorializing the President and Congress of the United States to eliminate the adverse effect on agriculture of the cargo preference law.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Pehler, Purfeerst, Nelson and Taylor introduced—

S.F. No. 1508: A bill for an act relating to education; declaring the mission

of public elementary and secondary education in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

Mrs. Lantry introduced—

S.F. No. 1509: A bill for an act relating to health; creating a public corporation to provide health care services and research; providing that subsidiaries govern St. Paul Ramsey Medical Center and a physicians and dentists association; proposing coding for new law in Minnesota Statutes, chapter 246A; repealing Minnesota Statutes 1984, section 383A.41.

Referred to the Committee on Local and Urban Government.

Messrs. Luther; Johnson, D.J.; Solon; Diessner and Freeman introduced—

S.F. No. 1510: A bill for an act relating to economic development; creating a special enterprise zone for a large manufacturing facility; providing for the taxation of the facility; authorizing the issuance of bonds; providing assistance to locate a large manufacturing facility in the state; appropriating money; amending Minnesota Statutes 1984, sections 273.1312, subdivisions 3 and 4; and 273.1314, subdivisions 3, 4, 6, 7, 8, 9, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Dieterich was excused from the Session of today from 12:00 noon to 2:45 p.m. Mr. Frederick was excused from the Session of today from 12:00 noon to 1:00 p.m. Ms. Berglin was excused from the Session of today from 1:00 to 2:00 p.m. Mr. Merriam was excused from the Session of today from 12:00 noon to 3:15 p.m. Messrs. Johnson, D.J. and Solon were excused from the Session of today from 1:45 to 2:45 p.m. and from 3:40 to 4:40 p.m. Mr. Waldorf was excused from the Session of today from 5:00 to 6:00 p.m.

The following members were excused from today's Session for brief periods of time: Messrs. Bertram, Dahl, DeCramer, Ms. Olson, Messrs. Belanger and Ramstad.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, April 26, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SIXTH DAY

St. Paul, Minnesota, Friday, April 26, 1985.

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Colonel Jim Lauer.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 264, 889 and 634.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 25, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 264: A bill for an act relating to animals; providing for a rabies

control program; imposing criminal liability on persons who cause the death or substantial bodily harm of another by permitting certain dogs to be unconfined or improperly confined; providing for the destruction of dangerous animals; imposing penalties; amending Minnesota Statutes 1984, section 609.25; proposing coding for new law in Minnesota Statutes, chapters 346 and 609.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 348, now on General Orders.

H.F. No. 889: A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 639, now on General Orders.

H.F. No. 634: A bill for an act relating to elections; limiting the number of registration applicants for whom a person may vouch; amending Minnesota Statutes 1984, section 201.061, subdivision 3.

Referred to the Committee on Elections and Ethics.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk, with the exception of the report on S.F. No. 1065, be now adopted. The motion prevailed.

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

S.F. No. 1065: A bill for an act relating to recreational vehicles; regulating three-wheel off-road vehicles; amending Minnesota Statutes 1984, sections 84.922, subdivisions 5 and 8, and by adding subdivisions; 84.927, subdivision 2; 84.928; 85.018; 100.273, subdivision 9; and 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 84.92, is amended to read:

84.92 [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to Laws 1984, chapter 647, sections 1 to 84.92 to 9 84.929.

Subd. 1a. [ALL-TERRAIN VEHICLE.] “All-terrain vehicle” or “vehicle” means a motorized flotation-tired vehicle of not less than three low

pressure tires, but not more than six tires, that is limited in engine displacement of less than 800 cubic centimeters and total dry weight less than 600 pounds.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 3. [DEALER.] "Dealer" means a person engaged in the business of selling ~~three wheel off road~~ *all-terrain* vehicles at wholesale or retail.

Subd. 4. [MANUFACTURER.] "Manufacturer" means a person engaged in the business of manufacturing ~~three wheel off road~~ *all-terrain* vehicles.

Subd. 5. [OWNER.] "Owner" means a person, other than a person with a security interest, having a property interest in or title to a ~~three wheel off road~~ *an all-terrain* vehicle and entitled to the use and possession of the vehicle.

Subd. 6. [PERSON.] "Person" means an individual or an organization as defined in section 336.1-201, paragraph (30).

Subd. 7. [REGISTER.] "Register" means the act of assigning a registration number to a ~~three wheel off road~~ *an all-terrain* vehicle.

Subd. 8. "~~Three wheel off road vehicle~~" or "~~vehicle~~" means a motorized flotation-tired vehicle of not less than three low pressure tires, but not more than six tires, that is limited in engine displacement of less than 800 cubic centimeters and total dry weight less than 600 pounds.

Sec. 2. Minnesota Statutes 1984, section 84.922, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS.] Unless exempted in subdivision 8, after January 1, 1985, a person may not operate a ~~three wheel off road~~ *an all-terrain* vehicle within the state unless the vehicle has been registered. After January 1, 1985, a person may not sell a vehicle without furnishing the buyer a bill of sale on a form prescribed by the commissioner.

Sec. 3. Minnesota Statutes 1984, section 84.922, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION CARD.] The commissioner shall provide to the registrant a registration card that includes the registration number, the date of registration, the make and serial number of the vehicle, the owner's name and address, and additional information the commissioner may require. Information concerning each registration shall be retained by the commissioner. Upon a satisfactory showing that the registration card has been lost or destroyed the commissioner shall issue a replacement registration card upon payment of a fee of \$4. The fees collected from replacement registration cards shall be deposited in the ~~three wheel off road~~ *all-terrain* vehicle account.

Sec. 4. Minnesota Statutes 1984, section 84.922, subdivision 5, is amended to read:

Subd. 5. [FEES FOR REGISTRATION.] (a) The fee for registration of each vehicle under this section shall be \$15 for three calendar years. The commissioner or commissioner of public safety shall charge an additional \$3 per registration granted, other than those registered by a dealer or manufac-

turer under paragraph (b) or (c), is \$18 for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for all-terrain vehicles owned by a dealer and operated for demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.

(c) The total registration fee for all-terrain vehicles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is \$150 per year. Manufacturer registrations are not transferable.

(d) The fees collected under this subdivision shall must be credited to the ~~three-wheel off-road~~ all-terrain vehicle account.

Sec. 5. Minnesota Statutes 1984, section 84.922, subdivision 6, is amended to read:

Subd. 6. [RENEWAL.] Every owner of a ~~three-wheel~~ an all-terrain vehicle must renew registration in a manner prescribed by the commissioner upon payment of the registration fees in subdivision 5.

Sec. 6. Minnesota Statutes 1984, section 84.922, subdivision 7, is amended to read:

Subd. 7. [VEHICLES OWNED BY STATE OR POLITICAL SUBDIVISION.] A registration number must be issued without the payment of a fee for ~~three-wheel~~ all-terrain vehicles owned by the state or a political subdivision upon application.

Sec. 7. Minnesota Statutes 1984, section 84.922, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] A registration is not required for the following:

- (1) vehicles being used for work on agricultural lands;
- (2) vehicles owned and used by the United States, another state, or a political subdivision;
- (3) vehicles covered by a valid license of another state or ~~county~~ country that have not been within this state for more than 30 consecutive days;
- (4) vehicles being used ~~exclusively~~ in organized track racing events; and
- (5) vehicles being used on private land with the permission of the landowner.

Sec. 8. Minnesota Statutes 1984, section 84.922, is amended by adding a subdivision to read:

Subd. 9. [LICENSING BY POLITICAL SUBDIVISIONS.] A political subdivision may not require licensing or registration of all-terrain vehicles covered by sections 84.92 to 84.929.

Sec. 9. Minnesota Statutes 1984, section 84.922, is amended by adding a subdivision to read:

Subd. 10. [REGISTRATION BY MINORS PROHIBITED.] A person under age 18 may not register an all-terrain vehicle.

Sec. 10. [84.924] [RULEMAKING; ACCIDENT REPORT.]

Subdivision 1. [COMMISSIONER OF NATURAL RESOURCES.] The commissioner may adopt rules relating to all-terrain vehicles, including:

- (1) registration of all-terrain vehicles and display of registration numbers;*
- (2) uses of all-terrain vehicles that affect game and fish resources;*
- (3) use of all-terrain vehicles on public lands and waters under the jurisdiction of the commissioner;*
- (4) uniform signs to be used by the state, counties, towns, and statutory and home rule charter cities to control, direct, or regulate the operation and use of all-terrain vehicles; and*
- (5) specifications relating to all-terrain vehicle mufflers.*

Subd. 2. [COMMISSIONER OF PUBLIC SAFETY.] The commissioner of public safety may adopt rules regulating the use of all-terrain vehicles on streets and highways under section 84.928.

Sec. 11. Minnesota Statutes 1984, section 84.925, is amended to read:

84.925 [EDUCATION AND TRAINING PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish a comprehensive ~~three-wheel off-road~~ all-terrain vehicle environmental and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of ~~three-wheel off-road~~ all-terrain vehicle operators, and the issuance of ~~three-wheel off-road~~ all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the ~~three-wheel off-road~~ all-terrain vehicle environmental and safety education and training course. For the purpose of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee of not to exceed \$5 from each person who receives the training and shall deposit the fee in the ~~three-wheel off-road~~ all-terrain vehicle account. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of vehicle operators.

Subd. 2. [YOUTHFUL OPERATORS.] (a) A person under the age of 14 years may not operate a ~~three-wheel off-road~~ an all-terrain vehicle on any public land or water under the jurisdiction of the commissioner unless accompanied by an adult on the vehicle or on an accompanying ~~three-wheel off-road~~ vehicle or on a device towed by the same or an accompanying ~~three-wheel off-road~~ vehicle. ~~However,~~ A person age 12 years of age or older may operate a ~~three-wheel off-road~~ vehicle on public lands and waters under the jurisdiction of the commissioner *without an accompanying adult* if ~~he has in his immediate possession the person is carrying a valid~~ ~~three-wheel off-road~~ all-terrain vehicle safety certificate issued by the commissioner.

(b) It is unlawful for the owner of a ~~three-wheel off-road~~ an all-terrain vehicle to allow the vehicle to be operated contrary to the provisions of this section.

Sec. 12. [84.9254] [SIGNAL FROM OFFICER TO STOP.]

An all-terrain vehicle operator, after receiving a visual or audible signal to stop from a peace officer as defined in section 626.84, subdivision 1, paragraph (c), may not:

- (1) operate an all-terrain vehicle in willful or wanton disregard of the signal to stop;*
- (2) interfere with or endanger the peace officer or any other person or vehicle; or*
- (3) increase speed or attempt to flee from the officer.*

Sec. 13. [84.9256] [YOUTHFUL OPERATORS; PROHIBITIONS.]

Subdivision 1. [PROHIBITIONS ON YOUTHFUL OPERATORS.] (a) Notwithstanding section 84.928, a person under age 12 may not cross a trunk, county state-aid, or county highway as the operator of an all-terrain vehicle, or operate the vehicle upon a street or highway within a municipality.

(b) A person at least age 12 but under age 14 may cross a trunk, county state-aid, or county highway only if the person possesses a valid all-terrain vehicle safety certificate and is accompanied by a person over age 18. A person at least age 14, but under age 16, may cross a trunk, county state-aid, or county highway only if the person possesses an all-terrain vehicle safety certificate or a motor vehicle operator's license.

(c) A person under age 12, or a person under age 14 who does not possess an all-terrain vehicle safety certificate may not operate an all-terrain vehicle on public land or water under the jurisdiction of the commissioner, unless the person's parent or legal guardian, or a person age 18 or older accompanies the person on the same vehicle, if the vehicle is designed for more than one person, or on another all-terrain vehicle.

Subd. 2. [HELMET REQUIRED.] A person under age 14 may not operate an all-terrain vehicle on public land unless the person wears a safety helmet approved by the commissioner of public safety.

Subd. 3. [PROHIBITIONS ON OWNER.] An owner of an all-terrain vehicle may not allow the vehicle to be operated contrary to this section.

Sec. 14. Minnesota Statutes 1984, section 84.927, is amended to read:

84.927 [REGISTRATION FEES; UNREFUNDED GASOLINE TAX; ALLOCATION.]

Subdivision 1. [REGISTRATION REVENUE.] Fees from the registration of ~~three-wheel off-road~~ all-terrain vehicles and the unrefunded gasoline tax attributable to all-terrain vehicle use under section 296.16 shall be deposited in the state treasury and credited to the ~~three-wheel off-road~~ all-terrain vehicle account.

Subd. 2. [PURPOSES.] Subject to appropriation by the legislature, (a) Money in the ~~three-wheel off-road~~ all-terrain vehicle account may only be spent for the following purposes:

- (1) the education and training program under section 84.925;*

(2) administration and implementation of Laws 1984, chapter 647, sections 1 84.92 to 10; and 84.929;

(3) acquisition, *maintenance*, and development of vehicle *trails and use areas*;

(4) *grant programs to counties and municipalities to construct and maintain all-terrain vehicle trails and use areas; and*

(5) *grants to local all-terrain vehicle safety programs.*

(b) *The distribution of funds made available through grant programs must be determined by the statewide comprehensive outdoor recreation plan.*

Sec. 15. Minnesota Statutes 1984, section 84.928, is amended to read:

84.928 [OPERATION ON STREETS AND HIGHWAYS; LOCAL REGULATION.]

Subdivision 1. [OPERATION ON STREETS AND HIGHWAYS.] Except as provided in chapter 168 or in this section, a ~~three-wheel off-road~~ all-terrain vehicle may not be driven or operated on a highway.

A An all-terrain vehicle may ~~make a direct crossing of~~ cross a street or highway provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the vehicle is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right of way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of the highway with another public street or highway; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

Subd. 2. [OPERATION GENERALLY.] A person may not operate an all-terrain vehicle:

(1) *in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another; or*

(2) *without a functioning stoplight.*

Subd. 3. [OPERATING UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] (a) A person may not operate or be in physical control of an all-terrain vehicle in this state when the person is:

(1) *under the influence of alcohol;*

(2) *under the influence of a controlled substance; or*

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

(b) *A person who violates this subdivision is guilty of a misdemeanor.*

Subd. 4. [OPERATION PROHIBITED ON AIRPORTS.] A person may not operate an all-terrain vehicle on an airport as defined in section 360.013, subdivision 5.

Subd. 5. [ORGANIZED CONTESTS, USE OF HIGHWAYS AND PUBLIC LANDS AND WATERS.] (a) Notwithstanding this section or chapter 169, all-terrain vehicles may be operated within the right-of-way of a state trunk or county state-aid highway, or on public lands or waters under the jurisdiction of the commissioner of natural resources, in an organized contest, subject to the consent of the official or board having jurisdiction over the highway or public lands or waters. The official or board may prescribe restrictions or conditions for the contest.

(b) A county, statutory or home rule charter city, or a town, may regulate the operation of all-terrain vehicles within their boundaries, in a manner consistent with sections 84.92 to 84.929. A statutory or home rule charter city or town may not adopt an ordinance that:

(1) imposes a fee for the use of state land; or

(2) requires an all-terrain vehicle operator to possess a motor vehicle driver's license while operating an all-terrain vehicle.

Sec. 16. Minnesota Statutes 1984, section 85.018, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section:

(a) "Trail" means a recreational trail, ~~which~~ that is funded in whole or in part by state grants-in-aid to a local unit of government.

(b) "Commissioner" means the commissioner of the state agency that makes grants-in-aid for a trail.

Sec. 17. Minnesota Statutes 1984, section 85.018, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY OF LOCAL GOVERNMENT.] *(a) A local government unit that receives state grants-in-aid for any trail, with the concurrence of the commissioner, and the landowner, or land lessee, may:*

(a) (1) designate the trail for use by snowmobiles or for nonmotorized use from December 1 to April 1 of any year; and

(b) (2) issue any permit ~~required~~ allowed under subdivisions 3 to 5.

(b) A local government unit that receives state grants-in-aid under section 84.927, subdivision 2, for any trail, with the concurrence of the commissioner, and landowner or land lessee, may:

(1) designate the trail at different times of the year for nonmotorized use or use by all-terrain vehicles; and

(2) issue any permit allowed under subdivisions 3 to 5.

(c) A local unit of government that receives state grants-in-aid for any trail, with the concurrence of the commissioner and landowner or land lessee and after notice and public hearing, may designate certain trails for joint use by snowmobiles and all-terrain vehicles.

Sec. 18. Minnesota Statutes 1984, section 85.018, subdivision 3, is

amended to read:

Subd. 3. ~~[MOTORIZED TRAIL USE; PERMITS.] Motorized use of trails~~ *If a trail has been designated for one use, other uses of the trail shall be allowed only by permit between April 2 and November 30 of any year. Permits shall require that permit holders return the trail and any associated facility to their original condition if any damage is done by the permittee. Limited permits for special events such as races may be issued and shall require the removal of any trail markers, banners and other material used in connection with the special event.*

Sec. 19. Minnesota Statutes 1984, section 85.018, subdivision 4, is amended to read:

Subd. 4. ~~[NONMOTORIZED USE TRAILS; WINTER.] From December 1 to April 1 of any year no~~ *A motorized vehicle shall may not be operated on a trail designated for nonmotorized use such as ski touring or snowshoe use.*

Sec. 20. Minnesota Statutes 1984, section 85.018, subdivision 5, is amended to read:

Subd. 5. ~~[SNOWMOBILE AND ALL-TERRAIN VEHICLE TRAILS RESTRICTED.] (a)~~ *From December 1 to April 1 in any year no use of a motorized vehicle other than a snowmobile, unless authorized by permit, lease or easement, shall be permitted on a trail designated for use by snowmobiles.*

(b) From December 1 to April 1, a motorized vehicle other than an all-terrain vehicle may not be operated on a trail designated for use by all-terrain vehicles unless authorized by permit.

Sec. 21. Minnesota Statutes 1984, section 100.273, subdivision 9, is amended to read:

Subd. 9. Violation of any provision of this section is a misdemeanor. Upon a person's conviction for violating any provision of this section, any license issued to him pursuant to chapter 98, or any registration pursuant to section 84.82 or 84.922, under which he was exercising or attempting to exercise a privilege while violating this section shall immediately become null and void.

Sec. 22. Minnesota Statutes 1984, section 296.16, subdivision 1, is amended to read:

Subdivision 1. ~~[INTENT.] All gasoline received in this state and all gasoline produced in or brought into this state except aviation gasoline and marine gasoline shall be determined to be intended for use in motor vehicles in this state.~~

Approximately three-fourths of one percent of all gasoline received in this state and three-fourths of one percent of all gasoline produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of motor boats on the waters of this state and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than in motor boats, three-fourths of one percent of such revenues is the amount of tax on fuel used in motor boats operated on the waters of this state.

Approximately three-fourths of one percent of all gasoline received in and

produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than in snowmobiles, three-fourths of one percent of such revenues is the amount of tax on fuel used in snowmobiles operated in this state.

Approximately 0.15 of one percent of all gasoline received in or produced or brought into this state, except gasoline used for aviation purposes, is being used for the operation of all-terrain vehicles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax, 0.15 of one percent is the amount of tax on fuel used in all-terrain vehicles operated in this state.

Sec. 23. [APPROPRIATION.]

\$_____ is appropriated from the all-terrain vehicle account to the commissioner of natural resources for the biennium ending June 30, 1987, to administer sections 1 to 19."

Delete the title and insert:

"A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 84.92; 84.922, subdivisions 1, 3, 5, 6, 7, 8, and by adding subdivisions; 84.925; 84.927; 84.928; 85.018, subdivisions 1, 2, 3, 4, and 5; 100.273, subdivision 9; and 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84."

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

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

S.F. No. 948: A bill for an act relating to solid waste management; extending and making changes in the state program for providing capital assistance to local governments for processing facilities; authorizing bonds; appropriating bond funds; amending Minnesota Statutes 1984, sections 115A.49; 115A.52; 115A.54, by adding a subdivision; and 115A.59.

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

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1984, section 115A.03, is amended by adding a subdivision to read:

Subd. 25a. "Recyclable materials" means materials that are separated from mixed municipal solid waste, by the generator or during collection, for the purpose of recycling.

Sec. 2. Minnesota Statutes 1984, section 115A.03, is amended by adding a subdivision to read:

Subd. 25b. "Recycling" means the process of collecting and preparing recyclable materials for reuse in their original form or for use in manufactur-

ing processes.

Sec. 3. Minnesota Statutes 1984, section 115A.03, subdivision 27, is amended to read:

Subd. 27. "Resource recovery" means the reclamation for sale, use, or reuse of materials, substances, energy, or other products contained within or derived from waste."

Page 1, line 20, strike "so as"

Page 3, line 5, delete "totaling"

Page 3, line 8, after "submitted" insert "under sections 115A.49 to 115A.54"

Page 3, lines 9 and 10, delete "if additional assistance is needed to develop the project"

Page 3, line 11, delete "aggregate"

Page 3, line 18, after "demonstrate" insert ": (1) that the project will conform to the requirement of section 12; and (2)"

Page 3, line 27, delete "may" and insert "shall" and delete "emergency"

Page 3, line 28, delete "under chapter 14" and after "program" insert "by July 1, 1985"

Page 3, lines 28 and 29, delete "Notwithstanding section 14.35, the rules remain in effect until June 30, 1987."

Page 3, line 35, delete "(a)" and insert "(1)"

Page 4, line 2, delete "(b)" and insert "(2)"

Page 4, line 6, delete "(a)" and insert "(1)"

Page 4, line 8, delete "3" and insert "6"

Page 4, after line 19, insert:

"Sec. 8. Minnesota Statutes 1984, section 115A.84, subdivision 3, is amended to read:

Subd. 3. [PLAN APPROVAL.] A district or county planning a designation for waste generated wholly within the metropolitan area defined in section 473.121 shall submit its designation plan to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit the designation plan to the waste management board for review and approval or disapproval. The reviewing authority shall complete its review and make its decision within 90 120 days following submission of the plan for review. The reviewing authority shall approve the designation plan if the plan satisfies the requirements of subdivision 2. *The reviewing authority may attach conditions to its approval that relate to matters required in a designation ordinance under section 115A.86, subdivision 1. Amendments to plans must be submitted for review in accordance with this subdivision.*

Sec. 9. Minnesota Statutes 1984, section 115A.84, subdivision 4, is amended to read:

Subd. 4. [EXCLUSION OF CERTAIN MATERIALS.] When it approves

the designation plan, the reviewing authority shall exclude from the designation materials that the reviewing authority determines will be processed at another resource recovery facility if:

- (1) the other resource recovery facility is substantially completed or will be substantially completed within 18 months of the time that the designation plan is approved by the reviewing authority; and
- (2) the other facility has or will have contracts for purchases of its product; and
- (3) the materials are or will be under contract for delivery to the other facility at the time the other facility is completed.

In order to qualify for the exclusion of materials under this subdivision, the operator or owner of the other resource recovery facility shall file with the reviewing authority and the district or county or counties a written description of the facility, its intended location, its waste supply sources, purchasers of its products, its design capacity and other information that the reviewing authority and the district or county or counties may reasonably require. The information must be filed as soon as it becomes available but not later than 30 days following the date when the county or district submits its designation plan for approval.

The reviewing authority may revoke the exclusion granted under this subdivision when it approves the designation ordinance under section 115A.86 if in its judgment the excluded materials will not be processed at the other facility.

Sec. 10. [115A.918] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this section, and sections 115A.919 and 115A.921.

Subd. 2. [CLOSURE.] "Closure" means actions that will prevent, mitigate, or minimize the threat to public health and the environment posed by a closed solid waste disposal facility including application of final cover; grading and seeding of final cover; installation of an adequate monitoring system, if necessary; and construction of ground and surface water diversion structures.

Subd. 3. [OPERATOR.] "Operator" means:

- (1) the permittee of a mixed municipal solid waste disposal facility that has an agency permit; or*
- (2) the person in control of a mixed municipal solid waste disposal facility that does not have an agency permit.*

Subd. 4. [POSTCLOSURE, POSTCLOSURE CARE.] "Postclosure" and "postclosure care" mean actions taken for the care, maintenance, and monitoring of a solid waste disposal facility after closure that will prevent, mitigate, or minimize the threat to public health and environment posed by the closed facility.

Subd. 5. [RESPONSE.] "Response" has the meaning given it in section 115B.02, subdivision 18.

Sec. 11. Minnesota Statutes 1984, section 115A.919, is amended to read:

115A.919 [COUNTY FEE AUTHORITY.]

A county may impose a fee, *by cubic yard of waste or its equivalent*, on operators of facilities for *the disposal of mixed municipal solid waste* located within the county. The fee in the metropolitan area may not exceed 25 cents per cubic yard *or its equivalent*. The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from one-half the amount of the fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county.

Sec. 12. [115A.95] [RECYCLABLE MATERIALS.]

A resource recovery facility that is burning waste, or converting waste to energy or to materials for combustion, and is owned or operated by a public agency or supported by public funds or by obligations issued by a public agency may not accept recyclable materials except for transfer to a recycler.

Sec. 13. Minnesota Statutes 1984, section 400.04, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Any county may conduct a solid waste management program which may include activities authorized by sections 400.01 to 400.17 and such other activities as are necessary and convenient to effectively carry out the purposes of sections 400.01 to 400.17. *A county that enters into a joint powers agreement under section 471.59 with a metropolitan county as defined in section 473.121, subdivision 4, to accomplish a solid waste management purpose may exercise the powers of the metropolitan county in relation to the solid waste management purpose under the joint powers agreement.*

Sec. 14. Minnesota Statutes 1984, section 473.153, subdivision 5, is amended to read:

Subd. 5. [ENVIRONMENTAL REVIEW.] An environmental impact statement must be completed on the environmental effects of the council's decisions required by subdivision 6. The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section. The statement must not address or reconsider alternatives eliminated from consideration pursuant to subdivisions 1 and 2 and must not address the matters ~~to be decided~~ *subject to decision* by the council pursuant to subdivision 6b.

Sec. 15. Minnesota Statutes 1984, section 473.153, subdivision 6b, is amended to read:

Subd. 6b. [CERTIFICATION OF NEED.] No new facility for disposing of ash and other waste generated by the commission shall be permitted in the

metropolitan area without a certification of need issued by the council indicating the council's determination:

(a) that the disposal of waste with concentrations of hazardous materials is necessary; and

(b) that ~~the~~ additional ash disposal capacity ~~planned for the facility~~ is needed.

The council shall certify need only to the extent that there are no feasible and prudent methods of reducing the concentrations of hazardous materials in the waste and no feasible and prudent alternatives to ~~the~~ ash disposal facility, including large-scale composting and co-composting of sludge, which would minimize adverse impact upon natural resources. Methods and alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of methods or alternatives, including large-scale composting and co-composting of sludge as an alternative to incineration. In its certification the council shall not consider alternatives which have been eliminated from consideration by the selection of sites pursuant to ~~subdivisions subdivision 2 and 6~~.

Sec. 16. Minnesota Statutes 1984, section 473.801, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 473.801 to 473.845 and section 27 the terms defined in this section have the meanings given them.

Sec. 17. Minnesota Statutes 1984, section 473.811, subdivision 5, is amended to read:

Subd. 5. [ORDINANCES; SOLID WASTE COLLECTION AND TRANSPORTATION.] Each metropolitan county may adopt ordinances governing the collection of solid waste. Each local unit of government within the metropolitan area shall adopt an ordinance governing the collection of solid waste within its boundaries. If the county within which it is located has adopted an ordinance, the local unit shall adopt either the county ordinance by reference or a more strict ordinance. *A county may adopt an ordinance requiring the separation from mixed municipal waste, by generators before collection, of materials that can readily be separated for use or reuse as substitutes for raw materials or for transformation into a usable soil amendment.* Ordinances of counties and local government units may establish reasonable conditions respecting but shall not prevent the transportation of solid waste by a licensed collector through and between counties and local units, except as required for the enforcement of any designation of a facility by the council pursuant to section 473.827. A licensed collector or a metropolitan county or local government unit may request review by the council of an ordinance adopted under this subdivision. The council shall approve or disapprove the ordinance within 60 days of the submission of a request for review. The ordinance shall remain in effect unless it is disapproved. Ordinances of counties and local units of government shall provide for the enforcement of any designation of facilities by the council under section 473.827. Nothing in this subdivision shall be construed to limit the authority of the local government unit to regulate and license collectors of solid waste or to require review or approval by the council for ordinances regulating collection.

Sec. 18. Minnesota Statutes 1984, section 473.811, subdivision 5a, is amended to read:

Subd. 5a. [ORDINANCES; SOLID WASTE FACILITIES.] Each metropolitan county shall by ordinance establish and from time to time revise rules, regulations, and standards for solid waste facilities within the county, relating to location, sanitary operation, periodic inspection and monitoring, maintenance, termination and abandonment, and other pertinent matters. *The county ordinance may require facilities accepting mixed municipal solid waste for disposal to install scales.* The county ordinance shall require permits or licenses for solid waste facilities and shall require that such facilities be registered with a county office.

Sec. 19. Minnesota Statutes 1984, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility or capacity 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 *that conform to the certification standards stated in this subdivision.* The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, the council's solid waste disposal facilities development schedule adopted under section 473.149, subdivision 2e, and the *provisions of any master plans of counties adopted pursuant to section 473.803, subdivision 1b and that have been approved by the council under section 473.803, subdivision 2, and that are consistent with the council's abatement plan and development schedule.* The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3.

Sec. 20. Minnesota Statutes 1984, section 473.831, is amended to read:

473.831 [DEBT OBLIGATIONS; SOLID WASTE DISPOSAL.]

Subdivision 1. [GENERAL OBLIGATION BONDS.] The council may by resolution authorize the issuance of general obligation bonds of the council to provide funds for the ~~environmental analysis and acquisition of permanent or temporary right, title, or interest in real property, including easements and development rights, for sites and surrounding buffer areas for solid waste disposal facilities pursuant to this section and sections 473.833 and 473.840 purposes specified in subdivision 2 and to provide funds for refunding obligations issued under this section.~~ The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for general obligation bonds, and the council shall have the same power and duties as a municipality and its gov-

erning body in issuing bonds under chapter 475, except as otherwise provided in this chapter. No election shall be required, and the net debt limitations in chapter 475 shall not apply. The council shall have the power levy ad valorem taxes for debt service of the council's solid waste bonds upon all taxable property within the metropolitan area, without limitation of rate or amount and without affecting the amount or rate of taxes which may be levied by the council for other purposes or by any local government unit in the area. Each of the county auditors shall annually assess and extend upon the tax rolls in his county the portion of the taxes levied by the council in each year which is certified to him by the council. The principal amount of bonds issued pursuant to this section shall not exceed \$15,000,000.

Subd. 2. [USE OF PROCEEDS.] (a) The proceeds of bonds issued under subdivision 1 shall be used by the council, ~~for the purposes provided in subdivision 1 and to provide funds for the environmental analysis of solid waste disposal sites, and to make grants to metropolitan counties to pay:~~

(1) the cost of the environmental review of sites;

(2) the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect; and;

(3) the acquisition of ~~all property or permanent or temporary right, title, or~~ interests in property, ~~including easements and development rights,~~ for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to sections 473.833 and 473.840, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e; and

(4) *for the acquisition and improvement of resource recovery facilities.*

(b) If the council is required by law or regulation to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff.

Sec. 21. Minnesota Statutes 1984, section 473.840, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) "Qualifying property" is a parcel of real property any part of which is located within the site or buffer area of a candidate site ~~selected~~ under section 473.153, ~~subdivision 2, for purposes of environmental review under subdivision 5 of that section,~~ or a site included in the metropolitan inventory adopted under section 473.149, subdivision 2b, for the purposes of environmental review under section 473.833, subdivision 2a.

(b) An "eligible owner" is a person who: (1) owns the entire parcel of qualifying property; (2) owned the entire parcel of property at the time the site was selected as a candidate site or included in the metropolitan inventory; (3) since the site was selected or included in the inventory, has for at least six months offered to sell the entire parcel on the open market through a licensed real estate agent; and (4) has not previously entered a contract under subdivision 4 for the sale of any or all of the parcel.

Sec. 22. Minnesota Statutes 1984, section 473.842, is amended by adding a subdivision to read:

Subd. 1a. [CLOSURE.] "Closure" means actions that will prevent, mitigate, or minimize the threat to public health and the environment posed by a closed solid waste disposal facility including application of final cover; grading and seeding of final cover; installation of an adequate monitoring system, if necessary; and construction of ground and surface water diversion structures.

Sec. 23. Minnesota Statutes 1984, section 473.842, is amended by adding a subdivision to read:

Subd. 4a. [POSTCLOSURE, POSTCLOSURE CARE.] "Postclosure" and "postclosure care" mean actions taken for the care, maintenance, and monitoring of a solid waste disposal facility after closure that will prevent, mitigate, or minimize the threat to public health and environment posed by the closed facility.

Sec. 24. Minnesota Statutes 1984, section 473.843, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATIVE EXPENSES.] Any amount expended by the commissioner of revenue from a general fund appropriation to enforce and administer this section must be reimbursed to the general fund, and the amount necessary to make the reimbursement is appropriated, one-half from the landfill abatement fund and one-half from the landfill contingency action fund, to the commissioner of finance for transfer to the general fund.

Sec. 25. Minnesota Statutes 1984, section 473.844, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION.] (a) Up to ten percent of the money in the fund may be appropriated to the agency for transfer to the metropolitan council for grants under subdivision 1, clause (3).

(b) Up to five percent of the money in the fund may be appropriated to the agency for transfer to the metropolitan council for technical assistance and grant administration of grants and loans and municipal cost recovery payments under this section.

Sec. 26. Minnesota Statutes 1984, section 473.844, subdivision 5, is amended to read:

*Subd. 5. [LANDFILL ABATEMENT COST RECOVERY.] By January 31, 1986, and each January 31 afterwards, the ~~director of the agency council~~ shall pay each *statutory and home rule charter city and town* in the metropolitan area an amount not to exceed 50 cents per household, as defined in section 477A.011, subdivision 3a, for qualifying landfill abatement and resource recovery expenses incurred in the previous calendar year. To qualify under this subdivision, the landfill abatement and resource recovery must be included in the applicable county master plan or approved by the metropolitan council and the *statutory or home rule charter city or town* must certify expenses for the landfill abatement and resource recovery. The amounts necessary to make these payments are appropriated from the metropolitan landfill abatement fund to the director of the agency for transfer to the council.*

Sec. 27. [473.848] [RESTRICTION ON DISPOSAL.]

After January 1, 1990, waste disposal facilities located in the metropolitan area may not accept mixed municipal solid waste for disposal unless the waste has been transferred to the disposal facility from a resource recovery facility identified by the council. For purposes of this section, mixed municipal solid waste does not include street sweepings, construction debris, mining waste, foundry sand, and other materials, if they are not capable of being processed by resource recovery.

Sec. 28. Laws 1984, chapter 644, section 81, subdivision 2, is amended to read:

Subd. 2. [REIMBURSEMENT.] Any amount expended by the agency and metropolitan council from the appropriations in subdivision 1 shall be reimbursed to the general fund; ~~and~~. The amount necessary to make the reimbursement of the appropriation in clause (1) is appropriated from the landfill abatement fund to the commissioner of finance for transfer to the general fund, and the amount necessary to make the reimbursement of the appropriation in clause (2) is appropriated from the landfill contingency action fund to the commissioner of finance for transfer to the general fund.

Sec. 29. [ANOKA COUNTY; RESOURCE RECOVERY.]

Subdivision 1. [NON-METROPOLITAN COUNTY POWERS.] Anoka county may exercise the powers of a county under Minnesota Statutes, section 400.08, in addition to the powers that Anoka county may exercise under other law. The county may expend funds for resource recovery purposes under sections 473.801 to 473.845.

Subd. 2. [LEASE OR SALE OF PROPERTY.] Anoka county may sell or lease any facilities or property or property rights to accomplish the purposes specified by sections 473.149, 473.151, and 473.801 to 473.823, 473.827, 473.831, 473.833, and 473.834. The property may be sold or leased in the manner provided by section 458.196, or may be sold or leased in the manner and on the terms and conditions determined by the county board. Each metropolitan county may convey to or permit the use of the property by a local government unit, with or without compensation, without submitting the matter to the voters of the county. No real property or property rights acquired under this section may be disposed of in any manner unless and until the county has submitted to the agency and the metropolitan council for review and comment the terms on and the use for which the property will be disposed of. The agency and the council shall review and comment on the proposed disposition within 60 days after each has received the data relating thereto from the county.

Sec. 30. [PENNINGTON COUNTY; RESOURCE RECOVERY.]

Pennington county may sell or lease any facilities or property or property rights to accomplish the purposes specified by chapter 400. The property may be sold or leased in the manner provided by section 400.14, or may be sold or leased in the manner and on the terms and conditions determined by the county board."

Page 4, line 34, delete "2 and 3" and insert "5 and 6"

Page 5, line 1, delete "2 and 3" and insert "5 and 6"

Page 5, after line 6 insert:

“Sec. 33. [APPROPRIATION.]

Subdivision 1. [AMOUNTS.] The following amounts are appropriated from the metropolitan landfill abatement fund to the pollution control agency for the purposes stated:

(a) for transfer to the metropolitan council for expenditure under section 473.844, subdivision 1, clause (1),

\$ _____ \$ _____

(b) for transfer to the metropolitan council for expenditure under section 473.844, subdivision 1, clause (2),

\$ _____ \$ _____

(c) for transfer to the metropolitan council for expenditure under section 473.844, subdivision 1, clause (3),

\$ _____ \$ _____

(d) for transfer to the metropolitan council for expenditure under section 473.844, subdivision 1, clause (4),

\$ _____ \$ _____

Any unencumbered balances remaining in the first year do not cancel but are available for the second year of the biennium for the same purpose.

Subd. 2. [CONTINGENCY.] The appropriations in this section are contingent upon payment of the general fund reimbursements required in Laws 1984, chapter 644, section 81, subdivision 2, as amended, and subdivision 3, and the appropriations in sections 473.843, subdivision 7, and 473.844, subdivision 5. If in any year the amount remaining in the abatement fund after these payments is insufficient for the appropriations in this section, the appropriation in paragraph _____ is reduced accordingly.

Sec. 34. [APPLICATION.]

Sections 14 to 27 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 35. [REPEALER.]

Laws 1984, chapter 644, section 83, is repealed.

Sec. 36. [EFFECTIVE DATE.]

Sections 29 and 30 are effective the day after the county board complies with Minnesota Statutes, section 645.021, subdivision 3. Sections 1, 2, and 12 are effective the day after final enactment.”

Renumber the sections in sequence

Delete the title and insert:

“A bill for an act relating to the environment; managing solid waste and sewage sludge; extending and making changes in the state program for providing capital assistance to local governments for processing facilities; authorizing bonds; appropriating bond funds; restricting land disposal of solid

waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; granting and clarifying the powers which may be exercised by a county located outside the metropolitan area if it enters into an agreement with a metropolitan county for solid waste or resource recovery purposes; appropriating money; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27, and by adding subdivisions; 115A.49; 115A.52; 115A.54, by adding a subdivision; 115A.59; 115A.84, subdivisions 3 and 4; 115A.919; 400.04, subdivision 1; 473.153, subdivisions 5 and 6b; 473.801, subdivision 1; 473.811, subdivisions 5 and 5a; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 473."

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

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

S.F. No. 1219: A bill for an act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; allowing demands for contested case hearings in certain proceedings; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; and 112.401; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, subdivision 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 1984, section 112.36, subdivision 2, is amended to read:

Subd. 2. [PURPOSES OF DISTRICT.] A watershed district may be established for any or all of the following conservation purposes:

- (1) Control or alleviation of damage by flood waters;
- (2) Improvement of stream channels for drainage, navigation, and any other public purpose;
- (3) Reclaiming or filling wet and overflowed lands;
- (4) Providing water supply for irrigation;
- (5) Regulating the flow of streams and conserving the waters thereof;
- (6) Diverting or changing watercourses in whole or in part;
- (7) Providing and conserving water supply for domestic, industrial, recre-

ational, agricultural, or other public use;

(8) Providing for sanitation and public health and regulating the use of streams, ditches, or watercourses for the purpose of disposing of waste;

(9) Repair, improve, relocate, modify, consolidate, and abandon, in whole or in part, drainage systems within a watershed district;

(10) Imposition of preventive or remedial measures for the control or alleviation of land and soil erosion and siltation of watercourses or bodies of water affected thereby;

(11) Regulating improvements by riparian landowners of the beds, banks, and shores of lakes, streams, and marshes by permit or otherwise in order to preserve the same for beneficial use;

(12) Providing for the generation of hydroelectric power; and

(13) Protecting or enhancing the quality of water in watercourses or bodies of water; and

(14) *providing for the protection of groundwater and regulating groundwater use to preserve groundwater for beneficial use.*

Sec. 2. Minnesota Statutes 1984, section 112.37, subdivision 1a, is amended to read:

Subd. 1a. The nominating petition shall set forth the following:

(1) The name of the proposed district and a statement in general terms setting forth the territory to be included in the district;

(2) The necessity for the district, the contemplated improvements within the district, and the reasons why the district and the contemplated improvements would be conducive to public health and public welfare, or accomplish any of the purposes of this chapter;

(3) The number of managers proposed for the district: ~~Except as otherwise provided in subdivisions 6 and 7, the managers shall be not less than three nor more than five nine, and shall be selected from a list of at least ten nominees containing at least twice the number of managers to be selected.~~ No manager shall be a public officer of the county, state, or federal government, provided that a soil and water conservation supervisor may be a manager;

(4) A map of the proposed district; and,

(5) A request for the establishment of the district as proposed.

Sec. 3. Minnesota Statutes 1984, section 112.401, is amended to read:

112.401 [BOARD HEARINGS; REFERENCE.]

Subdivision 1. [PROCEDURE.] In any proceeding under this chapter, where a public hearing is required, (a) A rulemaking hearing shall be conducted under chapter 14.

(b) A hearing must be conducted as a contested case under the provisions of chapter 14 if the hearing is:

(1) in a proceeding to establish or terminate a watershed district; or

(2) of an appeal under section 112.801.

(c) Notwithstanding chapter 14, other hearings under this chapter, except hearings under paragraphs (a) and (b), shall be conducted by the board under this section. The board may refer any question of fact the hearing to a member one or more members of the board or referee either to hear evidence and report it to the board, or an administrative law judge to hear evidence and make findings of fact and report them to the board.

Subd. 2. [PROCEDURE FOR NONCONTROVERSIAL PLANS OR PETITIONS.] (a) If the board finds that a watershed plan or petition that would be given a hearing under subdivision 1, paragraph (c), is noncontroversial, the board may proceed under this subdivision.

(b) The board must give notice that the plan or petition has been filed. The notice must be made:

(1) by publication once each week for two successive weeks in a legal newspaper in each county affected;

(2) by mail to the county auditor of each county affected; and

(3) by mail to the chief official of each home rule charter and statutory city affected.

(c) The notice:

(1) must describe the actions proposed by the plan or petition;

(2) invite written comments on the plan or petition for consideration by the board;

(3) state that a person who objects to the actions proposed in the plan or petition may submit a written request for hearing to the board within 30 days of the last publication of the notice of filing of the plan or petition; and

(4) state that if a timely request for hearing is not received, the board may make a decision on the plan or petition at a future meeting of the board.

(d) If one or more timely requests for hearing are received, the board must hold a hearing on the plan or petition.

Subd. 3. [APPEAL.] A party that is aggrieved by the decision made by the order of the board may appeal the order to the district court.

Sec. 4. [112.421] [PROCEDURE FOR INCREASING NUMBER OF MANAGERS.]

Subdivision 1. [PETITION AND NOTICE.] A petition must be filed with the secretary of the board to initiate proceedings to increase the number of managers of a watershed district. The petition must be signed as provided in section 112.37, subdivision 1, or signed by the board of managers of the watershed district. When the petition is filed, the board shall order a hearing to be held on the petition. Notice of hearing must be given in the same manner as a nominating petition.

Subd. 2. [HEARING.] If the board determines at the hearing that an increase in the number of managers would serve the public welfare, public interest, and the purpose of this chapter, the board shall increase the number of managers. If the district affects more than one county, the board, by order, shall direct the distribution of the managers among the affected counties.

Sec. 5. Minnesota Statutes 1984, section 473.882, subdivision 1, is amended to read:

Subdivision 1. [WATERSHED MANAGEMENT TAX DISTRICT.] Any local government unit planning for water management under sections 473.878 and 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying the costs of the planning required under sections 473.878 and 473.879. Any local government unit which has part of its territory within a watershed for which a plan has been adopted in accordance with section 473.878 and which has a local water management plan adopted in accordance with section 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying capital costs of the water management facilities described in the capital improvement program of the plans and for the purpose of paying for normal and routine maintenance of the facilities. A county or counties required by section 473.878, subdivision 2, to prepare, adopt, and implement a watershed plan ~~may~~ shall apportion the costs of planning, capital improvements, and maintenance *proportionate to benefits*. *The county may apportion the costs* among the minor watershed units in the watershed, or among the statutory and home rule charter cities and towns having territory in the watershed, and for this purpose may establish more than one watershed management tax district in the watershed.

Sec. 6. [REPEALER.]

Minnesota Statutes 1984, section 112.37, subdivision 6, is repealed."

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete line 8 and insert "providing for appeals;"

Page 1, line 10, delete "and" and after "112.401;" insert "and 473.882, subdivision 1;"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 172: A bill for an act relating to education; providing for aids for education and for libraries, tax levies and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, state board of education, board of teaching, and higher education coordinating board; modifying certain aspects of foundation aid; providing for payment of certain obligations to employees by school districts; providing for open enrollment among school districts with certain limitations; establishing the Minnesota arts resource center; providing for certain programs relating to teachers and pupils; amending Minnesota Statutes 1984, sections 120.03, subdivision 1, and by adding a subdivision; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.612, subdivision 3, and by adding a subdivision; 121.88; 121.882; 121.904, subdivisions 4a, 4c, and by adding subdivisions; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.86, sub-

division 1; 123.36, subdivision 1; 123.39, by adding subdivisions; 123.705, subdivision 1; 123.742, subdivisions 1, 3, 5, and by adding subdivisions; 123.7431; 124.09; 124.14, by adding a subdivision; 124.17, subdivision 1; 124.175; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.247, subdivision 3; 124.26; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.76, subdivision 2; 124A.02, subdivisions 7, 8, and 9; 124A.03, subdivision 4, and by adding a subdivision; 124A.033, subdivisions 2, 3, and 5; 124A.036, by adding subdivisions; 124A.06, subdivision 1, and by adding subdivisions; 124A.10, subdivision 1, and by adding a subdivision; 124A.12, subdivision 1; 124A.14, subdivisions 1, 3, and 4, and by adding subdivisions; 124A.16; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivision 3; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.34, subdivisions 2 and 3; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5b, 5c, 5d, 8, 8b, 11a, 11b, and by adding subdivisions; 298.24, subdivision 3; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.094, subdivision 2; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended; Laws 1973, chapter 683, section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; Laws 1984, chapter 463, article 9, section 9; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 126; 129B; 134; and 136A; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.89; 123.35, subdivision 14; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.245, subdivisions 1 and 4; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.272; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 125.05, subdivision 5; 126.60, subdivision 4; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivisions 8a and 11c; 354.43, subdivisions 4 and 5; 354.66, subdivision 4a; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47.

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

Page 5, line 36, delete "\$1,845" and insert "\$1,840"

Page 6, line 2, delete "\$1,935" and insert "\$1,930"

Page 27, line 31, delete "\$689,583,700" and insert "\$689,468,600"

Page 27, line 32, delete "\$966,971,500" and insert "\$962,990,800"

Page 27, line 34, delete "\$607,714,200" and insert "\$607,599,100"

Page 28, line 2, delete "\$861,839,300" and insert "\$857,858,600"

Page 28, line 9, delete "\$214,725,900" and insert "\$216,227,700"

Page 37, line 18, delete "9.4" and insert "8.9"

Page 37, line 20, delete "8.3" and insert "7.4"

Page 43, line 11, delete "\$89,472,300" and insert "\$88,944,500"

Page 43, line 12, delete "\$96,436,100" and insert "\$95,287,300"

Page 43, line 14, delete "\$77,187,900" and insert "\$76,660,100"

Page 43, line 16, delete "\$13,621,400" and insert "\$13,528,200"

Page 43, line 17, delete "\$82,814,700" and insert "\$81,759,100"

Page 43, line 20, delete "\$90,809,300" and insert "\$90,188,300" and delete "\$97,429,100" and insert "\$96,187,100"

Page 50, delete section 11 and insert:

"Sec. 11. Minnesota Statutes 1984, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [1983-1984 TEACHERS SALARIES.] ~~Beginning in the 1983-1984 school year and Each year thereafter,~~ the state shall pay to any a district for the employment in its educational a portion of the salary of each essential person employed in the district's program for handicapped children 70 percent of the salary of essential personnel for during the normal regular school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are person is employed by a district alone or jointly with another district one or more districts. The portion for a full-time person shall be the lesser of 70 percent of the salary or \$18,500. The portion for a part-time or limited-time person shall be the lesser of 70 percent of the salary or the product of \$18,500 times the ratio of the person's actual employment to full-time employment."

Page 54, line 17, strike "70 percent" and insert "a portion" and delete "not" and insert "of each"

Page 54, delete line 18

Page 54, line 19, strike "personnel in" and insert "person employed during" and delete "or 70 percent"

Page 54, delete line 20

Page 54, line 21, delete the new language

Page 54, line 23, after the period insert "The portion for a full-time person shall be the lesser of 70 percent of the salary or \$18,500. The portion for a part-time or limited-time person shall be the lesser of 70 percent of the salary or the product of \$18,500 times the ratio of the person's actual employment to full-time employment."

Page 56, line 10, delete "\$4,233,500" and insert "\$4,217,900"

Page 56, line 11, delete "\$4,554,600" and insert "\$4,517,000"

Page 56, line 19, delete "\$456,000" and insert "\$228,000"

Page 56, line 23, delete "\$1,354,000" and insert "\$1,347,000"

- Page 56, line 24, delete "\$1,414,000" and insert "\$1,400,900"
- Page 56, line 28, delete "\$3,059,000" and insert "\$3,046,400"
- Page 56, line 29, delete "\$3,300,800" and insert "\$3,271,400"
- Page 56, line 31, delete "\$2,627,800" and insert "\$2,615,200"
- Page 56, line 33, delete "\$463,700" and insert "\$461,500"
- Page 56, line 34, delete "\$2,837,100" and insert "\$2,809,900"
- Page 57, line 1, delete "\$3,091,500" and insert "\$3,076,700" and delete "\$3,337,700" and insert "\$3,305,700"
- Page 57, line 21, delete "\$74,000" and insert "\$72,800"
- Page 65, line 15, delete "\$7,315" and insert "\$7,280"
- Page 65, line 16, delete "\$5.50" and insert "\$5.45"
- Page 65, line 24, delete "\$7,680" and insert "\$7,610"
- Page 65, line 25, delete "\$5.75" and insert "\$5.70"
- Page 67, line 33, delete "\$5.50" and insert "\$5.45"
- Page 67, line 34, delete "\$7,315" and insert "\$7,280"
- Page 68, line 3, delete "\$5.75" and insert "\$5.70"
- Page 68, line 4, delete "\$7,680" and insert "\$7,610"
- Page 70, line 24, delete "\$2,046,000" and insert "\$2,037,200"
- Page 70, line 25, delete "\$2,241,000" and insert "\$2,221,900"
- Page 70, line 28, delete "\$1,760,000" and insert "\$1,751,200"
- Page 70, line 31, delete "\$310,000" and insert "\$309,000"
- Page 70, line 32, delete "\$1,931,000" and insert "\$1,912,900"
- Page 70, line 35, delete "\$2,070,034" and insert "\$2,060,200" and delete "\$2,271,100" and insert "\$2,250,500"
- Page 71, line 4, delete "\$1,903,200" and insert "\$1,850,000"
- Page 71, line 11, delete "\$1,683,000" and insert "\$1,629,800"
- Page 71, line 14, delete "\$1,980,000" and insert "\$1,917,400"
- Page 71, line 20, delete "\$8,003,600" and insert "\$7,948,000"
- Page 71, line 24, delete "\$7,078,000" and insert "\$7,022,400"
- Page 71, line 27, delete "\$8,327,000" and insert "\$8,261,700"
- Pages 72 to 78, delete sections 1 to 3
- Page 80, line 7, delete "\$2" and insert "\$1.95"
- Page 80, line 10, delete "\$2,000" and insert "\$1,950"
- Pages 80 and 81, delete sections 5 and 6
- Page 85, line 28, after "MINNESOTA" insert "SCHOOL OF THE" and after "ARTS" insert "AND"

Page 85, lines 29 and 31, after "Minnesota" insert "school of the" and after "arts" insert "and"

Page 86, line 6, after "Minnesota" insert "school of the" and after "arts" insert "and"

Page 86, line 9, after "Minnesota" insert "school of the" and after "arts" insert "and" and delete "related"

Page 86, line 10, after "facilities" insert "related to the school"

Page 86, after line 11, insert:

"(2) to prescribe textbooks and courses of study, conditions of admission, confer diplomas, and adopt policies for the operation of the school;"

Page 86, line 14, after "the" insert "school and"

Page 86, line 30, after "to" insert "pupil activities, curriculum, and administration of" and after "the" insert "school and"

Page 86, line 34, after "Minnesota" insert "school of the" and after "arts" insert "and"

Renumber the clauses in sequence

Page 86, after line 34, insert:

"Subd. 5. [ENROLLMENT.] To ensure statewide access and participation in the Minnesota school of the arts and resource center, enrollment of students shall be, to the extent possible, based on the secondary school enrollment in each congressional district in the state. Further:

(1) pupils shall be enrolled in grades nine through 12;

(2) no tuition or housing costs shall be charged to pupils attending the Minnesota school of the arts and resource center; and

(3) admission policies shall consider pupil needs and abilities as well as geographic, racial, and sexual balance.

Subd. 6. [PUPIL SERVICES.] The board shall provide the opportunity to reside in housing that affords adequate supervision and programs to meet the physical, emotional, social, and recreational needs of the pupils and shall make available health services for all pupils enrolled in the residential school program.

Subd. 7. [CURRICULUM.] The Minnesota school of the arts and resource center shall provide an interdisciplinary education program. An academic curriculum must be offered with special programs in dance, literary arts, media arts, music, theater, and visual arts in both the popular and fine arts traditions. Pupils attending the residential program shall complete high school graduation requirements. Advisory committees established by the board shall evaluate curricula and provide advice about programs offered through the resource center. The curriculum shall use the model learning outcomes developed by the department of education.

Subd. 8. [TEACHERS.] The board shall employ and contract with necessary licensed teachers. It may consider a teacher's artistic and educational abilities. The board may hire guest instructors for programs for which there is

no licensure and for other artistic activities for which it is not possible or appropriate to employ a licensed teacher.

The school of the arts board may employ a teacher currently employed by a school board. The school board employing the teacher shall grant a leave of absence to the teacher. For the purpose of sections 125.12 or 125.17, years of service at the school of the arts shall be deemed to be years of service in the district from which the teacher has been granted a leave. Employer contributions for fringe benefits shall be paid by the board of the school of the arts according to the contract between the teacher and the board of the school of the arts.

Subd. 9. [FUNDING.] For each pupil transferring from a school district to the school of the arts, the district from which the pupil transferred shall pay to the school of the arts an amount equal to the foundation aid formula allowance times the number of pupil units that have transferred. The district from which the pupil transferred shall levy according to section 124A.03, subdivision 1, for the transferred pupil."

Page 86, line 35, delete "5" and insert "10"

Page 87, line 3, before the comma insert "to pupils who are not enrolled in the school of the arts"

Page 87, lines 5 and 7, delete "among" and insert "between the school of the arts and"

Pages 87 to 89, delete sections 12 to 15

Page 89, line 20, delete "\$200,000" and insert "\$199,000"

Page 89, line 21, delete "\$200,000" and insert "\$199,000"

Page 89, line 26, delete "\$1,000,000" and insert "\$980,000"

Page 89, line 27, delete "\$1,000,000" and insert "\$980,000"

Page 89, line 32, delete "\$500,000" and insert "\$497,500"

Page 89, line 33, delete "\$600,000" and insert "\$597,000"

Page 89, delete line 36

Page 90, delete lines 1 to 8

Page 90, line 16, delete "123.35, subdivision 14,"

Page 90, line 17, delete the first comma

Page 90, line 19, delete "4" and insert "1"

Page 90, delete lines 21 to 24

Renumber the sections of article 5 in sequence

Page 91, after line 8, insert:

"Sec. 2. Minnesota Statutes 1984, section 123.702, subdivision 1, is amended to read:

Subdivision 1. Every school board shall provide for a voluntary *program of early childhood* health and developmental screening ~~program~~ for children once before entering kindergarten. This screening program shall be estab-

lished either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood and family education programs, or by other existing programs. No school board may make this screening examination a mandatory prerequisite to enroll a student."

Page 91, line 14, delete "\$16.20" and insert "\$16.15"

Page 91, line 16, delete "\$16.95" and insert "\$16.80"

Page 91, after line 16 insert:

"Sec. 4. Minnesota Statutes 1984, section 124.246, subdivision 2, is amended to read:

Subd. 2. [AID.] An eligible district shall receive ~~\$1.04 in \$1.08~~ for fiscal year ~~1984 1985~~, ~~\$1.12~~ for fiscal year 1986, and ~~\$1.08 in \$1.16~~ for fiscal year ~~1985 1987~~ for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than ~~\$1,040 in \$1,080~~ for fiscal year ~~1984 1985~~, ~~\$1,112~~ for fiscal year 1986, and ~~\$1,080 in \$1,160~~ for fiscal year ~~1985 1987~~."

Page 91, line 23, delete "\$45" and insert "\$44.75"

Page 91, line 24, delete "\$47" and insert "\$46.55"

Page 97, line 2, after the period insert "*The board is encouraged to publish and make available information about all educational programs offered in the education district to the residents of an education district.*"

Page 97, line 6, delete the first "and"

Page 97, line 26, delete "\$52.25" and insert "\$52"

Page 97, line 28, delete "\$52,250" and insert "\$52,000"

Page 97, line 33, delete "11" and insert "13"

Page 100, lines 14 and 15, delete "5" and insert "7"

Page 101, lines 9 and 10, delete "5" and insert "7"

Page 102, lines 2, 3, 22 and 32, delete "5" and insert "7"

Page 102, line 26, delete "\$52.25" and insert "\$52"

Page 102, line 27, delete "\$52,250" and insert "\$52,000"

Page 107, after line 11, insert:

"Sec. 22. [INSTRUCTION TO REVISOR.]

In the supplement to Minnesota Statutes 1984 and in subsequent editions and supplements thereafter, the revisor of statutes is requested to change the heading before section 123.701 from "PRESCHOOL HEALTH SCREENING" to "EARLY CHILDHOOD HEALTH AND DEVELOPMENTAL SCREENING".

Page 107, line 20, delete "\$886,700" and insert "\$882,000"

Page 107, line 21, delete "\$955,200" and insert "\$944,600"

Page 107, line 24, delete "765,700" and insert "\$761,000"

- Page 107, line 26, delete "\$135,200" and insert "\$134,300"
- Page 107, line 28, delete "\$820,000" and insert "\$810,300"
- Page 107, line 31, delete "\$900,900" and insert "\$895,300" and delete "\$964,700" and insert "\$953,300"
- Page 107, line 36, delete "EQUALIZATION"
- Page 108, line 1, delete "equalization"
- Page 108, line 2, after "1" insert "or 2"
- Page 108, lines 18, 21, and 36, delete "equalization"
- Page 108, lines 19 and 22, delete "1a" and insert "3"
- Page 108, line 20, delete "EQUALIZATION"
- Page 109, line 3, delete "EQUALIZATION"
- Page 109, lines 4 and 17, delete "equalization"
- Page 109, line 4, delete "1c" and insert "4"
- Page 109, line 18, after "1" insert "or 2"
- Page 109, line 21, delete "\$718,700" and insert "\$715,700"
- Page 109, line 22, delete "\$750,500" and insert "\$743,700"
- Page 109, line 25, delete "\$614,400" and insert "\$611,400"
- Page 109, line 27, delete "\$108,400" and insert "\$107,900"
- Page 109, line 29, delete "\$642,100" and insert "\$635,800"
- Page 109, line 32, delete "\$722,800" and insert "\$719,290" and delete "\$755,400" and insert "\$748,000"
- Page 109, line 35, delete "\$65,707" and insert "\$65,390" and delete "\$68,664" and insert "\$68,000"
- Page 110, line 3, delete "\$131,414" and insert "\$130,780" and delete "\$137,328" and insert "\$136,000"
- Page 111, line 7, delete "\$1,878,500" and insert "\$1,869,200"
- Page 111, line 9, delete "\$2,210,000" and insert "\$2,199,000"
- Page 111, line 13, delete "\$110,000" and insert "\$109,450"
- Page 111, line 14, delete "\$10,000" and insert "\$9,950"
- Page 111, line 15, delete "\$20,000" and insert "\$19,900"
- Page 111, line 24, delete "\$1,426,000" and insert "\$1,418,600"
- Page 111, line 25, delete "\$1,623,500" and insert "\$1,608,900"
- Page 111, line 28, delete "\$1,327,000" and insert "\$1,319,600"
- Page 111, line 30, delete "\$234,100" and insert "\$232,800"
- Page 111, line 32, delete "\$1,389,400" and insert "\$1,376,100"
- Page 111, line 35, delete "\$1,561,100" and insert "\$1,552,400" and de-

lete "\$1,634,500" and insert "\$1,618,900"

Page 112, line 23, delete "\$167,872" and insert "\$167,181"

Page 112, line 24, delete "\$175,304" and insert "\$173,747"

Page 112, line 27, delete "\$143,520" and insert "\$142,829"

Page 112, line 29, delete "\$25,326" and insert "\$25,205"

Page 112, line 31, delete "\$149,978" and insert "\$148,542"

Page 112, line 34, delete "\$168,846" and insert "\$168,034" and delete "\$176,444" and insert "\$174,755"

Page 113, line 6, delete "\$52,993" and insert "\$52,738"

Page 113, line 7, delete "\$9,358" and insert "\$9,313"

Page 113, line 8, delete "\$14,444" and insert "\$14,374"

Page 113, line 9, delete "\$13,578" and insert "\$13,513"

Page 113, line 10, delete "\$40,737" and insert "\$40,541"

Page 113, line 11, delete "\$37,736" and insert "\$37,555"

Page 113, line 16, delete "\$55,378" and insert "\$54,848"

Page 113, line 17, delete "\$9,779" and insert "\$9,685"

Page 113, line 18, delete "\$15,094" and insert "\$14,949"

Page 113, line 19, delete "\$14,189" and insert "\$14,053"

Page 113, line 20, delete "\$42,570" and insert "\$42,163"

Page 113, line 21, delete "\$39,434" and insert "\$39,057"

Page 114, line 28, delete "\$1,055,200" and insert "\$1,056,000"

Page 114, line 29, delete "\$1,100,900" and insert "\$1,092,100"

Page 114, line 32, delete "\$901,300" and insert "\$902,100"

Page 114, line 34, delete "\$160,000" and insert "\$159,200"

Page 114, line 36, delete "\$940,900" and insert "\$932,900"

Page 115, line 3, delete "\$1,107,000" and insert "\$1,097,500"

Page 116, line 15, delete "\$843,800" and insert "\$840,300"

Page 116, line 16, delete "\$881,200" and insert "\$873,300"

Page 116, line 19, delete "\$721,400" and insert "\$717,900"

Page 116, line 21, delete "\$127,300" and insert "\$126,700"

Page 116, line 23, delete "\$753,900" and insert "\$746,600"

Page 116, line 29, delete "\$848,700" and insert "\$844,600" and delete "\$886,900" and insert "\$878,400"

Page 118, lines 21 and 23, delete "4" and insert "7"

Page 118, line 26, delete "22" and insert "25"

Page 125, line 30, delete "*elementary and secondary*"

Pages 128 and 129, delete section 20

Page 131, after line 36 insert:

"Section 19 is effective July 1, 1986."

Page 132, line 11, strike "models" and insert "programs"

Page 132, line 13, strike "models"

Page 132, line 25, strike "MODEL" and insert "IMPLEMENTATION"

Page 132, line 29, strike "model" and insert "program"

Page 132, lines 31 and 35, strike "model"

Page 133, line 5, strike "MODEL" and insert "PROGRAM"

Page 133, line 7, strike "the"

Page 133, lines 8 and 31, strike "models"

Page 133, lines 12 and 23, strike "models" and insert "program"

Page 134, line 8, delete "models" and insert "programs" and delete "3" and insert "2"

Page 147, line 25, before "The" insert:

"Subd. 3. [CONTRACTS AND PROHIBITIONS.] A school district may secure the instructional resources for the 60 percent portion of the revenue by contracting with a teacher partnership, teacher cooperative, or other professional association formed and controlled by licensed public school teachers." and after "The" insert "60 percent portion of the"

Page 147, line 27, delete "3" and insert "4"

Page 155, line 26, delete "70" and insert "65"

Page 157, line 36, delete "90" and insert "85"

Page 165, line 19, delete "TRAINING" and insert "EDUCATION"

Page 165, line 20, delete "training" and insert "education"

Page 165, line 22, delete "\$545,000" and insert "\$543,300"

Page 165, line 26, delete "\$1,103,000" and insert "\$1,097,500"

Page 165, line 27, delete "\$789,000" and insert "\$781,000"

Page 166, line 1, delete "\$53,000" and insert "\$52,800"

Page 166, line 2, delete "\$55,400" and insert "\$54,900"

Page 166, line 7, delete "\$300,000" and insert "\$297,800"

Page 166, line 11, delete "\$150,000" and insert "\$149,000"

Page 166, line 12, delete "\$150,000" and insert "\$149,000"

Page 166, line 19, delete "\$234,000" and insert "\$232,800"

Page 166, line 20, delete "\$600,000" and insert "\$594,000"

Page 166, lines 24 and 25, delete "\$500,000" and insert "\$496,000"

Page 166, lines 32 and 33, delete "\$50,000" and insert "\$49,600"

Page 167, line 8, delete "\$8,859,000" and insert "\$7,990,000"

Page 167, line 9, delete "\$10,422,000" and insert "\$9,400,000"

Page 167, line 25, delete "\$450,000" and insert "\$446,600"

Page 167, line 30, delete "\$350,000" and insert "\$347,400"

Page 167, line 35, delete "\$100,000" and insert "99,300"

Page 168, line 4, delete "\$487,000" and insert "\$452,200"

Page 168, line 8, delete "\$291,200" and insert "\$289,800"

Page 168, line 9, delete "\$304,300" and insert "\$301,400"

Page 168, line 13, delete "\$2,365,000" and insert "\$2,347,600"

Page 168, line 18, delete "\$106,000" and insert "\$105,500"

Page 168, line 19, delete "\$110,800" and insert "\$109,800"

Page 168, line 22, delete "\$1,000,000" and insert "\$992,500"

Page 168, line 27, delete "\$626,000" and insert "\$591,300"

Page 168, line 28, delete "\$624,000" and insert "\$589,400"

Page 168, line 32, delete "\$119,300" and insert "\$118,700"

Page 168, line 33, delete "\$124,700" and insert "\$123,500"

Page 169, line 1, delete "\$132,600" and insert "\$131,900"

Page 169, line 2, delete "\$138,600" and insert "\$137,200"

Page 169, line 6, delete "\$225,000" and insert "\$223,300"

Page 169, line 11, delete "\$26,000" and insert "\$25,900"

Page 169, line 12, delete "\$27,200" and insert "\$26,900"

Page 169, line 16, delete "\$200,000" and insert "\$198,500"

Page 170, after line 11, insert:

"Subd. 29. [INDUSTRIAL TECHNOLOGY PROGRAM.] For development of curriculum for the industrial technology program there is appropriated:

\$50,000_____ 1986.

The sum is available until June 30, 1987."

Re-number the subdivisions in sequence

Page 171, line 14, delete "48" and insert "47"

Page 173, line 35, delete "\$4,956,200" and insert "\$4,913,000"

Page 173, line 36, delete "\$5,216,100" and insert "\$5,166,200"

Page 174, line 2, delete "\$4,261,200" and insert "\$4,218,000"

Page 174, line 4, delete "\$752,000" and insert "\$744,400"

Page 174, line 5, delete "\$4,464,100" and insert "\$4,421,800"

Page 174, line 8, delete "\$5,013,200" and insert "\$4,962,400" and de-

lete "\$5,251,900" and insert "\$5,202,100"

Page 174, line 13, delete "\$205,100" and insert "\$204,200"

Page 174, line 14, delete "\$213,900" and insert "\$212,000"

Page 174, line 16, delete "\$175,100" and insert "\$174,200"

Page 174, line 18, delete "\$30,900" and insert "\$30,800"

Page 174, line 19, delete "\$183,000" and insert "\$181,200"

Page 174, line 22, delete "\$206,000" and insert "\$205,000" and delete "\$215,200" and insert "\$213,200"

Page 176, line 18, after "1987" insert "or both"

Page 177, line 22, delete "section" and insert "sections 124.2137 and"

Page 178, line 15, delete the first comma and insert "or" and delete ", or credit"

Page 178, line 20, delete the first comma and insert "or" and delete ", or credits"

Page 179, line 36, after "126," insert "134,"

Page 181, line 12, delete "subdivision" and insert "subdivisions 7 and"

Page 181, line 20, after the comma insert "it is assumed that"

Page 181, line 21, delete "shall" and insert "will"

Page 181, line 24, delete "\$5,666,300" and insert "\$5,728,700"

Amend the title as follows:

Page 1, delete line 10

Page 1, line 11, delete "with certain limitations;"

Page 1, line 12, delete "arts" and insert "school of the arts and"

Page 1, line 24, after the first semicolon insert "123.702, subdivision 1;"

Page 1, line 30, after the second semicolon insert "124.246, subdivision 2;"

Page 1, line 38, delete "124A.036, by adding subdivisions;"

Page 2, line 7, delete "298.24, subdivision 3;"

Page 2, line 17, delete "123;"

Page 2, line 18, delete "134; and 136A" and insert "and 134"

Page 2, line 21, delete "123.35, subdivision 14;"

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

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

H.F. No. 882 for comparison with companion Senate File, reports the fol-

lowing 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.
	882		614		

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

H.F. No. 449 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.
	449		591		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 449 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 449 and insert the language after the enacting clause of S.F. No. 591, the first engrossment; further, delete the title of H.F. No. 449 and insert the title of S.F. No. 591, the first engrossment.

And when so amended H.F. No. 449 will be identical to S.F. No. 591, and further recommends that H.F. No. 449 be given its second reading and substituted for S.F. No. 591, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 633 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.
	633		622		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 633 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 633 and insert the language after the enacting clause of S.F. No. 622, the second engrossment; further, delete the title of H.F. No. 633 and insert the title of S.F. No.

622, the second engrossment.

And when so amended H.F. No. 633 will be identical to S.F. No. 622, and further recommends that H.F. No. 633 be given its second reading and substituted for S.F. No. 622, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 683 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.
683	1223				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 683 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 683 and insert the language after the enacting clause of S.F. No. 1223, the first engrossment; further, delete the title of H.F. No. 683 and insert the title of S.F. No. 1223, the first engrossment.

And when so amended H.F. No. 683 will be identical to S.F. No. 1223, and further recommends that H.F. No. 683 be given its second reading and substituted for S.F. No. 1223, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 937 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.
937	791				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 937 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 937 and insert the language after the enacting clause of S.F. No. 791, the first engrossment; further, delete the title of H.F. No. 937 and insert the title of S.F. No. 791, the first engrossment.

And when so amended H.F. No. 937 will be identical to S.F. No. 791, and

further recommends that H.F. No. 937 be given its second reading and substituted for S.F. No. 791, 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. 1219 and 172 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 882, 449, 633, 683 and 937 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Spear moved that the name of Mr. Merriam be added as a co-author to S.F. No. 459. The motion prevailed.

Mrs. Kronebusch moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 1223. The motion prevailed.

Mrs. Adkins and Mr. Jude introduced—

Senate Resolution No. 75: A Senate resolution commemorating the life and work of Art Schoening of Greenfield.

Referred to the Committee on Rules and Administration.

Mr. Peterson, D.L. moved that S.F. No. 444, No. 44 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Willet moved that S.F. No. 1411 be taken from the table. The motion prevailed.

S.F. No. 1411: A bill for an act relating to local government; permitting a home rule or statutory city to contribute to a community seed capital fund; proposing coding for new law in Minnesota Statutes, chapter 465.

Mr. Willet moved to amend S.F. No. 1411 as follows:

Page 1, line 8, delete everything after "Section 1." and insert "[BEMIDJI; SEED CAPITAL.]"

Page 1, line 9, delete "a home rule or statutory" and insert "the" and after "city" insert "of Bemidji"

Page 1, after line 15, insert:

"Sec. 2. [LOCAL APPROVAL.]

This act is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Bemidji."

Amend the title as follows:

Page 1, line 2, delete "local government" and insert "the city of Bemidji"

and delete "a home rule"

Page 1, line 3, delete "or statutory" and insert "the"

Page 1, line 4, delete everything after "fund" and insert a period

Page 1, delete line 5

The motion prevailed. So the amendment was adopted.

S.F. No. 1411 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 8, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kronebusch	Nelson	Sieloff
Anderson	Dicklich	Laidig	Novak	Solon
Belanger	Frederick	Langseth	Peterson, C.C.	Spear
Benson	Frederickson	Lantry	Peterson, D.C.	Storm
Berglin	Freeman	Lessard	Peterson, D.L.	Vega
Bernhagen	Hughes	Luther	Petty	Waldorf
Bertram	Isackson	McQuaid	Pogemiller	Willet
Brataas	Johnson, D.E.	Mehrkens	Purfeerst	
Chmielewski	Johnson, D.J.	Moe, D.M.	Ramstad	
Davis	Jude	Moe, R.D.	Schmitz	

Those who voted in the negative were:

Berg	Kamrath	Merriam	Peterson, R.W.	Renneke
Frank	Knaak	Pehler		

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1388: A resolution memorializing the President, Congress, and the Secretary of Agriculture to require certain minimum levels of solids-not-fat in fluid milk marketed for direct human consumption.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 658: A bill for an act relating to wild animals; altering certain provisions regarding taking and possession, and penalties related thereto; amending Minnesota Statutes 1984, sections 97.55, subdivision 16; 98.46, subdivision 5; 98.52, by adding a subdivision; and 100.29, subdivision 8; repealing Minnesota Statutes 1984, section 97.55, subdivision 4.

Mr. Willet moved to amend S.F. No. 658 as follows:

Page 3, after line 5, insert:

“Sec. 4. Minnesota Statutes 1984, section 100.273, subdivision 6, is amended to read:

Subd. 6. No person shall erect “no hunting”, “no trapping”, “no fishing”, “no trespassing”, or other signs prohibiting trespass upon any lands or waters in which he has no right, title, interests, or license. The owner, occupant, or lessee of any private land, or a duly constituted legal authority of public land, may erect signs prohibiting trespassing, hunting, trapping, or fishing if the signs bear letters not less than two inches high, are signed by the owner, occupant, or lessee, and are posted at intervals of not more than 1000 feet upon the boundaries of the area so protected, *or in a wooded area where boundary lines are not clear, at intervals of not more than 500 feet.*

Sec. 5. Minnesota Statutes 1984, section 100.273, subdivision 9, is amended to read:

Subd. 9. *(a) Violation of any provision of this section is a misdemeanor, except as provided in paragraph (b).*

(b) A person is guilty of a gross misdemeanor who: (1) knowingly disregards signs prohibiting trespass, (2) trespasses after personally being notified by the landowner or lessee not to trespass, or (3) is convicted of violating this section more than once in a three-year period.

(c) Upon a person's conviction for violating any provision of this section, any license issued to him pursuant to chapter 98, or any registration pursuant to section 84.82, under which he was exercising or attempting to exercise a privilege while violating this section shall immediately become null and void.

(d) A person convicted of a gross misdemeanor under paragraph (b) may not be issued a license to hunt or trap any wild animal for two years after the conviction.”

Page 3, line 23, delete “4” and insert “6”

Page 3, line 24, delete “5” and insert “7”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon insert "100.273, subdivisions 6 and 9;"

The motion prevailed. So the amendment was adopted.

S.F. No. 658 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Dieterich, Knaak, Knutson and Petty voted in the negative.

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

SPECIAL ORDER

H.F. No. 78: A bill for an act relating to crimes; defining the crime of owning or operating a disorderly house; requiring a mandatory fine for a person owning or operating a disorderly house; amending Minnesota Statutes 1984, section 609.33.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 674: A bill for an act relating to human services; adoption; regulating adoptions by relatives; providing for procedural changes; amending

Minnesota Statutes 1984, sections 259.21, by adding a subdivision; and 259.23, subdivisions 1 and 2; 259.27, subdivision 1; repealing Minnesota Statutes 1984, section 259.27, 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 428: A bill for an act relating to the city of Eden Prairie; authorizing one annual one-day liquor license.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 919: A bill for an act relating to agriculture; protecting buyers when subject to a security interest; amending Minnesota Statutes 1984, section 336.9-307.

Mr. Sieloff moved to amend S.F. No. 919 as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1984, section 336.9-306, is amended to read:

336.9-306 [“PROCEEDS”; SECURED PARTY’S RIGHTS ON DISPOSITION OF COLLATERAL.]

(1) “Proceeds” includes whatever is received upon the sale, exchange, collection or other disposition of collateral or proceeds. Insurance payable by reason of loss or damage to the collateral is proceeds, except to the extent that it is payable to a person other than a party to the security agreement. Money, checks, deposit accounts, and the like are “cash proceeds.” All other proceeds are “noncash proceeds.”

(2) Except where this article otherwise provides, a security interest continues in collateral notwithstanding sale, exchange or other disposition thereof unless the disposition was authorized by the secured party in the security agreement or otherwise, and also continues in any identifiable proceeds including collections received by the debtor.

(3) The security interest in proceeds is a continuously perfected security interest if the interest in the original collateral was perfected but it ceases to be a perfected security interest and becomes unperfected 20 days after receipt of the proceeds by the debtor unless

(a) a filed financing statement covers the original collateral and the proceeds are collateral in which a security interest may be perfected by filing in the office or offices where the financing statement has been filed and, if the proceeds are acquired with cash proceeds, the description of collateral in the financing statement indicates the types of property constituting the proceeds; or

(b) a filed financing statement covers the original collateral and the proceeds are identifiable cash proceeds; or

(c) the security interest in the proceeds is perfected before the expiration of the 20 day period.

Except as provided in this section, a security interest in proceeds can be perfected only by the methods or under the circumstances permitted in this article for original collateral of the same type.

(4) In the event of insolvency proceedings instituted by or against a debtor, a secured party with a perfected security interest in proceeds has a perfected security interest only in the following proceeds:

(a) in identifiable noncash proceeds and in separate deposit accounts containing only proceeds;

(b) in identifiable cash proceeds in the form of money which is neither commingled with other money nor deposited in a deposit account prior to the insolvency proceedings;

(c) in identifiable cash proceeds in the form of checks and the like which are not deposited in a deposit account prior to the insolvency proceedings; and

(d) in all cash and deposit accounts of the debtor, in which proceeds have been commingled with other funds, but the perfected security interest under this paragraph (d) is

(i) subject to any right of setoff; and

(ii) limited to an amount not greater than the amount of any cash proceeds received by the debtor within 20 days before the institution of the insolvency proceedings less the sum of (I) the payments to the secured party on account of cash proceeds received by the debtor during such period and (II) the cash proceeds received by the debtor during such period to which the secured party is entitled under paragraphs (a) to (c) of this subsection (4).

(5) If a sale of goods results in an account or chattel paper which is transferred by the seller to a secured party, and if the goods are returned to or are repossessed by the seller or the secured party, the following rules determine priorities:

(a) If the goods were collateral at the time of sale for an indebtedness of the seller which is still unpaid, the original security interest attaches again to the goods and continues as a perfected security interest if it was perfected at the time when the goods were sold. If the security interest was originally perfected by a filing which is still effective, nothing further is required to continue the perfected status; in any other case, the secured party must take possession of the returned or repossessed goods or must file.

(b) An unpaid transferee of the chattel paper has a security interest in the goods against the transferor. Such security interest is prior to a security interest asserted under paragraph (a) to the extent that the transferee of the chattel paper was entitled to priority under section 336.9-308.

(c) An unpaid transferee of the account has a security interest in the goods against the transferor. Such security interest is subordinate to a security interest asserted under paragraph (a).

(d) A security interest of an unpaid transferee asserted under paragraph (b) or (c) must be perfected for protection against creditors of the transferor and purchasers of the returned or repossessed goods.

(6) If the goods are farm products disposed of by a person engaged in farming operations, a security interest continues only in 80 percent of the proceeds."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "limiting security interests in farm product proceeds;"

Page 1, line 4, delete "section" and insert "sections 336.9-306; and"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Pehler	Schmitz
Benson	Dieterich	Laidig	Peterson, C.C.	Sieloff
Berg	Frederick	Langseth	Peterson, D.L.	Spear
Chmielewski	Freeman	Lessard	Purfeerst	Storm
Davis	Johnson, D.E.	McQuaid	Reichgott	Wegscheid
DeCramer	Knutson	Mehrrens	Renneke	

Those who voted in the negative were:

Anderson	Dicklich	Knaak	Olson	Samuelson
Belanger	Frank	Kroening	Peterson, D.C.	Waldorf
Berglin	Frederickson	Lantry	Peterson, R.W.	
Bernhagen	Hughes	Merriam	Petty	
Bertram	Isackson	Moe, D.M.	Pogemiller	
Brataas	Kamrath	Novak	Ramstad	

The motion prevailed. So the amendment was adopted.

S.F. No. 919 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 580: A bill for an act relating to the city of Lakeville; appropriating money to return a forfeiture.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 67: A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law in Minnesota Statutes, chapter 480B.

Mr. Pogemiller moved to amend H.F. No. 67, as amended pursuant to Rule 49, adopted by the Senate March 18, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 245.)

Page 4, line 4, delete "*the district bar*" and insert "*attorney*"

Page 4, line 24, delete "*and*" and insert "*or*"

Page 5, line 8, delete "*Sunday*" and insert "*Monday*"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend H.F. No. 67, as amended pursuant to Rule 49, adopted by the Senate March 18, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 245.)

Page 2, line 32, before the period insert "*, at least one of whom must be an attorney*"

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend H.F. No. 67, as amended pursuant to Rule 49, adopted by the Senate March 18, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 245.)

Page 4, line 35, delete "*shall*" and insert "*may*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Isackson	Laidig	Renneke
Anderson	Davis	Johnson, D.E.	Lessard	Spear
Belanger	DeCramer	Johnson, D.J.	McQuaid	Vega
Benson	Frank	Jude	Mehrkens	Waldorf
Berg	Frederick	Kamrath	Merriam	Wegscheid
Bernhagen	Frederickson	Knutson	Olson	Willet
Bertram	Freeman	Kroening	Pehler	
Chmielewski	Hughes	Kronebusch	Peterson, C.C.	

Those who voted in the negative were:

Berglin	Lantry	Peterson, D.C.	Pogemiller	Storm
Dieterich	Luther	Peterson, D.L.	Purfeerst	
Knaak	Moe, D.M.	Peterson, R.W.	Ramstad	
Langseth	Novak	Petty	Reichgott	

The motion prevailed. So the amendment was adopted.

H.F. No. 67 was then progressed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

indicated.

Mr. Chmielewski introduced—

S.F. No. 1511: A bill for an act relating to employment; regulating entertainment agencies; providing a penalty; amending Minnesota Statutes 1984, sections 184A.01; 184A.03; 184A.04; 184A.05; 184A.06; 184A.10; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.18; 184A.19; and 184A.20; proposing coding for new law in Minnesota Statutes, chapter 184A.

Referred to the Committee on Employment.

MEMBERS EXCUSED

Messrs. Gustafson, Stumpf and Taylor were excused from the Session of today. Mr. Solon was excused from the Session of today at 1:15 p.m. Mr. Dahl was excused from the Session of today from 12:00 noon to 1:15 p.m. Mr. Moe, R.D. was excused from the Session of today from 12:30 to 1:45 p.m. Messrs. Pehler and Willet were excused from the Session of today from 12:45 to 1:15. Mr. Johnson, D.J. was excused from the Session of today from 12:40 to 2:15 p.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 7:00 p.m., Monday, April 29, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SEVENTH DAY

St. Paul, Minnesota, Monday, April 29, 1985

The Senate met at 7:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Neal E. Lloyd.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 29, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 46, 70, 379, 437, 625 and 1231.

Sincerely,

Rudy Perpich, Governor

REPORTS OF COMMITTEES

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

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

S.F. No. 418: A bill for an act relating to public finance; modifying provisions that allocate industrial revenue bond authority; clarifying the duties of the department of energy and economic development; appropriating money; amending Minnesota Statutes 1984, sections 116J.58, subdivision 4; 116M.07, subdivision 1, and by adding subdivisions; 474.16, subdivisions 1, 4, and 5, and by adding subdivisions; 474.17, subdivisions 1, 2, 3, 4, and by adding a subdivision; 474.18, subdivisions 1, 2, 3, and 4, and by adding a subdivision; 474.19, subdivisions 1, 2, 3, 4, 5, 6, and 7, and by adding subdivisions; 474.20, subdivisions 1 and 2; 474.22; 474.23; and 474.25; repealing Laws 1984, chapter 582, section 23.

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

Page 2, line 24, delete "*seek the comments of*" and insert "*forward the application to*"

Page 2, line 25, delete "*. The commissioner shall*" and insert "*for*" and after "*review*" delete "*the*"

Page 2, line 26, delete everything before "*subdivision*" and insert "*under*" and after the period, insert "*The authority must not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.*"

Pages 3 and 4, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1984, section 116M.07, is amended by adding a subdivision to read:

Subd. 7c. [HEALTH CARE EQUIPMENT LOANS; ADMINISTRATION.] (a) The commissioner of health shall review each loan application received from the authority to determine whether the application is an approvable application. An application is approvable if the following criteria are satisfied:

(1) the hospital is owned and operated by a county, district, municipality or nonprofit corporation;

(2) the loan would not be used to refinance existing debt;

(3) the hospital was unable to obtain suitable financing from other sources;

(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from that facility; and

(5) the project to be financed by the loan is cost-effective and efficient.

(b) *The commissioner shall determine whether the allocation available for the health care equipment loan program for a period of time specified in a rule is sufficient for all approvable applications received during the period of time. If the allocations are sufficient, the commissioner shall approve all approvable applications. If the allocations are not sufficient, the commissioner shall compare the relative merits of the approvable applications in relation to the criteria in clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.*

(c) *The commissioner of energy and economic development may charge a reasonable fee under section 16A.128 to an applicant for the costs of the departments of health and energy and economic development in the review of the application. The commissioner of energy and economic development shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications effective July 1, 1985. The commissioner of health may adopt emergency and permanent rules to implement subdivisions 7a to 7c of this section. Notwithstanding section 14.25, emergency rules adopted under this section are effective until December 31, 1986. The commissioner of energy and economic development may adopt emergency rules under section 14.29, subdivision 3, and permanent rules to implement subdivisions 7a to 7c.*

Sec. 6. Minnesota Statutes 1984, section 116M.08, subdivision 4, is amended to read:

Subd. 4. It may adopt, amend, and repeal rules, including emergency rules, not inconsistent with the provisions of this chapter and chapters 472 and 474 as necessary to effectuate its purposes. The authority to adopt emergency rules ~~expires June 30, 1985~~ is subject to section 14.29, subdivision 3.

Sec. 7. [458.1951] [BOND ISSUANCE FOR WAREHOUSE PROJECT PROHIBITED.]

Subdivision 1. Notwithstanding any provision of this chapter or sections 474.16 to 474.23, bonds issued pursuant to this chapter or those sections may not be used for the financing of a warehouse project. For the purposes of this section, "warehouse project" means any building or structure that is used primarily for the self storage by an individual of goods, wares, or merchandise for compensation. "Warehouse project" does not include a safe deposit box or a storage area on the grounds of, and maintained primarily for the convenience of the occupants of, residential housing structures.

Subd. 2. For the purposes of subdivision 1, "warehouse project" includes facilities used for storing or warehousing, unless the facility (a) is used as a part of or in connection with an assembly, fabricating, manufacturing, mining, distributing, or processing facility, or (b) is used for the storing of agricultural products and is located outside of the metropolitan area, as defined in section 473.121, subdivision 2."

Page 8, line 8, strike "calendar year 1984,"

Page 8, line 9, strike "\$40,000,000 and for" and insert "each" and strike "1985" and insert a comma

Page 8, line 15, delete "research" and insert "resource"

Page 10, delete lines 31 to 36

Page 11, delete lines 1 to 11

Page 13, line 21, before "From" insert "For calendar year 1986 and each year thereafter,"

Page 15, lines 5 and 6, reinstate the stricken language

Page 17, delete line 3

Page 18, delete lines 34 and 35

Page 24, line 5, reinstate the stricken "to the"

Page 24, line 6, reinstate the stricken language

Page 24, lines 8 to 13, delete the new language

Page 26, delete lines 10 to 14 and insert "On November 1 of each year, any portion of the allocation authority resulting from the reductions provided in this subdivision for which bonds have not been issued shall be made available for allocation pursuant to section 474.19, subdivision 6."

Page 26, line 17, delete "28" and insert "30"

Page 26, line 23, delete "26" and insert "28" and delete "33" and insert "35"

Page 26, line 27, delete "20" and insert "22"

Page 26, line 29, delete "33" and insert "35"

Renumber the sections in sequence.

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "prohibiting issuance of bonds for certain projects;"

Page 1, line 7, after the semicolon, insert "116M.08, subdivision 4;"

Page 1, line 14, before "repealing" insert "proposing coding for new law in Minnesota Statutes, chapter 458;"

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

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

S.F. No. 993: A bill for an act relating to water; providing for comprehensive local water management; requiring counties to develop and implement county water and related land resources plans; authorizing the water resources board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the water resources board; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 110B.

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

Page 10, line 16, after "provided" insert "for municipalities"

Page 10, delete lines 22 and 23, and insert:

“(4) establish one or more special taxing districts within the county and issue bonds for the purpose of financing capital improvements under sections 1 to 12.

The tax district shall be established by resolution adopted by the county board after a hearing. Notice of the time, place, and purpose of the hearing shall be published for two successive weeks in the official newspaper of the county, ending at least seven days before the day of the hearing. The resolution shall describe with particularity the territory or area to be included in the tax district. After adoption, the resolution shall be filed with the county auditor and county recorder. The district may be dissolved by following the procedures prescribed for the establishment of the district.

After adoption of the resolution under this clause, a county may annually levy a tax on all taxable property in the district for the purposes for which the tax district was established. The proceeds of the tax shall be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve fund at the time the tax is terminated or the district is dissolved shall be transferred and irrevocably pledged to the debt service fund of the county to be used solely to reduce tax levies for bonded indebtedness of taxable property in the district. A tax levied in accordance with this subdivision for paying capital costs is a levy for the payment of principal and interest on bonded indebtedness within the meaning of section 275.50, subdivision 5, clause (e).

After adoption of the resolution under this clause, and after a contract for the construction of all or part of an improvement has been entered into or the work has been ordered done by day labor, the county may issue obligations in the amount it deems necessary to pay in whole or in part the capital cost incurred and estimated to be incurred in making the improvement. The obligations shall be payable out of the proceeds of the tax levied pursuant to this clause. The county may, by resolution of its board adopted prior to the sale of obligations, pledge the full faith, credit and taxing power of the county to assure payment of the principal and interest in the event the proceeds of the tax levy in the district are insufficient to pay principal and interest. The amount of any taxes that are required to be levied outside of the territory of the tax district or taken from the general funds of the county to pay principal and interest on the obligations shall be reimbursed to the county from taxes levied within the territory of the tax district. Obligations shall be issued in accordance with chapter 475, except that an election is not required and the amount of any obligations shall not be included in determining the net indebtedness of the county under the provisions of any law or charter limiting indebtedness.”

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

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

H.F. No. 264 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.
264	348				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 264 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 264 and insert the language after the enacting clause of S.F. No. 348, the first engrossment; further, delete the title of H.F. No. 264 and insert the title of S.F. No. 348, the first engrossment.

And when so amended H.F. No. 264 will be identical to S.F. No. 348, and further recommends that H.F. No. 264 be given its second reading and substituted for S.F. No. 348, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 889 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.
889	639				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 889 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 889 and insert the language after the enacting clause of S.F. No. 639, the second engrossment; further, delete the title of H.F. No. 889 and insert the title of S.F. No. 639, the second engrossment.

And when so amended H.F. No. 889 will be identical to S.F. No. 639, and further recommends that H.F. No. 889 be given its second reading and substituted for S.F. No. 639, 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. No. 418 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 264 and 889 were read the second time.

MOTIONS AND RESOLUTIONS

Mrs. Kronebusch moved that her name be stricken as a co-author to S.F.

No. 1061. The motion prevailed.

Mr. Diessner introduced—

Senate Resolution No. 76: A Senate resolution congratulating the Oakland Junior High School of Lake Elmo for its recognition by the United States Department of Education for educational excellence.

Referred to the Committee on Rules and Administration.

Mr. Chmielewski moved that Senate Concurrent Resolution No. 15 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 15: A Senate concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

WHEREAS, the State of Minnesota is proud of the veterans of this nation's wars; and

WHEREAS, 8,800 Americans including 121 Minnesotans remain unaccounted for from the Korean conflict and 2,483 Americans including 49 Minnesotans remain unaccounted for from the Vietnam conflict; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that an official symbol is established in memory of those Americans who are missing and unaccounted for. The symbol established is a "Red Ribbon" and that the Red Ribbon will be displayed in all public buildings and other appropriate locations on the national day of recognition as designated by the Congress of the United States.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and those of the Chairman of the Senate Rules and Administration Committee, the Speaker of the House of Representatives, and the Chief Clerk of the House of Representatives, and present them to representatives of the various Minnesota veterans organizations.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 852: A bill for an act relating to state lands; directing conveyance of an easement over certain state lands to the city of Duluth.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

S.F. No. 1202: A bill for an act relating to environment; requiring the commissioner of health to monitor the quality of water in private water wells in the metropolitan area; amending Minnesota Statutes 1984, section 473.845, 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:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 979: A bill for an act relating to dispute resolution; establishing guidelines for community dispute resolution programs; proposing coding for new law in Minnesota Statutes, chapter 494; repealing Minnesota Statutes 1984, sections 494.01, subdivision 3; 494.02; and 494.03.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 516: A bill for an act relating to counties; authorizing reimbursement to county commissioners and county officers for certain expenses; renaming the county executive secretary; fixing expenditure authority for certain county activities; removing provisions for county purchasing agents, demonstration and experiment farms, and seed and feed loans; revising the language of the text of chapters concerning county powers and county boards; amending Minnesota Statutes 1984, sections 375.055, by adding a subdivision; 375.48, subdivisions 1 and 2; 375.49, subdivisions 1 and 2; 375.50; 375A.07, subdivision 1; 475.52, subdivision 3; chapters 370; 371; 372; 374; 376; 377; 392; and 395; proposing new law coded in Minnesota Statutes, chapter 382; repealing Minnesota Statutes 1984, sections 374.05; 377.02; 377.04; 392.01; 392.02; 392.03; 395.01; 395.02; 395.03; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; and 395.24.

Mrs. Adkins moved to amend H.F. No. 516 as follows:

Amend the title as follows:

Page 1, line 7, delete the first comma and insert "and" and delete ", and seed"

Page 1, line 8, delete "and feed loans"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend H.F. No. 516 as follows:

Page 8, line 22, strike "he" and delete "or she" and insert "the former commissioner"

Page 8, line 25, strike "his" and delete "or her" and insert "the"

Page 15, line 14, strike "his" and delete "or her" and insert "the"

Page 17, lines 23 and 35, strike "his" and delete "or her" and insert "the auditor's"

Page 19, line 9, strike "his" and delete "or her" and insert "the auditor's"

Page 20, line 5, strike "his" and delete "or her" and insert "the clerk's"

Page 20, line 16, strike "his" and delete "or"

Page 20, line 17, delete "her" and insert "the voter's"

Page 25, line 10, strike "he" and delete "or she" and insert "the person"

Page 42, line 13, delete "him or her" and insert "the commissioner"

Page 42, line 34, strike "he" and delete "or she" and insert "the commissioner"

Page 43, line 8, strike "he"

Page 43, line 9, delete "or she" and insert "the county coordinator"

Page 43, lines 20 and 24, strike "he" and delete "or she" and insert "the county coordinator"

Page 59, line 8, delete "him or her" and insert "the officer"

Page 60, line 10, strike "him" and delete "or her" and insert "the director"

Page 62, line 29, delete "his or her" and insert "the person's"

The motion prevailed. So the amendment was adopted.

H.F. No. 516 was then progressed.

SPECIAL ORDER

H.F. No. 882: A bill for an act relating to natural resources; authorizing the commissioner to enter into agreements with other states for forest fire prevention and suppression purposes; proposing coding for new law in Minnesota Statutes, chapter 88.

Mr. Willet moved to amend H.F. No. 882, as follows:

Page 1, after line 12, insert:

"Sec. 2. Minnesota Statutes 1984, section 574.26, is amended to read:

574.26 [CONTRACTORS' BONDS.]

No Except as provided in sections 2 and 3, a contract with the state, or with any municipal corporation or other public board or body thereof, for the doing of any public work, shall be valid for any purpose, is not valid unless the contractor shall give bond to the state or other body contracted with, for the use of the obligee, the state and of all persons doing work or furnishing skill, tools, machinery, or materials or insurance premiums or equipment or supplies for any camp maintained for the feeding or keeping of men and animals engaged under, or for the purpose of, such contract, conditioned for the payment, as they become due, of all just claims for such work, tools, machinery, skill, materials, insurance premiums, equipment, taxes incurred under section 290.92 or chapter 297A, and supplies for the completion of the contract in accordance with its terms, for saving the obligee harmless from all costs and charges that may accrue on account of the doing of the work specified,

and for the enforcing of the terms of the bond if action is brought on the bond, including reasonable attorney's fees, in any case where such action is successfully maintained and for the compliance with the laws appertaining thereto. The penalty of such bond shall be not less than the contract price, and if after the giving of the bond the contract price should for any reason be increased, the obligee may require an additional bond, the penalty of which shall be not less than the amount of such increase, and if such additional bond be not furnished within ten days after such demand, the work on the contract shall cease until such additional bond shall have been furnished. In contracts made by the commissioner of administration or the department of transportation of the state, the penalty of the bond shall be in such amount as the commissioner of administration or the commissioner of transportation may fix, but not less than three-quarters of the contract price.

Sec. 3. [574.263] [FORESTRY DEVELOPMENT PROJECTS.]

Subdivision 1. [DEFINITION.] For the purposes of sections 2 and 3, "forestry development project" includes site preparation by discing, shearing, rock raking or piling, patch scarification, or furrowing; tree planting; tree seeding; tree pruning; timber stand improvement by thinning or clearing existing forest trees by manual, mechanical, or chemical techniques; or forest road and bridge construction, reconstruction, and maintenance.

Subd. 2. [CONTRACTOR'S BOND.] A contract with the state for a forestry development project may require a performance bond at the discretion of the commissioner of natural resources. If the commissioner determines that a performance bond is required, it shall not be less than five percent of the contract price.

Subd. 3. [BID DEPOSIT.] For a contract made by the commissioner for a forestry development project, the commissioner may require a bid deposit in lieu of a performance bond for charges that may accrue because of doing the specified work and to enforce the terms of the contract, including reasonable attorney's fees if an action is successful. The commissioner may set the amount of the bid deposit, but it may not be less than five percent of the contract price.

Sec. 4. [574.264] [SECURITY IN LIEU OF BOND.]

Subdivision 1. [FOREST DEVELOPMENT PROJECTS.] For a state contract for a forestry development project if the amount of the contract is not more than \$20,000, the person required to file the bond or bid deposit may deposit in a local designated state depository or with the state treasurer a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount that would be required for a bond or bid deposit. If securities listed in this section are deposited, their value shall not be less than the amount required for the bond or bid deposit and the person required to file the performance bond or bid deposit shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the securities in the event of default under the contract. The security deposits are for the protec-

tion of the state and for the performance and completion of the contract in accordance with its terms and as security for all costs and charges that may accrue for the doing of the work specified and compliance with the laws relating to it.

Subd. 2. [CLAIMS AGAINST BID DEPOSITS.] The bid deposit is subject to claims as provided for other deposits in section 574.261, subdivision 2."

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, after the semicolon insert "amending Minnesota Statutes 1984, section 574.26;"

Page 1, line 6, delete "chapter" and insert "chapters" and after "88" insert "and 574"

The motion prevailed. So the amendment was adopted.

H.F. No. 882 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:

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

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

SPECIAL ORDER

H.F. No. 657: A bill for an act relating to dissemination of data; prohibiting public access to data identifying certain youthful victims of criminal sexual behavior; amending Minnesota Statutes 1984, section 609.3471.

Was read the third time 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:

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

?bv

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Merriam moved that the vote whereby H.F. No. 882 was passed by the Senate on April 29, 1985, be now reconsidered. The motion prevailed.

SPECIAL ORDER

H.F. No. 882: A bill for an act relating to natural resources; authorizing the commissioner to enter into agreements with other states for forest fire prevention and suppression purposes; proposing coding for new law in Minnesota Statutes, chapter 88.

Mr. Merriam moved to amend the Willet amendment to H.F. No. 882 as follows:

Page 1, line 6, delete "2 and 3" and insert "3 and 4"

Page 2, line 5, delete "2 and 3" and insert "3 and 4"

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

H.F. No. 882 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 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

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

the President. The motion prevailed.

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

APPOINTMENTS

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

S.F. No. 472: Messrs. Johnson, D.J.; Peterson, C.C. and Sieloff.

H.F. No. 1216: Messrs. Stumpf, Davis and Berg.

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

SPECIAL ORDER

S.F. No. 818: A bill for an act relating to employment and economic opportunity; providing for the streamlining and coordination of job, economic development, and income-maintenance programs; setting as dual goals the lowering of unemployment rates and welfare caseloads; creating the councils for the hearing impaired and for the blind; abolishing the department of economic security; creating a new department of employment and training; transferring responsibilities of the department of economic security to the department of employment and training and the department of human services; transferring certain employment and training functions of the department of human services and the department of administration to the department of employment and training; providing for biennial statewide plans for employment and training and apprenticeships; providing for coordination of state and federal jobs programs; establishing community investment programs; granting rulemaking authority; changing formulas for paying local agencies for general assistance grants to recipients subject to work requirements; removing a sunset provision from the Minnesota emergency employment development act; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 86.33, by adding subdivisions; 116J.035, by adding a subdivision; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 129A.02, subdivision 2; 136.63, by adding a subdivision; 136C.06; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.736; 256.737; 256C.24; 256C.25; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.04, by adding subdivisions; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; and 268.686; proposing coding for new law in Minnesota Statutes, chapters 256C and 268; proposing coding for new law as Minnesota Statutes, chapters 267 and 268A; repealing Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; and 268.81.

Mr. Benson moved to amend S.F. No. 818 as follows:

Page 2, delete section 1

Page 33, delete section 38

Renumber the sections in sequence and correct the internal references

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

Mr. Benson then moved to amend S.F. No. 818 as follows:

Page 23, line 36, delete "*must be advised no later than*" and insert "*after he or she has received public assistance for six months, shall be referred for*"

Page 24, delete line 1

Page 24, line 2, delete "*assistance of the option to receive*"

Page 52, line 10, delete "*voluntary*"

CALL OF THE SENATE

Mr. Benson imposed a call of the Senate for the balance of the proceedings on S.F. No. 818. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Benson amendment.

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

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Jude	McQuaid	Sieloff
Belanger	DeCramer	Kamrath	Mehrkens	Storm
Benson	Frederick	Knaak	Olson	Taylor
Berg	Frederickson	Knutson	Peterson, D.L.	
Bernhagen	Gustafson	Kronebusch	Purfeerst	
Bertram	Isackson	Langseth	Ramstad	
Brataas	Johnson, D.E.	Lessard	Renneke	

Those who voted in the negative were:

Adkins	Frank	Merriam	Peterson, D.C.	Solon
Berglin	Freeman	Moe, D.M.	Peterson, R.W.	Spear
Dahl	Hughes	Moe, R.D.	Petty	Vega
Davis	Johnson, D.J.	Nelson	Pogemiller	Waldorf
Dicklich	Kroening	Novak	Reichgott	Wegscheid
Diessner	Lantry	Pehler	Samuelson	Willet
Dieterich	Luther	Peterson, C.C.	Schmitz	

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

Mr. Benson then moved to amend S.F. No. 818 as follows:

Page 22, line 32, strike "*or emergency rule*"

Page 36, line 6, delete "*emergency or*"

Page 39, line 32, delete "*emergency and*"

Page 43, line 18, delete "*emergency and*"

Page 46, line 7, delete "*emergency and*"

Page 49, line 12, delete "*emergency and*"

Page 54, line 5, delete "*emergency and*"

Page 55, lines 5 and 22, delete "*emergency and*"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 45 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Isackson	McQuaid	Samuelson
Anderson	DeCramer	Johnson, D.E.	Mehrkens	Steloff
Belanger	Dicklich	Jude	Merriam	Spear
Benson	Diessner	Kamrath	Olson	Storm
Berg	Frank	Knaak	Pehler	Stumpf
Bernhagen	Frederick	Knutson	Peterson, D.L.	Taylor
Bertram	Frederickson	Kronebusch	Purfeerst	Waldorf
Brataas	Gustafson	Laidig	Ramstad	Wegscheid
Chmielewski	Hughes	Lessard	Renneke	Willet

Those who voted in the negative were:

Berglin	Johnson, D.J.	Moe, R.D.	Peterson, D.C.	Reichgott
Davis	Lantry	Nelson	Peterson, R.W.	Schmitz
Dieterich	Luther	Novak	Petty	Solon
Freeman	Moe, D.M.	Peterson, C.C.	Pogemiller	Vega

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend S.F. No. 818 as follows:

Page 3, delete lines 10 and 11

Page 4, delete sections 3 and 4

Pages 5 and 6, delete sections 5, 7, 9, 10, and 11

Page 23, line 11, delete the new language and insert "*commissioner of employment and training*"

Page 26, delete section 26

Page 31, line 31, delete "*COORDINATOR*" and reinstate the stricken "*GOVERNOR*"

Page 32, line 3, delete "*coordinator*" and reinstate the stricken "*governor*"

Page 33, delete lines 28 to 32

Renumber the subdivisions in sequence

Page 34, line 27, delete everything after "*programs*"

Page 34, line 28, delete everything before "*under*"

Pages 35 to 41, delete sections 40 to 43

Page 44, delete lines 10 to 12

Renumber the clauses in sequence

Page 44, line 13, delete "*the coordinator,*"

Page 44, line 36, delete everything after "(12)"

Page 45, line 1, delete "coordinator,"

Page 45, line 18, delete "Under the direction of the coordinator,"

Page 48, line 13, delete everything after "Subdivision 1."

Page 48, line 14, delete "coordinator,"

Page 49, line 27, delete everything before the period

Page 50, line 26, delete "coordinator shall"

Page 50, line 27, delete "prohibit"

Page 50, line 30, after "1985" insert "shall be prohibited"

Page 52, line 18, delete "(a)"

Page 53, delete lines 16 and 17

Page 56, line 13, delete "full" and insert "governor"

Page 56, line 14, delete "productivity and opportunity coordinator"

Renumber the sections in sequence

Correct the cross references and the revisor's instructions

Amend the title as follows:

Page 1, line 16, delete everything after the semicolon

Page 1, delete lines 17 and 18

Page 1, line 25, delete "86.33,"

Page 1, delete line 26

Page 1, line 27, delete the first "subdivision;" and delete "116L.04, by"

Page 1, line 28, delete "adding a subdivision;" and delete "136.63,"

Page 1, delete line 29

Page 1, line 30, delete "subdivision;"

Page 1, line 34, delete "subdivisions" and insert "a subdivision"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	Diessner	Lantry	Novak	Samuelson
Berglin	Dieterich	Lessard	Pehler	Schmitz
Bertram	Frank	Luther	Peterson, D.C.	Solon
Dahl	Freeman	Merriam	Peterson, R.W.	Stumpf
Davis	Hughes	Moe, D.M.	Pogemiller	Vega
DeCramer	Jude	Moe, R.D.	Purfeerst	Waldorf
Dicklich	Langseth	Nelson	Reichgott	Willet

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

Mr. Storm moved to amend S.F. No. 818 as follows:

Page 22, line 3, delete "60" and insert "75"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 25 and nays 41, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Mr. Ramstad moved to amend S.F. No. 818 as follows:

Page 3, delete lines 10 and 11

Page 4, line 9, strike the period and insert a semicolon

Page 4, after line 9, insert:

"Coordinator of full productivity and opportunity."

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 45 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Isackson	Lessard	Reichgott
Anderson	Davis	Johnson, D.E.	McQuaid	Renneke
Belanger	DeCramer	Jude	Mehrkens	Sieloff
Benson	Dieterich	Kamrath	Novak	Storm
Berg	Frank	Knaak	Olson	Stumpf
Berglin	Frederick	Knutson	Peterson, D.L.	Taylor
Bernhagen	Frederickson	Kronebusch	Peterson, R.W.	Waldorf
Bertram	Gustafson	Laidig	Purfeerst	Wegscheid
Brataas	Hughes	Langseth	Ramstad	Willett

Those who voted in the negative were:

Dicklich	Johnson, D.J.	Merriam	Peterson, C.C.	Pogemiller
Diessner	Lantry	Nelson	Peterson, D.C.	Spear
Freeman	Luther	Pehler	Petty	Vega

The motion prevailed. So the amendment was adopted.

S.F. No. 818 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 42 and nays 25, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

The question recurred on H.F. No. 516.

SPECIAL ORDER

H.F. No. 516: A bill for an act relating to counties; authorizing reimbursement to county commissioners and county officers for certain expenses; renaming the county executive secretary; fixing expenditure authority for certain county activities; removing provisions for county purchasing agents, demonstration and experiment farms, and seed and feed loans; revising the language of the text of chapters concerning county powers and county boards; amending Minnesota Statutes 1984, sections 375.055, by adding a subdivision; 375.48, subdivisions 1 and 2; 375.49, subdivisions 1 and 2; 375.50; 375A.07, subdivision 1; 475.52, subdivision 3; chapters 370; 371; 372; 374; 376; 377; 392; and 395; proposing new law coded in Minnesota Statutes, chapter 382; repealing Minnesota Statutes 1984, sections 374.05; 377.02;

377.04; 392.01; 392.02; 392.03; 395.01; 395.02; 395.03; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; and 395.24.

Mr. Chmielewski moved to amend H.F. No. 516, the unofficial engrossment, as follows:

Page 63, after line 20, insert:

“Sec. 16. Minnesota Statutes 1984, section 485.01, is amended to read:
485.01 [APPOINTMENT; BOND; DUTIES.]

A clerk of the district court for each county within the judicial district, *who shall also be known as the court administrator*, shall be appointed by a majority of the district court judges in the district, after consultation with the county court judges of the county court district affected. The clerk, before entering upon the duties of his office, shall give bond to the state, to be approved by the chief judge of the judicial district, in a penal sum of not less than \$1,000 nor more than \$10,000 conditioned for the faithful discharge of his official duties. The bond, with his oath of office, shall be filed for record with the county recorder. The clerk shall perform all duties assigned him by law and by the rules of the court. ~~He~~ *The clerk and all deputies shall not practice as an attorney in the court of which he is the clerk they are employed. The duties, functions, and responsibilities of the clerk of the district court shall be performed by the court administrator.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert “providing that the clerk of district court shall be known as court administrator; prohibiting deputies from practicing law in their court;”

Page 1, line 13, after “3;” insert “485.01;”

Mr. Knaak questioned whether the amendment was germane.

The Chair ruled the amendment was not germane.

H.F. No. 516 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 362: A bill for an act relating to Beltrami county; providing for disposition of the proceeds from the sale or rental of tax-forfeited lands or from the sale of their products; increasing the amount that may be spent for promotion of tourist, agricultural, and industrial developments; amending Laws 1967, chapter 558, section 1, subdivision 5, as amended.

Mr. Willet moved to amend H.F. No. 362 as follows:

Page 1, after line 10, insert:

“Section 1. Laws 1967, chapter 558, section 1, subdivision 1, is amended to read:

Section 1. [BELTRAMI COUNTY; TAX FORFEITED LANDS.]

Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, section 282.08, clause (4) (3), the county board of Beltrami county, out of the proceeds from the sale or rental of any parcel of forfeited land, or from the sale of any products therefrom after making such payments as are directed by Minnesota Statutes, section 282.08, clauses (1); and (2); and (3), may annually by resolution set aside not exceeding 30 percent of the receipts remaining, including undistributed receipts remaining in the fund on the effective date of this act for any of the purposes set forth in subdivisions 2 to 7.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete “subdivision” and insert “subdivisions 1 and”

The motion prevailed. So the amendment was adopted.

H.F. No. 362 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 683: A bill for an act relating to probate; allowing a minor to be a donor for purposes of the Uniform Anatomical Gift Act; amending Minne-

sota Statutes 1984, sections 525.922, subdivision 1; and 525.924, by adding a subdivision.

Mr. Willet moved to amend H.F. No. 683, as amended pursuant to Rule 49, adopted by the Senate April 26, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1223.)

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1984, section 390.11, is amended by adding a subdivision to read:

Subd. 3a. The coroner may conduct an autopsy in the case of any human death of any type not referred to in subdivision 1 provided that the autopsy is paid for by the person requesting the autopsy.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete “probate” and insert “health” and after the semi-colon, insert “providing that the county coroner may conduct certain autopsies under certain circumstances;”

Page 1, line 4, after “sections” insert “390.11, by adding a subdivision;”

Mr. Benson questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

H.F. No. 683 was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 800: A bill for an act relating to consumer protection; prohibiting certain deceptive advertising practices; amending Minnesota Statutes 1984, sections 325F.68, by adding a subdivision; and 325F.69, by adding a subdivision.

Mr. Ramstad moved to amend S.F. No. 800 as follows:

Page 1, line 14, delete “a “close out sale,””

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

Ms. Reichgott moved to amend S.F. No. 800 as follows:

Page 1, line 22, after the comma, insert "if" and delete the second "this" and insert "that"

Page 1, line 23, delete "if"

The motion prevailed. So the amendment was adopted.

S.F. No. 800 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 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kronebusch	Moe, D.M.	Spear
Anderson	Diessner	Laidig	Moe, R.D.	Stumpf
Belanger	Frank	Langseth	Pehler	Vega
Benson	Frederick	Lantry	Peterson, D.C.	Waldorf
Berglin	Frederickson	Lessard	Petty	Willet
Bertram	Hughes	Luther	Pogemiller	
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Jude	Mehrkens	Reichgott	
Davis	Kroening	Merriam	Schmitz	

Those who voted in the negative were:

Berg	Isackson	Knutson	Peterson, R.W.	Sieloff
Bernhagen	Kamrath	Olson	Ramstad	Storm
Brataas	Knaak	Peterson, D.L.	Renneke	Taylor
Dieterich				

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

SPECIAL ORDER

S.F. No. 35: A bill for an act relating to crimes; requiring health professionals to report suspicious wounds to law enforcement authorities; amending Minnesota Statutes 1984, section 626.52.

Mr. Sieloff moved to amend S.F. No. 35 as follows:

Page 1, delete lines 18 to 21

Page 2, lines 4 and 5, delete the new language

Page 2, line 6, delete "dress, or bandage" and after "police" insert "department or county sheriff"

Page 2, line 7, reinstate the stricken language after the first comma

Page 2, lines 8 to 10, reinstate the stricken language

Page 2, line 10, delete the new language

Page 2, after line 10, insert:

"A health professional may report to the proper police authorities any wound that the reporter has reasonable cause to believe has been inflicted by a dangerous weapon other than a firearm as defined under section 609.02,

subdivision 6.

Sec. 2. Minnesota Statutes 1984, section 626.55, is amended to read:

626.55 [PENALTY.]

Subdivision 1. Any person who violates any mandatory provision of sections 626.52 to 626.55 is guilty of a gross misdemeanor.

Subd. 2. Any person reporting in good faith and exercising due care shall have immunity from any liability, civil or criminal, that otherwise might result by reason of his actions pursuant to this section. No cause of action may be brought against any person for not making a report pursuant to this section."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 626.55"

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

S.F. No. 35 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Merriam	Petty	Stumpf
Berglin	Hughes	Moe, D.M.	Pogemiller	Vega
Chmielewski	Kroening	Moe, R.D.	Purfeerst	Waldorf
Dahl	Laidig	Nelson	Reichgott	Wegscheid
Davis	Langseth	Novak	Samuelson	Willet
DeCramer	Lantry	Pehler	Schmitz	
Dicklich	Lessard	Peterson, D.C.	Solon	
Diessner	Luther	Peterson, R.W.	Spear	

Those who voted in the negative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Reports of Committees read by the Secretary be adopted. The motion prevailed.

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

thereon,

S.F. No. 1065: A bill for an act relating to recreational vehicles; regulating three-wheel off-road vehicles; amending Minnesota Statutes 1984, sections 84.922, subdivisions 5 and 8, and by adding subdivisions; 84.927, subdivision 2; 84.928; 85.018; 100.273, subdivision 9; and 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Natural Resources, shown in the Journal for April 26, 1985, be adopted; that committee recommendation being:

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

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

S.F. No. 1080: A bill for an act relating to animals; prohibiting transfer of certain animals for use in research or experimentation; providing a penalty; amending Minnesota Statutes 1984, section 35.71.

Reports the same back with the recommendation that the report from the Committee on Veterans and General Legislation, shown in the Journal for April 22, 1985, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Health and Human Services”. Amendments adopted. Report adopted.

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

H.F. No. 345: A bill for an act relating to insurance; no-fault automobile; providing mandatory underinsured motorist coverage; clarifying legislative intent concerning stacking of insurance policies; coordinating the priority of applicability of security for the payment of certain benefits; amending Minnesota Statutes 1984, sections 65B.43, by adding subdivisions; 65B.47, by adding a subdivision; 65B.49, subdivision 4, and by adding a subdivision; and 65B.70, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Economic Development and Commerce, shown in the Journal for April 22, 1985, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass.” Amendments adopted. Report adopted.

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

S.F. No. 352: A bill for an act relating to taxation; providing for an annual

compressed natural gas user permit; establishing compressed natural gas user permit fees in lieu of gas taxes; amending Minnesota Statutes 1984, sections 296.01, by adding a subdivision; 296.02, subdivision 1a; and 296.025, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 296.

Reports the same back with the recommendation that the report from the Committee on Energy and Housing, shown in the Journal for April 22, 1985, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass.” Amendments adopted. Report adopted.

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

S.F. No. 1431: A resolution memorializing the negotiators for the United States at the Geneva arms talks to demand Soviet action to stop anti-Jewish discrimination and to allow Jews to emigrate.

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

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

S.F. No. 363: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

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

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

Senate Resolution No. 73: A Senate resolution expressing the sense of the Senate that the President of the United States should not pay tribute to those who perpetrated the holocaust.

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

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 848: A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; changing the crimes

of "intrafamilial sexual abuse" to "criminal sexual abuse" and limiting the discretion of courts to stay sentences for these crimes; requiring that investigative interviews with child abuse victims be tape-recorded; providing a training program for child protection workers and requiring a new job classification in child protection; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1, and by adding subdivisions; 260.301; 595.02, subdivision 3; 609.364 to 609.3644; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.

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

Delete everything after the enacting clause and insert:

"Section 1. [244.12] [REQUIRING COMMISSION TO DEVELOP GUIDELINE DEPARTURE CRITERIA FOR CERTAIN CRIMINAL SEXUAL CONDUCT CASES.]

The sentencing guidelines commission shall develop mitigating departure criteria for sentencing a defendant convicted under section 609.342, 609.343, 609.344, or 609.345 when that defendant has a familial relationship to the complainant. The commission shall submit the criteria to the legislature by January 1, 1986. The criteria shall be effective on August 1, 1986, unless the legislature by law provides otherwise.

Sec. 2. Minnesota Statutes 1984, 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 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 child and the best interests of the state; *to provide judicial procedures which protect the welfare of the child*; to preserve and strengthen the child's family ties whenever possible, removing him from the custody of his parents only when his welfare or safety cannot be adequately safeguarded without removal; and, when the 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 1984, section 260.133, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY ORDER.] If it appears from the notarized petition or by sworn affidavit that there are reasonable grounds to believe the child is in immediate and present danger of domestic child abuse, the court may grant an ex parte temporary order for protection, pending a full hearing. The court may grant relief as it deems proper, including an order:

- (1) restraining any party from committing acts of domestic child abuse; or
- (2) excluding the alleged abusing party from the dwelling which the family or household members share or from the residence of the child.

However, no order excluding the alleged abusing party from the dwelling may be issued unless the court finds that:

(1) the order is in the best interests of the child or children remaining in the dwelling; *and*

(2) a remaining adult family or household member is able to care adequately for the child or children in the absence of the excluded party; *and*

(3) ~~the local welfare agency has developed a plan to provide appropriate social services to the remaining family or household members.~~

Before the temporary order is issued, the local welfare agency shall advise the court and the other parties who are present that appropriate social services will be provided to the family or household members during the effective period of the order.

An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days. Within five days of the issuance of the temporary order, the petitioner shall file a dependency and neglect petition with the court pursuant to section 260.131, and the court shall give docket priority to the petition.

The court may renew the temporary order for protection one time for a fixed period not to exceed 14 days if a dependency and neglect petition has been filed with the court and if the court determines, upon informal review of the case file, that the renewal is appropriate.

Sec. 4. Minnesota Statutes 1984, section 260.135, subdivision 1, is amended to read:

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 child to appear with the child before the court at a time and place stated. The summons shall 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. *The court shall give docket priority to any dependency, neglect, or neglected and in foster care petition that contains allegations of child abuse. As used in this subdivision, the term "child abuse" has the meaning given it in section 17, subdivision 2.*

Sec. 5. Minnesota Statutes 1984, section 260.155, is amended by adding a subdivision to read:

Subd. 4a. [EXAMINATION OF CHILD.] In any dependency, neglect, or neglected and in foster care proceeding the court may, on its own motion or

the motion of any party, take the testimony of a child witness informally when it is in the child's best interests to do so. Informal procedures that may be used by the court include taking the testimony of a child witness outside the courtroom. The court may also require counsel for any party to the proceeding to submit questions to the court before the child's testimony is taken, and to submit additional questions to the court for the witness after questioning has been completed. The court may excuse the presence of the child's parent, guardian, or custodian from the room where the child is questioned in accordance with subdivision 5.

Sec. 6. Minnesota Statutes 1984, section 260.156, is amended to read:

260.156 [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.]

An out-of-court statement made by a child under the age of ten years alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child or any act of physical abuse or neglect of the child by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence in any dependency or neglect proceeding or any proceeding for termination of parental rights if:

(a) The court finds that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and

(b) The proponent of the statement notifies other parties of his intention to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which he intends to offer the statement into evidence, to provide the parties with a fair opportunity to meet the statement.

Sec. 7. Minnesota Statutes 1984, section 260.172, is amended by adding a subdivision to read:

Subd. 2a. [PARENTAL VISITATION.] If a child has been taken into custody under section 260.135, subdivision 5, or 260.165, subdivision 1, clause (c)(2), and the court determines that the child should continue in detention, the court shall include in its order reasonable rules for supervised or unsupervised parental visitation of the child in the shelter care facility unless it finds that visitation would endanger the child's physical or emotional well-being.

Sec. 8. Minnesota Statutes 1984, section 260.191, is amended by adding a subdivision to read:

Subd. 1d. [PARENTAL VISITATION.] If the court orders that the child be placed outside of the child's home or present residence, it shall set reasonable rules for supervised or unsupervised parental visitation that contribute to the objectives of the court order and the maintenance of the familial relationship. No parent may be denied visitation unless the court finds at a hearing that the visitation would act to prevent the achievement of the order's objectives or that it would endanger the child's physical or emotional well-being.

Sec. 9. Minnesota Statutes 1984, section 260.191, is amended by adding a subdivision to read:

Subd. 2a. [EFFECT OF ORDER.] Any person who provides services to a

child under a disposition order, or who is subject to the conditions of a disposition order, is bound by the order and shall be served with a copy of it personally or by first class mail. Service for the child shall be upon the guardian ad litem.

Sec. 10. Minnesota Statutes 1984, section 260.301, is amended to read:

260.301 [CONTEMPT.]

Any person knowingly interfering with an order of the juvenile court ~~is in contempt of court~~ or who is subject to a juvenile court order or process may be punished for contempt by the juvenile court pursuant to chapter 588.

Sec. 11. Minnesota Statutes 1984, section 609.341, is amended by adding a subdivision to read:

Subd. 15. [FAMILIAL RELATIONSHIP.] "Familial relationship" means a situation in which the actor is:

(1) *the complainant's parent, stepparent, or guardian;*

(2) *any of the following persons related to the complainant by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; or*

(3) *an adult who jointly resides intermittently or regularly in the same dwelling as the complainant and who is not the complainant's spouse.*

Sec. 12. Minnesota Statutes 1984, section 609.342, is amended to read:

609.342 [CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the first degree and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$35,000, or both, if he engages in sexual penetration with another person and if any of the following circumstances exists:

(a) *The complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or*

(b) *The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and, except where a familial relationship exists, in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or*

(c) *Circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another; or*

(d) *The actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit; or*

(e) *The actor causes personal injury to the complainant, and either any of*

the following circumstances exist:

- (i) The actor uses force or coercion to accomplish sexual penetration; or
- (ii) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or
- (iii) *The actor and the complainant have a familial relationship and the sexual abuse involved multiple acts committed over an extended period of time; or*
- (f) The actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

- (i) An accomplice uses force or coercion to cause the complainant to submit; or
- (ii) An accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$35,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (a) or (b), and that person has a familial relationship to the complainant, the court may stay imposition or execution of sentence if it finds that a stay is in the best interest of the complainant or the family unit and that the defendant is amenable to treatment.

Sec. 13. Minnesota Statutes 1984, section 609.343, is amended to read:

609.343 [CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the second degree ~~and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both;~~ if he engages in sexual contact with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced; ~~or~~

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and, *except where a familial relationship exists*, in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; ~~or~~

(c) Circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or

another; or

(d) The actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit; or

(e) The actor causes personal injury to the complainant, and either any of the following circumstances exist:

(i) The actor uses force or coercion to accomplish the sexual contact; or

(ii) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or

(iii) *The actor and the complainant have a familial relationship and the sexual abuse involved multiple acts committed over an extended period of time; or*

(f) The actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) An accomplice uses force or coercion to cause the complainant to submit; or

(ii) An accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clauses (a) and (b), and that person has a familial relationship to the complainant, the court may stay imposition or execution of sentence if it finds that a stay is in the best interest of the complainant or the family unit and that the defendant is amenable to treatment.

Sec. 14. Minnesota Statutes 1984, section 609.344, is amended to read:

609.344 [CRIMINAL SEXUAL CONDUCT IN THE THIRD DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the third degree and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both, if he engages in sexual penetration with another person and any of the following circumstances exist:

(a) The complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or

older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, he may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense; ☞

(c) The actor uses force or coercion to accomplish the penetration; ☞

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; ☞

(e) The complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and, *except where a familial relationship exists*, in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(f) *The actor and the complainant have a familial relationship and the sexual abuse involved multiple acts committed over an extended period of time.*

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (a), (b), or (e), and that person has a familial relationship to the complainant, the court may stay imposition or execution of sentence if it finds that a stay is in the best interest of the complainant or the family unit and that the defendant is amenable to treatment.

Sec. 15. Minnesota Statutes 1984, section 609.345, is amended to read:

609.345 [CRIMINAL SEXUAL CONDUCT IN THE FOURTH DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the fourth degree and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both, if he engages in sexual contact with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced; ☞

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older; ☞

(c) The actor uses force or coercion to accomplish the sexual contact; ☞

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; ☞

(e) The complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and, *except where a familial relationship exists*, in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(f) *The actor and the complainant have a familial relationship and the sexual abuse involved multiple acts committed over an extended period of time.*

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (a), (b), or (e), and that person has a familial relationship to the complainant, the court may stay imposition or execution of sentence if it finds that a stay is in the best interest of the complainant or the family unit and that the defendant is amenable to treatment.

Sec. 16. Minnesota Statutes 1984, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] All records maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Report records maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority. The welfare board shall make available to the investigating, petitioning, or prosecuting authority any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. *In conducting investigations and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of 10 who is the alleged victim of abuse or neglect.* An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation. After the assessment or investigation is completed, the name of the reporter shall be confidential but shall be accessible to the individual subject of the record upon court order.

Records maintained by local welfare agencies, the police department or county sheriff under this section shall be destroyed as described in clauses (a) to (c):

(a) If upon assessment or investigation a report is found to be unsubstantiated, notice of intent to destroy records of the report shall be mailed to the individual subject of the report. At the subject's request the records shall be maintained as private data. If no request from the subject is received within 30 days of mailing the notice of intent to destroy, the records shall be de-

stroyed.

(b) All records relating to reports which, upon assessment or investigation, are found to be substantiated shall be destroyed seven years after the date of the final entry in the case record.

(c) All records of reports which, upon initial assessment or investigation, cannot be substantiated or disproved to the satisfaction of the local welfare agency, local police department or county sheriff may be kept for a period of one year. If the local welfare agency, local police department or county sheriff is unable to substantiate the report within that period, each agency unable to substantiate the report shall destroy its records relating to the report in the manner provided by clause (a).

Sec. 17. Minnesota Statutes 1984, section 630.36, is amended to read:

630.36 [ISSUES, HOW DISPOSED OF.]

Subdivision 1. [ORDER.] The issues on the calendar shall be disposed of in the following order, unless, upon the application of either party, for good cause, the court directs an indictment or complaint to be tried out of its order:

(1) *Indictments or complaints alleging child abuse, as defined in subdivision 2, whether or not the defendant is in custody;*

(2) *Indictments or complaints for felony, where the defendant is in custody;*

~~(2)~~ (3) *Indictments or complaints for misdemeanor, where the defendant is in custody;*

~~(3)~~ (4) *Indictments or complaints for felony, where the defendant is on bail; and*

~~(4)~~ (5) *Indictments or complaints for misdemeanor, where the defendant is on bail.*

After his plea, the defendant shall be entitled to at least four days to prepare for his trial, if he requires it.

Subd. 2. [CHILD ABUSE DEFINED.] As used in subdivision 1, "child abuse" means any act which involves a minor victim and which constitutes a violation of section 609.221, 609.222, 609.223, 609.2231, 609.224 if the minor victim is a family or household member of the defendant, 609.255, 609.321, 609.322, 609.323, 609.324, 609.342, 609.343, 609.344, 609.345, 609.364, 609.3641, 609.3642, 609.3643, 609.3644, 609.377, 609.378, or 617.246.

Sec. 18. [631.046] [AUTHORIZING PRESENCE OF PARENT FOR MINOR PROSECUTING WITNESS.]

Notwithstanding any other law, a prosecuting witness under 18 years of age in a case involving a violation of section 609.342, 609.343, 609.344, 609.345, 609.364, 609.3641, 609.3642, 609.3643, or 609.3644 may choose to have in attendance a parent, guardian, or other supportive person, whether or not a witness, at the omnibus hearing or at the trial, during testimony of the prosecuting witness. If the person so chosen is also a prosecuting witness, the prosecution shall present on noticed motion, evidence that the person's attendance is both desired by the prosecuting witness for support and will be helpful to the prosecuting witness. Upon that showing the court shall grant

the request unless information presented by the defendant or noticed by the court establishes that the support person's attendance during the testimony of the prosecuting witness would pose a substantial risk of influencing or affecting the content of that testimony.

Sec. 19. [TASK FORCE ON CHILD SEXUAL ABUSE.]

Subdivision 1. [CREATION; MEMBERSHIP.] The attorney general shall appoint the chair and members of an advisory task force to study the problem of child sexual abuse. The task force shall consist of members who collectively are broadly representative of the judiciary, the interagency child sexual abuse team, county attorneys, public defenders, law enforcement, human services, former victims of child sexual abuse, individuals offering child sexual abuse counseling or therapy services, citizens who have been affected by child sexual abuse laws, and appropriate state agencies.

Subd. 2. [STATEWIDE PLAN.] The task force shall develop a statewide plan to:

- (1) educate the public about the nature and scope of child sexual abuse;*
- (2) educate and train individuals involved in the handling of child sexual abuse cases as to how to more competently perform their duties, including the development of ongoing training requirements for individuals involved in child sexual abuse cases;*
- (3) educate individuals involved in providing education and supportive services, such as counseling and treatment, to child sexual abuse victims and their families so that they can more competently perform their duties; and*
- (4) coordinate the reports and findings of the various state agencies reviewing the area of child sexual abuse.*

Subd. 3. [RECOMMENDATIONS.] Based on its findings, the task force shall make recommendations to the legislature by February 1, 1986, on ways to:

- (1) balance the rights and protections of children who have been sexually abused with those of parents accused of child sexual abuse;*
- (2) provide greater protections to child witness victims in child sexual abuse judicial proceedings;*
- (3) provide minimum competency and training standards for professionals providing counseling and therapy to child sexual abuse victims and their families;*
- (4) provide minimum competency and training standards for human services personnel involved in child sexual abuse protection;*
- (5) establish more efficient record keeping and statistical information on the number of child sexual abuse cases and the manner in which those cases are processed by the judicial system; and*
- (6) establish uniform procedures for investigation and assessment of child sexual abuse cases.*

Subd. 4. [EXPIRATION.] The task force expires on July 1, 1986.

Sec. 20. [REPEALER.]

Minnesota Statutes 1984, sections 609.364, 609.3641, 609.3642, 609.3643, and 609.3644, are repealed. Sections 609.342, subdivision 3; 609.343, subdivision 3; 609.344, subdivision 3; and 609.345, subdivision 3, are repealed August 1, 1986.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 and 19 are effective the day following final enactment.

Sections 2 to 18, and 20 are effective August 1, 1985."

Delete the title and insert:

"A bill for an act relating to children and families; requiring the sentencing guidelines commission to develop mitigating departure criteria for certain crimes; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring notice that appropriate social services will be provided during the period of a temporary order; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing for the examination of child witnesses; clarifying the admissibility of certain out-of-court statements; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; merging the crimes of "intrafamilial sexual abuse" and "criminal sexual conduct"; eliminating certain notice requirements as applied to a minor under 10; authorizing the presence of parents at trials involving criminal sexual conduct or criminal sexual abuse when the prosecuting witness is a minor; establishing a task force on child sexual abuse; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.172, by adding a subdivision; 260.191, by adding subdivisions; 260.301; 609.341, by adding a subdivision; 609.342; 609.343; 609.344; 609.345; 626.556, subdivision 11; and 630.36; repealing Minnesota Statutes 1984, sections 609.364 to 609.3644; 609.342, subdivision 3; 609.343, subdivision 3; 609.344, subdivision 3; and 609.345, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 244 and 631."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 352, 1431 and 363 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 345 and 848 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Wegscheid moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Waldorf be added as chief author to S.F. No. 952. The motion prevailed.

Mr. Chmielewski moved that Senate Concurrent Resolution No. 15 be laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that Senate Resolution No. 73 be laid on the table.

The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Novak; Johnson, D.J.; Peterson, C.C.; Laidig and Pehler introduced—

S.F. No. 1512: A bill for an act relating to tax increment financing; transferring duties to the state auditor; imposing financial reporting and accounting requirements; repealing the authority to provide interest reduction programs; amending Minnesota Statutes 1984, sections 273.74, subdivisions 2, 5, and by adding a subdivision; and 298.2211, subdivision 1; repealing Minnesota Statutes 1984, section 462.445, subdivisions 10, 11, 11a, 12, and 13.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 1513: A bill for an act relating to local government; permitting the establishment of special service districts in the cities of Sartell, Sauk Rapids, St. Cloud, and Waite Park; providing taxing and other financial authority for the cities.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Freeman was excused from the Session of today at 10:30 p.m. Mr. Johnson, D.J. was excused from the Session of today from 8:10 to 9:10 p.m.

The following members were excused from today's Session for brief periods of time: Messrs. Johnson, D.J. and Peterson, C.C.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 3:00 p.m., Tuesday, April 30, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, April 30, 1985

The Senate met at 3:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Peterson, R.W. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Stan Maslowski.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1119.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1985

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 8: A House concurrent resolution des-

ignating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1985

Mr. Moe, R.D. moved that House Concurrent Resolution No. 8 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. 143: A bill for an act relating to real property; changing effective dates for provisions relating to validation of foreclosure sales; amending Minnesota Statutes 1984, section 582.27.

Senate File No. 143 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1985

CONCURRENCE AND REPASSAGE

Mr. Peterson, R.W. moved that the Senate concur in the amendments by the House to S.F. No. 143 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 143 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Merriam	Ramstad
Anderson	Dicklich	Kroening	Moe, R. D.	Renneke
Belanger	Frank	Kronebusch	Nelson	Schmitz
Benson	Frederickson	Laidig	Novak	Spear
Berg	Freeman	Langseth	Olson	Storm
Berglin	Gustafson	Lantry	Peterson, C. C.	Stumpf
Bertram	Hughes	Lessard	Peterson, D. C.	Taylor
Chmielewski	Isackson	Luther	Peterson, D. L.	Vega
Dahl	Jude	McQuaid	Peterson, R. W.	Wegscheid
Davis	Kamrath	Mehrkins	Pogemiller	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. 783: A bill for an act relating to natural resources; authorizing

additions to and deletions from certain state parks; amending Laws 1980, chapter 489, section 1, subdivision 4, and by adding a subdivision.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1985

CONCURRENCE AND REPASSAGE

Mr. Moe, R.D. moved that the Senate concur in the amendments by the House to S.F. No. 783 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 783 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:

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

Messrs. Merriam and Moe, D.M. 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 that the House refuses to concur in the Senate amendments to House File No. 535:

H.F. No. 535: A bill for an act relating to health; restricting the use of lead in pipes, solders, and flux; requiring schools to flush certain pipes; amending Minnesota Statutes 1984, section 123.36, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Sherman, Vellenga and Clausnitzer have been appointed as such committee on the part of the House.

House File No. 535 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 April 29, 1985

Mrs. Adkins moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 535, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 186:

H.F. No. 186: A bill for an act relating to mental health services; authorizing interstate contracts for mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

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

Sherman, Elioff and Gruenes have been appointed as such committee on the part of the House.

House File No. 186 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 April 29, 1985

Mr. Samuelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 186, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1382:

H.F. No. 1382: A bill for an act relating to courts; providing for transcript fees; amending Minnesota Statutes 1984, section 486.06.

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

Cohen, Halberg and Dempsey have been appointed as such committee on the part of the House.

House File No. 1382 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 April 29, 1985

Mr. Moe, R.D. moved that H.F. No. 1382 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 File, herewith transmitted: H.F. No. 756.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 756: A bill for an act relating to taxation; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; providing for timely payment of certain taxes; changing the estate tax; changing corporate income tax provisions; rescheduling payments and reducing the budget reserve; reducing sales tax rates and providing sales tax exemptions; authorizing lodging taxes for towns; reducing the basic maintenance mill rate; changing the computation of or eliminating certain property tax credits; changing property tax exemptions, classes, and classification ratios; changing the taxation of telephone companies; providing for studies; imposing duties on the commissioner of revenue and commissioner of natural resources; providing for changes in the levy limit base; changing property tax provisions relating to collection of property tax, confessions of judgment, and sale of tax forfeit lands; changing property tax refund benefit schedules, eligible claimants, and definition of property taxes payable; changing local government aids; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 16A.15, subdivision 6; 41.55; 60A.15, subdivision 12; 60A.199, subdivision 8; 92.46, subdivision 1; 117.55; 124.2137, subdivision 1; 124A.02, subdivision 7; 270A.07, subdivision 5; 271.12; 272.02, subdivision 1; 272.03, subdivision 1; 273.111, subdivision 11; 273.115, subdivisions 2 and 3; 273.116, subdivisions 2 and 3; 273.13, subdivisions 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 14a, 16, 17, 17b, 17c, 17d, 19, 20, and 21; 273.133, by adding a subdivision; 273.135, subdivisions 1, 2, and 5; 273.1391, subdivisions 1, 2, and 4; 273.1392; 273.40; 273.42, subdivision 2; 275.50, by adding a subdivision; 275.51, subdivision 3h; 277.03; 277.10; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 290.01, subdivisions 20, 20a, 20b, 20d, 20e, and 20f; 290.032, subdivision 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 3f, 3g, 11, and by adding a subdivision; 290.067, subdivision 1; 290.069, subdivision 4; 290.07, subdivision 1; 290.08, subdivision 26, and by adding a subdivision; 290.089, subdivision 2; 290.09, subdivisions 1 and 7; 290.091; 290.095, subdivisions 3, 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.14; 290.17, subdivision 2; 290.175; 290.18, subdivision 2; 290.21, subdivisions 3 and 4; 290.34, subdivision 1, and by adding a subdivision; 290.37, subdivision 1; 290.38; 290.39, subdivision 1a; 290.41, subdivision 2; 290.50, subdivisions 1, 5, and 6; 290.92, subdivisions 2a, 6, 11, 13, and 19; 290.93, subdivision 9; 290.932, subdivision 1; 290.933, subdivision 1; 290.936; 290A.03, subdivisions 3 and 13; 290A.04, subdivisions 1, 2, 3, and by adding a subdivision; 290A.06; 290A.07, subdivisions 2a and 3; 290A.10; 290A.19; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.18; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.34, sub-

division 1; 297A.01, subdivisions 15 and 16; 297A.02, subdivisions 1, 2, and 3; 297A.03, subdivision 2; 297A.14; 297A.25, subdivision 1; 297A.26, subdivision 1, and by adding a subdivision; 297A.27, subdivision 1; 297A.35, subdivision 1; 298.09, subdivision 4; 298.40, by adding a subdivision; 299.05; 299F.26, subdivision 1; 473.556, subdivision 4; 477A.011, subdivision 3, and by adding subdivisions; 477A.013; 477A.018; 524.3-1202; amending Laws 1984, chapter 644, section 85; proposing coding for new law in Minnesota Statutes, chapters 16A; 124A; 270; 290; and 297A; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2; 270.75, subdivision 7; 273.115, subdivisions 1, 5, 6, and 7; 273.116, subdivisions 1, 5, 6, and 7; 273.1311; 273.1315; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 2f, 3d, 3e, 14, 15, 16, 17, 18, and 19; 290.067, subdivisions 2 and 4; 290.068, subdivision 6; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 1, 3, 4, 5, and 6; 290.09, subdivision 29; 290.101; 290.18, subdivision 4; 290.21, subdivision 8; 290.34, subdivision 2; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34, subdivision 2; 297A.15, subdivision 5; 297A.26, subdivision 3; 297A.275; 385.36; 477A.011, subdivision 10; and 477A.0131; repealing Laws 1982, chapter 523, article 7, section 3.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

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

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 876: A bill for an act relating to hazardous waste; establishing a hazardous substance compensation trust account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

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

Delete everything after the enacting clause and insert:

“Section 1. [115B.051] [PROOF OF CAUSATION; LEGAL PRINCIPLES APPLICABLE.]

In any action brought under section 115B.05, or under any other law, to recover damages for death, personal injury, or disease arising out of the release of a hazardous substance:

(a) the enactment and subsequent repeal of section 115B.07, relating to proof of causation, shall not be construed in any way as a determination of legislative policy regarding the legal principles applicable to the proof of the causal connection between the release and the death, injury, or disease; and

(b) the legal principles applicable to the proof of causation shall be deter-

mined solely on the basis of applicable statutory and common law.

Sec. 2. [115B.25] [DEFINITIONS.]

Subdivision 1. [GENERAL.] The terms used in sections 3 to 14 have the definitions given them in section 115B.02 and this section.

Subd. 2. [BOARD.] "Board" means the hazardous substance injury compensation board established in section 4.

Subd. 3. [ELIGIBLE PROPERTY.] "Eligible property" means property damage that is eligible for compensation under section 6.

Subd. 4. [ELIGIBLE PERSONAL INJURY.] "Eligible personal injury" means personal injury that is eligible for compensation under section 6.

Subd. 5. [COMPENSABLE LOSS.] "Compensable loss" means a loss that is compensable under section 10.

Subd. 6. [FUND.] "Fund" means the hazardous substance injury compensation fund established in section 3.

Sec. 3. [115B.26] [HAZARDOUS SUBSTANCE INJURY COMPENSATION FUND.]

Subdivision 1. [ESTABLISHMENT.] A hazardous substance injury compensation fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. [APPROPRIATION.] The amount necessary to pay for staff assistance, administrative services, and office space under section 5, subdivision 4, and to pay claims of compensation granted by the board under sections 3 to 14 is appropriated to the board from the hazardous substance injury compensation fund.

Subd. 3. [PAYMENT OF CLAIMS WHEN FUND INSUFFICIENT.] If the amount of the claims granted exceeds the amount in the fund, the board shall request a transfer from the general contingent account to the hazardous substance injury compensation fund as provided in section 3.30. If no transfer is approved, the board shall pay the claims in the order granted only to the extent of the money remaining in the fund. The board may summarily pay the remaining claims after additional money is credited to the fund.

Sec. 4. [115B.27] [HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD.]

Subdivision 1. [ESTABLISHMENT OF BOARD.] The hazardous substance injury compensation board is established. The board consists of three members appointed by the governor. One member must be a physician knowledgeable in toxicology; one member must be a member of the bar of this state; and one member must be a health professional knowledgeable in the area of hazardous substance injuries. The board shall annually elect a member to serve as chairman for a term of one year. Filling of vacancies on the board and removal of members are governed by section 15.0575.

Subd. 2. [MEMBERSHIP TERMS.] The initial members shall be appointed to terms as follows:

- (1) the first member appointed for six years;

(2) the second member appointed for four years;

(3) the third member appointed for two years.

At the end of each member's term, the successor shall be appointed for six years and each successor thereafter shall be appointed for six years.

Subd. 3. [COMPENSATION AND EXPENSES.] The commissioner of employee relations shall establish the compensation or salary to be paid members of the board, based on the professional expertise and experience of the members and the workload of the board.

Sec. 5. [115B.28] [POWERS AND DUTIES OF THE BOARD.]

Subdivision 1. [DUTIES.] In addition to performing duties specified in sections 3 to 14 or in other law, the board shall:

(1) adopt rules, including emergency rules, as soon as practicable after all members are appointed, including rules governing practice and procedure before the board, the form and procedure for applications for compensation, and procedures for claims investigations;

(2) publicize the availability of compensation and application procedures on a statewide basis with special emphasis on geographical areas surrounding sites identified by the pollution control agency as having releases prior to July 1, 1983;

(3) collect, analyze, and make available to the public, in consultation with the department of health, the pollution control agency, the University of Minnesota medical and public health schools, and the medical community, data regarding injuries relating to exposure to hazardous substances; and

(4) prepare and transmit by December 31 of each year to the governor and the legislature an annual report to include (a) a summary of board activity under clause (3); (b) data determined by the board from actual cases, including but not limited to number of cases, actual compensation received by each claimant, types of cases, and types of injuries compensated, as they relate to types of hazardous substances as well as length of exposure; (c) all administrative costs associated with the business of the board; and (d) board recommendations for legislative changes, further study, or any other recommendation aimed at improving the system of compensation.

Subd. 2. [POWERS.] In addition to exercising any powers specified in sections 3 to 14 or in other law, the board may:

(1) in reviewing a claim, consider any information that the board determines is relevant to the claim;

(2) contract for consultant or other services necessary to carry out the board's duties under sections 3 to 14;

(3) grant reasonable partial compensation on an emergency basis pending the final decision on a claim, subject to the adoption of rules by the board, if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made.

Subd. 3. [INVESTIGATION; OBTAINING INFORMATION.] The board may investigate any claim for compensation and for this purpose it may request from any person information regarding any matter, fact, or circum-

stance which is relevant to deciding the claim. In order to obtain this information the board, subject to any applicable privilege, may:

(a) request any person to produce documents, papers, books, or other tangible things in his possession, custody, or control;

(b) request the sworn testimony of any person as to any relevant fact or opinion;

(c) direct written questions to any person and request written answers and objections; and

(d) request a mental or physical examination or autopsy of the claimant.

The board shall give written notice of any request under this subdivision at least 15 days before the person is expected to comply with the request. If any person fails or refuses to comply with the request, the board may apply to a district court for an order to compel compliance with the request. The district court shall issue the order upon a showing of cause by the board, subject to applicable protective provisions of the rules of civil procedure.

Subd. 4. [ADMINISTRATIVE PERSONNEL AND SERVICES.] The commissioner of health shall provide staff assistance, administrative services, and office space under a contract with the board. The board shall reimburse the commissioner for the staff, services, and space provided. In order to perform its duties, the board may request information from the supervising officer of any state agency or state institution of higher education. The supervising officer shall comply with the board's request to the extent possible considering available agency or institution appropriations and may assign agency or institution employees to assist the board in performing its duties under sections 3 to 14.

Sec. 6. [115B.29] [ELIGIBLE INJURY AND PROPERTY DAMAGE.]

Subdivision 1. [ELIGIBLE PERSONAL INJURY.] (a) A personal injury is eligible for compensation from the fund if it is a medically verified injury, including a chronic or acute disease or death, which is related to exposure to a hazardous substance released from a site where the substance was deposited. An eligible personal injury includes but is not limited to cancer, genetic mutations, behavioral abnormalities, physiological malfunctions, and physical deformations.

(b) A personal injury is not eligible for compensation from the fund if:

(1) the exposure took place outside the geographical boundaries of the state;

(2) the injury is one that is compensable under the workers compensation law, chapter 176;

(3) the injury arises out of the ordinary use of a consumer product; or

(4) it is the result of the release of a hazardous substance for which the injured or damaged party is a responsible person.

Subd. 2. [ELIGIBLE PROPERTY DAMAGE.] Damage to real property owned by the claimant is eligible for compensation from the fund if the damage results from the presence in or on the property of a hazardous substance released from a site where the substance was deposited. Damage to property

is not eligible for compensation from the fund if it results from the release of a hazardous substance for which the claimant is a responsible person..

Subd. 3. [TIME FOR FILING CLAIM.] A claim is not eligible for compensation from the fund unless it is filed with the board within the time provided in this subdivision.

(a) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a hazardous substance has been discovered.

(b) A claim for compensation for property damage must be filed within two years after the damage occurred.

Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by the passage of time may be filed not later than January 1, 1988.

Sec. 7. [115B.30] [OTHER ACTIONS.]

Subdivision 1. [BY CLAIMANT.] Except as provided in subdivision 4, a claimant who receives compensation from the fund may bring a personal injury, wrongful death, or other action in court for damages not compensated by the fund. In any case where the final judgment does not exceed 25 percent of the amount previously recovered from the fund, the court may assess costs and fees, not including attorney fees, against the claimant. A decision by the board to grant or deny compensation is inadmissible as evidence in any court action brought by the claimant to recover for additional injury or damage, except that if a verdict or decision is rendered for the claimant, the court shall take judicial notice of any board decision granting compensation in determining whether or not fees must be assessed as provided in this subdivision, and in entering judgment shall reduce the total damages to the extent already compensated by the fund.

Subd. 2. [SUBROGATION BY STATE.] The state is subrogated to all the claimant's rights to recover losses compensated from the fund from other sources, including responsible persons as defined in section 115B.03. The state may bring a subrogation action in its own name or in the name of the claimant. Money recovered by the state under this subdivision must be deposited in the fund.

Subd. 3. [JOINDER OF ACTIONS.] Nothing in subdivision 1 or 2 precludes joinder of actions brought by the state and a claimant or intervention in an action by any party.

Subd. 4. [SIMULTANEOUS CLAIM AND COURT ACTION PROHIBITED.] A claimant may not commence a court action to recover for any injury or damage for which the claimant seeks compensation from the fund during the time that a claim is pending before the board. A person may not file a claim with the board for compensation for any injury or damage for which the claimant seeks to recover in a pending court action. The time for filing a claim under section 6 or the statute of limitations for any civil action is suspended during the period of time that a claimant is precluded from filing a claim or commencing an action under this subdivision.

Sec. 8. [115B.31] [CLAIM FOR COMPENSATION.]

Subdivision 1. [FORM.] A claim for compensation from the fund must be

filed with the board in the form required by the board. When a claim does not include all of the information required by subdivision 2 and applicable board rules, board staff shall notify a claimant of the absence of required information within 14 days of the filing of the claim. All required information must be received by the board not later than 60 days after the claimant received notice of its absence or the claim will be inactivated and may not be resubmitted for at least one year following the date of inactivation. The board may decide not to inactivate a claim under this subdivision if it finds serious extenuating circumstances.

Subd. 2. [REQUIRED INFORMATION.] A claimant must provide as part of the claim:

(1) a sworn verification by the claimant of the facts set forth in the claim to the best of the claimant's knowledge;

(2) evidence of the claimant's exposure to a named hazardous substance;

(3) evidence that the exposure experienced by the claimant causes or significantly contributes to injury of the type suffered by the claimant, except when the claim is based on an earlier decision of the board as provided in section 9, subdivision 3;

(4) evidence of the injury eligible for compensation suffered by the claimant and the compensable losses resulting from the injury;

(5) evidence of any property damage eligible for compensation and the amount of compensable losses resulting from the damage;

(6) information regarding any collateral sources of compensation; and

(7) other information required by the rules of the board.

Subd. 3. [DEATH CLAIMS.] In any case in which death is claimed as a compensable injury, the claim may be brought on behalf of the claimant by the individuals eligible for death benefits and by the claimant's estate for compensable medical expenses.

Sec. 9. [115B.32] [DETERMINATION OF CLAIM.]

Subdivision 1. [STANDARD FOR PERSONAL INJURY.] The board shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant suffers a medically verified injury that is eligible for compensation from the fund and that has resulted in a compensable loss;

(2) the claimant has been exposed to a hazardous substance in an amount and duration sufficient to cause or significantly contribute to injury of the type suffered by claimant; and

(3) the exposure of the claimant could reasonably have resulted from the release of the hazardous substance from an identified site where the substance was deposited.

Subd. 2. [STANDARD FOR PROPERTY DAMAGE.] The board shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant has suffered property damage that is eligible for compen-

sation and that has resulted in compensable loss; and

(2) the presence of the hazardous substance in or on the property could reasonably have resulted from the release of the hazardous substance from an identified site where the substance was deposited.

Subd. 3. [EFFECT OF PRIOR DECISION; EXCEPTION.] (a) Except as provided in this subdivision, the board may not rely on an earlier decision granting or denying compensation as dispositive of any later claim.

(b) If the board finds that exposure to a particular hazardous substance in a particular amount, duration, and location causes or significantly contributes to an injury of the type suffered by a claimant, it may rely on that finding as dispositive of any future claim by another claimant who shows that it is more likely than not that he or she suffered the same type of injury and was exposed to the same hazardous substance in substantially the same amount, duration, and location.

Sec. 10. [115B.33] [COMPENSABLE LOSSES.]

Subdivision 1. [PERSONAL INJURY LOSSES.] Losses compensable by the fund for personal injury are limited to:

(a) medical expenses directly related to the claimant's injury;

(b) up to two-thirds of the claimant's lost wages not to exceed \$2,000 per month or \$24,000 per year;

(c) up to two-thirds of a self-employed claimant's lost income, not to exceed \$2,000 per month or \$24,000 per year;

(d) death benefits to dependents as follows:

(1) to a spouse with no dependent children, a sum equal to the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by 60 months;

(2) to a spouse with three or fewer dependent children, a sum equal to two-thirds of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18;

(3) to a spouse with four or more dependent children, a sum equal to three-fourths of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18;

(4) to three or fewer dependent children when there is no surviving spouse, an amount as calculated in clause (2) but using one-half of the deceased claimant's lost wages or lost income as the base for the calculation;

(5) to four or more dependent children when there is no surviving spouse, an amount as calculated in clause (3) but using two-thirds of the deceased claimant's lost wages or lost income as the base for the calculation; and

(6) to any other individual who can show dependence on the deceased claimant, an amount equal to the amount of actual average monthly contribution made by the claimant to that individual prior to his or her inability to contribute or one-fourth of the deceased claimant's lost wages or lost in-

come, calculated on a monthly basis not to exceed \$2,000 per month, whichever is less, multiplied by 36 months. A person who cannot show actual dependence on the deceased claimant may not recover death benefits. For the purposes of all the provisions in clause (d), lost wages includes the value of lost household labor; and

(e) the value of household labor lost due to the claimant's injury or disease not to exceed \$2,000 per month or \$24,000 per year.

Subd. 2. [PROPERTY DAMAGE LOSSES.] Losses compensable by the fund for property damage are limited to the following loss caused by damage to the principal residence of the claimant: the reasonable cost of replacing or decontaminating the primary source of drinking water for the property to the extent actually expended by the claimant or assessed by a local taxing authority, if the department of health has determined that the water is contaminated or has included the property in a well advisory area and has certified that the replacement or decontamination of the source of drinking water effectively has or will eliminate the contamination, up to a maximum of \$25,000.

Sec. 11. [115B.34] [DETERMINATION OF CLAIMS.]

Subdivision 1. [ASSIGNMENT OF CLAIMS.] The chairman of the board shall assign each claim that has been accepted for filing to a member of the board.

Subd. 2. [PRELIMINARY DECISION.] The board member to whom the claim is assigned shall review all materials filed in support of the claim and may cause an investigation to be conducted into the validity of the claim. The board member may make a preliminary decision on the basis of the papers filed in support of the claim and the report of any investigation of it. The decision must be in writing and include the reasons for the decision.

Subd. 3. [CIRCULATION OF PRELIMINARY DECISION.] Copies of the preliminary decision made under subdivision 2 must be circulated to the other two board members as soon as practicable. On receipt of the preliminary decision, the other two members have 20 days to challenge it by written notice to the member who made the decision. If neither member challenges the preliminary decision, a copy must be sent to the claimant who may challenge the decision by written notice to the board within 30 days of receipt of the decision. If no notice is received within the required time, the preliminary decision becomes a final decision of the board.

Subd. 4. [CHALLENGES.] If a board member or a claimant challenges a preliminary decision made pursuant to subdivision 2, the full board shall order the claimant to appear before the board. The appearance is not a contested case hearing under chapter 14. The claimant may produce further evidence to support the claim, including books, studies, reports, and any other written material and oral testimony of witnesses, including experts. The board members may ask questions of the claimant and any witnesses presented by the claimant. After the appearance, the board shall make a final decision on the claim as soon as practicable. The decision must be in writing and include the reasons for the decision. A copy of each final decision must be sent to the claimant, including, for a claim that is granted, an explanation of the form in which the claim will be paid.

Subd. 5. [RECORD.] Any appearance by a claimant or witnesses must be tape recorded but a formal record pursuant to chapter 14 is not required.

Subd. 6. [APPEAL.] A final decision of the board made pursuant to this section is conclusive on all matters decided. There is no right to judicial review of a final decision of the board.

Sec. 12. [115B.35] [AMOUNT AND FORM OF PAYMENT.]

If the board decides to grant compensation, it shall determine the net uncompensated loss payable to the claimant by computing the total amount of compensable losses payable to the claimant and subtracting the total amount of any compensation received by the claimant for the same injury or damage from other sources including, but not limited to, all forms of insurance and social security and any emergency award made by the board. The board shall pay compensation in the amount of the net uncompensated loss, provided that no claimant may receive more than \$250,000.

Compensation from the fund may be awarded in a lump sum or in installments at the discretion of the board.

Sec. 13. [115B.36] [ATTORNEY FEES.]

The board may by rule limit the fee charged by any attorney for representing a claimant before the board.

Sec. 14. [115B.37] [PARTIAL RECOUPMENT.]

At the end of each fiscal year, the board shall certify to the commissioner of revenue the amount expended from the fund to compensate persons injured by hazardous substances less amounts recovered under subrogation claims under section 7. The commissioner of revenue shall compute the rate of a surtax to be added to the hazardous waste generator tax in section 115B.22 which, collected over the next calendar year, will recoup 50 percent of the expenditures made from the fund during the previous fiscal year in excess of the subrogation claims recovered. The computation by the commissioner of the rate in this section shall not be considered a rule and shall not be subject to the administrative procedure act contained in chapter 14. The surtax is imposed effective January 1, 1987. Surtaxes collected under this section must be deposited in the fund.

Sec. 15. [APPROPRIATION.]

\$2,000,000 is appropriated from the general fund to the hazardous substance injury compensation fund, to be available until expended. Up to \$250,000 of this appropriation may be used for staff assistance, administrative services, and office space.

Sec. 16. [REPEALER.]

Minnesota Statutes 1984, section 115B.07, is repealed."

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert "relating to environment; creating a hazardous substance injury compensation fund; establishing a board to administer compensation; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; providing for partial recoupment of expenditures from hazardous waste generators; removing statutory

provision for causation for personal injury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, section 115B.07."

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1041: A bill for an act relating to education; establishing a limitation on the value of farm land for awarding scholarships and grants; requesting the legislative auditor to conduct a study of the methodology used to determine need for financial aid.

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

Page 1, line 19, after "*Minnesota*" insert "*or the commissioner of revenue, whichever is lower,*"

Page 2, delete line 16 and insert "*The higher education coordinating board shall*"

Page 2, line 17, delete everything before "*review*"

Page 2, line 25, delete "*auditor*" and insert "*board*"

Page 2, line 26, after "*the*" insert "*education, finance, and appropriation committees of the*"

Amend the title as follows:

Page 1, line 4, delete "*requesting*" and insert "*requiring*"

Page 1, line 4, delete "*legislative auditor*" and insert "*higher education coordinating board*"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 832: A bill for an act relating to the University of Minnesota; changing restrictions on the permanent university fund so that the fund can be used to help endow professorial chairs; appropriating money; amending Minnesota Statutes 1984, section 137.022.

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

Page 2, line 9, delete "*annually*"

Page 2, line 15, delete everything after the first "*The*"

Page 2, line 16, delete "*shall*" and insert "*must*" and after "*to*" insert "*help*"

Page 2, line 17, delete everything except "*endow*"

Page 2, line 18, delete "*to 70*" and after the period, insert "*This income must not provide more than half the sum of the endowments for all chairs*"

endowed, with nonstate sources providing the remainder. The income may provide more than half the endowment of an individual chair."

Page 2, line 19, after "*purpose*" insert "*lapses and must be added to the principal*"

Page 2, line 20, delete "*shall become part*" and delete "*An average*"

Page 2, delete lines 21 to 23

Page 2, after line 23, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivision 2, is effective July 1, 1986."

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 946: A bill for an act relating to education; authorizing post-secondary boards to award scholarships based on academic achievement; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; authorizing state universities to adopt and enforce parking rules on their property; permitting payroll deductions for employees of state universities and the state university board for an eligible nonprofit university foundation; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136.

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

Page 1, line 21, delete "*its*" and insert "*their*"

Page 2, line 24, delete "*of*" and insert "*sought in*" and delete "*loan sought to be recovered*" and insert "*action*"

Page 2, line 25, delete "\$2,500" and insert "\$2,000"

Page 4, line 13, delete "*of*" and insert "*sought in*" and delete "*loan sought to be recovered*" and insert "*action*"

Page 4, line 14, delete "\$2,500" and insert "\$2,000"

Page 6, line 1, delete "*of*" and insert "*sought in*" and delete "*loan sought to be recovered*" and insert "*action*"

Page 6, line 2, delete "\$2,500" and insert "\$2,000"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 966: A bill for an act relating to human services; requiring the commissioner of human services to establish services for the care of brain damaged adults; appropriating money; proposing coding for new law as

Minnesota Statutes, chapter 252B.

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

Delete everything after the enacting clause and insert:

“Section 1. [STUDY OF SERVICES FOR PERSONS WITH BRAIN IMPAIRMENT.]

Subdivision 1. [DEFINITION.] “Brain impairment” means serious traumatic injury to the brain or degenerative brain disease resulting in significant destruction of brain tissue with resultant loss of brain function which requires extensive services over an extended period of time.

Subd. 2. [TASK FORCE.] The commissioner of human services shall establish a task force to study the needs of persons with brain impairments. The task force shall consist of no more than 15 persons, two of whom are parents. In addition, the task force shall include representation from physicians specializing in brain impairments, rehabilitation facilities, day programs, acute care rehabilitation programs, nursing home programs, community-based residential programs, vocational counselors, the Minnesota chapter of the national head injury foundation, chemical abuse counselors, and other persons who may provide a useful perspective to the task force.

Subd. 3. [DUTIES.] The commissioner of human services, or his or her designee, shall prepare a report for the legislature with the advice of the task force. The task force shall:

(a) assess the needs of persons who have brain impairments and their families;

(b) develop a model for a continuum of care to adequately meet the needs described in clause (a), including acute care, intermediate rehabilitation, long-term care, community-based housing, and vocational, social, and community integration;

(c) identify the resources that currently exist to meet the needs of persons who are brain impaired;

(d) identify the gaps in current delivery of services to meet these specialized needs;

(e) determine the feasibility and cost effectiveness of developing new programs for this population or expanding utilization of existing services and programs;

(f) identify potential sources of funding for services for brain impaired persons and describe how present lack of funding has affected the provision of services to the brain impaired population; and

(g) examine the potential for expanding existing criteria and disability definitions to allow persons with brain impairment access to housing, case-management, independent living skills programs, and other similar programs now available to other groups.

The commissioner shall deliver the report and the task force’s recommendations to the legislature by January 15, 1986.”

Delete the title and insert:

“A bill for an act relating to health; requiring a study and a report on the needs of persons with brain impairments.”

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1041, 832, 946 and 966 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 876 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Mehrkens introduced—

Senate Resolution No. 77: A Senate resolution congratulating the Vasa-Spring Garden Mutual Insurance Company upon the 125th anniversary of its founding.

Referred to the Committee on Rules and Administration.

Mr. Schmitz introduced—

Senate Resolution No. 78: A Senate resolution congratulating the Prior Lake Senior High School Band for its outstanding musicianship and designating them as Minnesota's official representative at White House Ellipse and Pentagon Concerts on June 27, 1985.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 538: A bill for an act relating to taxation; updating income tax provisions to changes in the Internal Revenue Code; providing an income tax exemption for certain payments to members of the state highway patrol; amending Minnesota Statutes 1984, sections 290.01, subdivisions 20, as amended, 20a, 20b, and 21; 290.032, subdivision 1; 290.06, subdivision 14; 290.067, subdivision 1; 290.068, subdivisions 2, 4, and 5; 290.07, subdivisions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.089, subdivision 7; 290.09, subdivisions 7 and 19; 290.091; 290.10; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.21, subdivision 4; 290.23, subdivision 5; 290.26, subdivision 2; 290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.39, subdivision 2; 290.41, subdivision 1, and by adding a subdivision; 290.53, subdivision 9; 290.65, subdivision 16; 290.93, subdivisions 1, 3, 5, 6, 7, and 10; and 290A.03, subdivision 3; repealing Laws 1984, chapter 502,

article 2, section 4.

Mr. Merriam moved to amend H.F. No. 538, as amended pursuant to Rule 49, adopted by the Senate March 28, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 665.)

Page 4, line 13, delete “, (B)” and insert “(b)”

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 538, as amended pursuant to Rule 49, adopted by the Senate March 28, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 665.)

Page 6, line 22, after the semicolon insert “and”

Page 6, line 23, delete “(16)” and strike the remaining language

Page 6, strike lines 24 to 27

Page 6, line 28, delete the comma and strike the remaining language

Page 6, line 29, delete the new language and strike “to”

Page 6, strike lines 30 to 33

Page 6, line 34, delete “41” and “409” and strike the remaining language

Page 6, strike lines 35 and 36

Page 7, strike lines 1 to 4

Page 7, line 5, delete “(17)” and insert “(16)”

Page 11, line 15, delete “(17)” and insert “(16)”

Page 11, line 22, after “to” insert “*Minnesota Statutes 1984, section 290.01,*”

Amend the title as follows:

Page 1, line 3, after the semicolon insert “providing conformity with federal treatment of contributions to individual retirement accounts and certain other plans;”

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 538. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 38, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Mr. Knaak moved to amend H.F. No. 538, as amended pursuant to Rule 49, adopted by the Senate March 28, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 665.)

Page 6, line 15, delete "(13)" and strike the remaining language

Page 6, strike line 16

Renumber the paragraphs in sequence

Page 11, line 15, delete "(17)" and insert "(16)"

Page 11, line 23, delete "(16)" and insert "(15)"

Page 60, line 31, after "(8)," insert "and" and strike ", and" and delete "(13)"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "eliminating the addition to federal adjusted gross income for the deduction for two-earner married couples;"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 22 and nays 37, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, R.W.	Stumpf
Berglin	Hughes	Merriam	Petty	Vega
Bertram	Johnson, D.J.	Moe, D.M.	Pogemiller	Waldorf
Dahl	Jude	Moe, R.D.	Reichgott	Wegscheid
Davis	Kroening	Nelson	Samuelson	Willet
DeCramer	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	
Dieterich	Lessard	Peterson, D.C.	Spear	

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

H.F. No. 538 was then progressed.

SPECIAL ORDER

S.F. No. 643: A bill for an act relating to fish and game; changing desig-

nation of muskellunge lakes; providing for certain restrictions on designated muskellunge lakes; providing a penalty for a person that spears a muskellunge; amending Minnesota Statutes 1984, sections 97.55, by adding a subdivision; and 101.475, subdivision 1; repealing Minnesota Statutes 1984, section 101.475, subdivision 2.

Mr. Wegscheid moved to amend S.F. No. 643 as follows:

Page 1, line 14, delete "SPEARING" and insert "ILLEGALLY TAKING OR POSSESSING"

Page 1, line 15, after "takes" insert "or possesses" and delete "with a spear" and insert "in violation of chapters 97 to 102"

Page 2, line 2, delete "notice and hearing" and insert "holding a public meeting"

Page 2, after line 17, insert:

"(d) The provisions of section 97.48, subdivision 1, requiring the angling season on a lake to be closed in proportion to the spearing season do not apply to designated muskellunge lakes."

Amend the title as follows:

Page 1, line 5, delete "spears" and insert "illegally takes or possesses"

The motion prevailed. So the amendment was adopted.

S.F. No. 643 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 46 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Laidig	Peterson, D.C.	Storm
Benson	Freeman	Langseth	Peterson, D.L.	Stumpf
Berglin	Hughes	Lantry	Peterson, R.W.	Taylor
Bertram	Johnson, D.E.	Lessard	Petty	Vega
Brataas	Jude	Luther	Pogemiller	Waldorf
Chmielewski	Kamrath	McQuaid	Ramstad	Wegscheid
Dahl	Knaak	Mehrkens	Reichgott	
DeCramer	Knutson	Merriam	Renneke	
Diessner	Kroening	Novak	Solon	
Dieterich	Kronebusch	Olson	Spear	

Those who voted in the negative were:

Anderson	Davis	Isackson	Pehler	Schmitz
Belanger	Dicklich	Moe, R.D.	Samuelson	Willet
Berg	Frank			

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

SPECIAL ORDER

S.F. No. 243: A bill for an act relating to health; providing for physical therapy evaluation and referral; prohibiting certain practices by physical therapists; amending Minnesota Statutes 1984, sections 148.65, subdivision 1; 148.75; and 148.76.

Mr. Dicklich moved to amend S.F. No. 243 as follows:

Page 1, line 24, after the period, insert ““Physical therapy” does not include the practice of medicine as defined in section 147.10, or the practice of chiropractic as defined in section 148.01.”

The motion prevailed. So the amendment was adopted.

Mr. Dicklich then moved to amend S.F. No. 243 as follows:

Page 2, line 24, after “medicine” insert “or chiropractic”

Page 4, line 14, after “medicine” insert “or chiropractic”

Mr. Knaak questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question recurred on the Dicklich amendment.

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

Those who voted in the affirmative were:

Anderson	Davis	Kroening	Peterson, C.C.	Solon
Belanger	DeCramer	Laidig	Peterson, D.L.	Stumpf
Benson	Dicklich	Langseth	Peterson, R.W.	Taylor
Berg	Freeman	Merriam	Purfeerst	Vega
Bernhagen	Isackson	Nelson	Renneke	Willet
Bertram	Johnson, D.J.	Novak	Samuelson	
Chmielewski	Kamrath	Pehler	Schmitz	

Those who voted in the negative were:

Adkins	Frederick	Knutson	Moe, D.M.	Reichgott
Berglin	Frederickson	Kronebusch	Moe, R.D.	Sieloff
Brataas	Gustafson	Lantry	Olson	Spear
Dahl	Hughes	Lessard	Peterson, D.C.	Storm
Diessner	Johnson, D.E.	Luther	Petty	Waldorf
Dieterich	Jude	McQuaid	Pogemiller	Wegscheid
Frank	Knaak	Mehrkens	Ramstad	

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

S.F. No. 243 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 2, as follows:

Those who voted in the affirmative were:

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

Mrs. Adkins and Mr. Merriam voted in the negative.

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

RECONSIDERATION

Mr. Merriam moved that the vote whereby S.F. No. 643 was passed by the Senate on April 30, 1985, be now reconsidered. The motion prevailed.

SPECIAL ORDER

S.F. No. 643: A bill for an act relating to fish and game; changing designation of muskellunge lakes; providing for certain restrictions on designated muskellunge lakes; providing a penalty for a person that illegally takes or possesses a muskellunge; amending Minnesota Statutes 1984, sections 97.55, by adding a subdivision; and 101.475, subdivision 1; repealing Minnesota Statutes 1984, section 101.475, subdivision 2.

Mr. Merriam moved to amend S.F. No. 643 as follows:

Page 2, line 22, before "*enactment*" insert "*final*"

The motion prevailed. So the amendment was adopted.

S.F. No. 643 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 45 and nays 15, as follows:

Those who voted in the affirmative were:

Benson	Frederickson	Kronebusch	Novak	Ramstad
Berglin	Freeman	Laidig	Olson	Reichgott
Bernhagen	Gustafson	Langseth	Pehler	Renneke
Brataas	Hughes	Lantry	Peterson, D.C.	Spear
Chmielewski	Johnson, D.E.	Lessard	Peterson, D.L.	Storm
Dahl	Jude	McQuaid	Peterson, R.W.	Taylor
DeCramer	Kamrath	Mehrkens	Petty	Vega
Djessner	Knaak	Merriam	Pogemiller	Waldorf
Dieterich	Knutson	Nelson	Purfeerst	Wegscheid

Those who voted in the negative were:

Adkins	Bertram	Isackson	Peterson, C.C.	Steloff
Anderson	Dicklich	Kroening	Samuelson	Stumpf
Belanger	Frank	Moe, R.D.	Schmitz	Willet

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that House Concurrent Resolution No. 8 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 8: A House concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

WHEREAS, the State of Minnesota is proud of the veterans of this nation's wars; and

WHEREAS, 8,800 Americans including 121 Minnesotans remain unac-

counted for from the Korean conflict and 2,483 Americans including 49 Minnesotans remain unaccounted for from the Vietnam conflict; NOW, THEREFORE,

BE IT RESOLVED by the House of Representatives of the State of Minnesota, the Senate concurring, that an official symbol is established in memory of those Americans who are missing and unaccounted for. The symbol established is a "Red Ribbon" and that the Red Ribbon will be displayed in all public buildings and other appropriate locations on the national day of recognition as designated by the Congress of the United States.

BE IT FURTHER RESOLVED that the Chief Clerk is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and those of the Speaker, the President of the Senate, and the Secretary of the Senate, and present them to representatives of the various Minnesota veterans organizations.

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

Mr. Spear moved that Senate Resolution No. 73 be taken from the table. The motion prevailed.

Senate Resolution No. 73: A Senate resolution expressing the sense of the Senate that the President of the United States should not pay tribute to those who perpetrated the holocaust.

WHEREAS, the plans for the President of the United States' trip to Germany include a visit and wreath laying at a cemetery where members of the Waffen SS who died in the Battle of the Bulge are buried; and

WHEREAS, the Waffen SS is one of the units primarily responsible for the perpetration of the holocaust; and

WHEREAS, it is not only beyond understanding why any tribute would be paid to the deceased Waffen SS members but is morally wrong and offensive to the survivors of the holocaust and the American and other allied soldiers who fought against the Nazi regime; and

WHEREAS, alternatives have been suggested, including visiting one of the many former concentration or extermination camp sites, as an appropriate remembrance of World War II; and

WHEREAS, the President of the United States should heed the just indignation of religious and veterans groups and many individual Americans about the proposed honoring of the battle casualties including Waffen SS troopers; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it is its sense that a visit by the President of the United States to a cemetery including Waffen SS troopers is an outrage. The visit should be replaced with one to a former concentration or extermination camp site to honor those who were victims of the Waffen SS or other groups perpetrating the Nazi horror.

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

SPECIAL ORDER

S.F. No. 391: A bill for an act relating to causes of action; allowing an

award of damages for mental anguish in actions for death by wrongful act; amending Minnesota Statutes 1984, section 573.02, subdivisions 1 and 4.

Mr. Dieterich moved to amend S.F. No. 391 as follows:

Page 2, delete section 2

Amend the title as follows:

Page 1, line 5, delete "subdivisions" and insert "subdivision" and delete "and 4"

The motion prevailed. So the amendment was adopted.

S.F. No. 391 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 27 and nays 37, as follows:

Those who voted in the affirmative were:

Berglin	Johnson, D.J.	Moe, R.D.	Purfeerst	Spear
Dahl	Knaak	Nelson	Ramstad	Vega
Dicklich	Lantry	Novak	Reichgott	Willet
Dieterich	Luther	Peterson, D.C.	Samuelson	
Freeman	Merriam	Peterson, R.W.	Schmitz	
Hughes	Moe, D.M.	Pogemiller	Solon	

Those who voted in the negative were:

Adkins	DeCramer	Jude	McQuaid	Sieloff
Anderson	Diessner	Kamrath	Mehrkens	Storm
Belanger	Frank	Knutson	Olson	Taylor
Benson	Frederick	Kroening	Pehler	Waldorf
Bernhagen	Frederickson	Kronebusch	Peterson, C.C.	Wegscheid
Bertram	Gustafson	Laidig	Peterson, D.L.	
Brataas	Isackson	Langseth	Petty	
Chmielewski	Johnson, D.E.	Lessard	Renneke	

So the bill, as amended, failed to pass.

SPECIAL ORDER

S.F. No. 1131: A bill for an act relating to the city of South St. Paul; providing for the financing of certain public improvements.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1485: A bill for an act relating to the city of South St. Paul; authorizing the expenditure of certain tax increments to pay costs of a combined storm-sanitary sewer separation project.

Was read the third time 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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Sieloff moved that H.F. No. 1382 be taken from the table. The motion prevailed.

H.F. No. 1382: A bill for an act relating to courts; providing for transcript fees; amending Minnesota Statutes 1984, section 486.06.

Mr. Sieloff moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1382, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

SPECIAL ORDER

H.F. No. 889: A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

Mr. Pehler moved to amend H.F. No. 889, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 639.)

Page 14, after line 35, insert:

“Sec. 17. [CIVIL ACTIONS.]

The provisions of this act do not apply to any civil action commenced before August 1, 1985.”

Renumber the sections in sequence

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

Mr. Benson moved to amend H.F. No. 889, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 639.)

Page 3, after line 10, insert:

“Sec. 6. Minnesota Statutes 1984, section 204C.05, subdivision 1, is amended to read:

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 at least 30 days before a state primary, special, or general election, the governing body of a municipality with less than 1,000 inhabitants which is located outside the metropolitan area as defined in section 473.121, subdivision 2, may fix a later time for voting to begin. The later time may not be later than 9:00 a.m. for a general election or 5:00 p.m. for a special or primary election. A resolution adopted under this subdivision is effective for all subsequent primary, special, or general elections until it is revoked.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert “allowing certain municipalities to set shorter voting hours;”

Page 1, line 8, after “164.06;” insert “204C.05, subdivision 1;”

Mr. Frank questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

H.F. No. 889 was then progressed.

SPECIAL ORDER

S.F. No. 251: A bill for an act relating to nursing homes; establishing an educational program for resident and family advisory councils; authorizing a surcharge on license fees; requiring evaluation and a report to the legislature by the Minnesota board on aging; appropriating money; amending Minnesota Statutes 1984, sections 256B.421, subdivision 8; and 256B.431, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 144A.

Was read the third time 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 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Benson, Isackson, Kamrath and Knutson voted in the negative.

So the bill passed and its title was agreed to.

The question recurred on H.F. No. 889.

SPECIAL ORDER

H.F. No. 889: A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

The question recurred on the Benson amendment.

Mr. Benson moved to amend H.F. No. 889, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 639.)

Page 3, after line 10, insert:

“Sec. 6. Minnesota Statutes 1984, section 204C.05, subdivision 1, is amended to read:

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 at least 30 days before a state primary, special, or general election, the governing body of a municipality with less than 1,000 inhabitants which is located outside the metropolitan area as defined in section 473.121, subdivision 2, may fix a later time for voting to begin. The later time may not be later than 9:00 a.m. for a general election or 5:00 p.m. for a special or primary election. A resolution adopted under this subdivision is effective for all subsequent primary, special, or general elections until it is revoked.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "allowing certain municipalities to set shorter voting hours;"

Page 1, line 8, after "164.06;" insert "204C.05, subdivision 1;"

CALL OF THE SENATE

Mr. Dahl imposed a call of the Senate for the balance of the proceedings on H.F. No. 889. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

Mr. Benson moved that those not voting be excused from voting. The motion did not prevail.

Mr. Benson moved that those not voting be excused from voting. The motion did not prevail.

Mr. Benson moved that those not voting be excused from voting. The motion did not prevail.

Mr. Dicklich moved that those not voting be excused from voting. The motion did not prevail.

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

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Johnson, D.E.	Lessard	Samuelson
Anderson	Chmielewski	Kamrath	McQuaid	Schmitz
Belanger	DeCramer	Knaak	Mehrkens	Sieloff
Benson	Frederick	Knutson	Olson	Storm
Berg	Frederickson	Kronebusch	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Laidig	Ramstad	Taylor
Bertram	Isackson	Langseth	Renneke	Wegscheid

Those who voted in the negative were:

Berglin	Freeman	Merriam	Peterson, D.C.	Spear
Dahl	Hughes	Moe, D.M.	Peterson, R.W.	Vega
Davis	Johnson, D.J.	Moe, R.D.	Petty	Waldorf
Dicklich	Jude	Nelson	Pogemiller	Willet
Diessner	Kroening	Novak	Purfeerst	
Dieterich	Lantry	Pehler	Reichgott	
Frank	Luther	Peterson, C.C.	Solon	

The motion prevailed. So the amendment was adopted.

H.F. No. 889 was then progressed.

SPECIAL ORDER

H.F. No. 786: A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and the telecommunications council; amending

Minnesota Statutes 1984, sections 1.22; 4.31, subdivision 5; 14.02, subdivision 4; 16B.20, subdivision 2; 16B.33, subdivision 2; 35.02, subdivision 1; 40.03, subdivision 1; 84B.11, subdivision 1; 115.74, subdivision 1; 116C.41, subdivision 2; 116L.03; 121.82, subdivision 1; 121.83; 129B.01, subdivision 1; 144A.19, subdivision 1; 147.01, subdivisions 1 and 2; 148.03; 148.181; 148.52; 148.90, subdivision 2; 150A.02, subdivision 1; 151.03; 153.02; 154.22; 156.01, subdivisions 1 and 2; 161.1419, subdivision 2; 250.05, subdivision 2; 254A.04; 270.41; 326.04; 326.17; 326.241, subdivision 1; 343.01, subdivision 3; 386.63, subdivision 1; 611.215, subdivision 1; and 626.841; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.01; 238.02, subdivision 4; 238.04 to 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; and 238.13 to 238.17.

Mr. Kroening moved to amend H.F. No. 786, the unofficial engrossment, as follows:

Pages 3 and 4, delete section 5

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 13, delete "84B.11, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 786, the unofficial engrossment, as follows:

Pages 6 to 18, delete sections 10 to 25

Page 23, line 18, after the second semicolon insert "238.01; 238.02, subdivision 4;" and delete the second "and" and insert "238.05; 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; 238.13; 238.14; 238.15; 238.16;" and after "238.17" delete the comma and insert "; 238.22; 238.23; 238.24; 238.25; 238.26; 238.27; and 238.35"

Page 23, line 19, delete "subdivision 7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "transferring the duties"

Page 1, line 6, delete "of" and insert "abolishing" and delete "to the commissioner"

Page 1, line 7, delete "of administration" and insert "and eliminating the requirement that cable communications companies be provided certain access"

Page 1, line 15, delete everything after the first semicolon

Page 1, delete lines 16 to 18

Page 1, line 19, delete "subdivisions 1, 5, 6, and 8;"

Page 1, line 21, after the second semicolon insert "238.01; 238.02, sub-

division 4;"

Page 1, line 22, after "238.04" insert "to 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3" and delete the first "and" and insert "238.13 to" and delete ", subdivision 7" and insert "; 238.22 to 238.27; and 238.35"

Mr. Spear questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Hughes moved to amend H.F. No. 786, the unofficial engrossment, as follows:

Pages 4 and 5, delete section 7

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 14, delete "121.82, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Frank moved to amend H.F. No. 786, the unofficial engrossment, as follows:

Page 23, after line 15, insert:

"Sec. 32. [SUPPORT OF A TELECOMMUNICATIONS COUNCIL PROHIBITED.]

No state money, staff, or office space may be used to support a telecommunications council, whether created by statute, executive order, or otherwise."

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend H.F. No. 786, the unofficial engrossment, as follows:

Page 2, after line 5, insert:

"Sec. 2. Minnesota Statutes 1984, section 1.33, is amended to read:

1.33 [REPRESENTATIVES, SELECTION.]

The Minnesota representation on the Minnesota-Wisconsin boundary area commission shall consist of five commissioners appointed by the governor *with the advice and consent of the senate*, each for a four-year-term. The terms of the commissioners shall be staggered. Vacancies shall be filled by appointment by the governor for the unexpired term."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 11, after "1.22;" insert "1.33;"

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

Mr. Pogemiller moved to amend H.F. No. 786, the unofficial engrossment, as follows:

Page 23, after line 15, insert:

“Sec. 32. [GILLETTE CHILDREN'S HOSPITAL BOARD TRANSITION.]

Members of the Gillette children's hospital board on July 31, 1985, carry over as members of the board as restructured by this act and shall elect additional members other than designees.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 9 and 10

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend H.F. No. 786, the unofficial engrossment, as follows:

Page 22, delete section 28

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 19, after “250.05;” insert “and” and after “254A.04;” delete “and”

Page 1, line 20, delete “611.215, subdivision 1;”

The motion prevailed. So the amendment was adopted.

H.F. No. 786 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	Dieterich	Lessard	Pehler	Solon
Belanger	Frederickson	Luther	Peterson, D.C.	Spear
Benson	Gustafson	McQuaid	Peterson, R.W.	Storm
Berglin	Jude	Mehrrens	Petty	Taylor
Dahl	Knaak	Merriam	Pogemiller	Vega
Davis	Kronebusch	Moe, D.M.	Reichgott	Wegscheid
Diessner	Langseth	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Adkins	DeCramer	Kamrath	Olson	Stumpf
Berg	Dicklich	Knutson	Peterson, D.L.	Waldorf
Bernhagen	Freeman	Kroening	Ramstad	Willet
Bertram	Hughes	Laidig	Renneke	
Brataas	Isackson	Lantry	Schmitz	
Chmielewski	Johnson, D.J.	Nelson	Sieloff	

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

SPECIAL ORDER

S.F. No. 862: A bill for an act relating to courts; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; amending Minnesota Statutes 1984, sections

487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, 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 47 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Pehler	Storm
Anderson	Dieterich	Kronebusch	Peterson, D.C.	Stumpf
Berg	Frank	Lantry	Peterson, D.L.	Taylor
Berglin	Frederickson	Lessard	Peterson, R.W.	Vega
Bernhagen	Freeman	Luther	Petty	Waldorf
Bertram	Gustafson	McQuaid	Pogemiller	Wegscheid
Brataas	Hughes	Merriam	Reichgott	Willet
Dahl	Isackson	Moe, D.M.	Renneke	
Davis	Johnson, D.J.	Moe, R.D.	Samuelson	
DeCramer	Jude	Olson	Schmitz	

Those who voted in the negative were:

Benson	Frederick	Knaak	Ramstad	Sieloff
Chmielewski	Kamrath	Knutson		

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 835: A bill for an act relating to driver's licenses; allowing same time for expiration of driver's license for spouse of active duty member of armed forces; amending Minnesota Statutes 1984, section 171.27.

Mr. Peterson, R.W. moved to amend H.F. No. 835 as follows:

Page 2, line 5, delete "or".

Page 2, line 6, delete "the person's spouse"

Page 2, line 7, after "States" insert ", or the person's spouse,"

The motion prevailed. So the amendment was adopted.

H.F. No. 835 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 952: A bill for an act relating to occupations and professions; exempting installers of alarm and communication systems from regulation under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 326.

Mr. Waldorf moved to amend S.F. No. 952 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 326.01, is amended by adding a subdivision to read:

Subd. 6c. [ALARM AND COMMUNICATION SYSTEM.] The term “alarm and communication system” means class II or class III signaling circuits, fire protective circuits, alarm systems, or communication circuits or systems, as covered by articles 725, 760, 770, 800, 810, and 820 of the National Electrical Code as approved by the United States of America Standards Institute in effect January 1, 1985.

Sec. 2. Minnesota Statutes 1984, section 326.01, is amended by adding a subdivision to read:

Subd. 6d. [ALARM AND COMMUNICATIONS INSTALLER.] The term “alarm and communications installer” means a person who has the necessary qualifications, training, experience, and technical knowledge to properly lay out and install alarms and communications systems as determined by the board of electricity under section 4, and who is licensed as an alarm and communication system installer by the board of electricity.

Sec. 3. Minnesota Statutes 1984, section 326.241, is amended to read:

326.241 [BOARD OF ELECTRICITY.]

Subdivision 1. [COMPOSITION.] The board of electricity shall consist of ~~nine~~ ten members, residents of the state, appointed by the governor of whom at least two shall be representatives of the electrical suppliers in the rural areas of the state, two shall be master electricians, who shall be contractors, two journeyman electricians, one registered consulting electrical engineer, one licensed alarm and communication system installer, and two public members as defined by section 214.02. 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.

Subd. 2. [POWERS.] The board shall have power to:

(1) Elect its own officers;

(2) Engage and fix the compensation of inspectors, and hire employees. The salary of the executive secretary shall be established pursuant to chapter 43A. All agents and employees other than contract inspectors shall be in the classified service and shall be compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or journeyman electricians under section 326.242, subdivision 1(1) or subdivision 2(1), and shall give bond in

an amount fixed by the board, conditioned upon the faithful performance of their duties.

(3) To pay such other expenses as it may deem necessary in the performance of its duties, including rent, supplies, and such like.

(4) To enforce the provisions of ~~Laws 1967, chapter 602~~ sections 326.241 to 326.248, and provide, upon request, such additional voluntary inspections and reviews as it may deem appropriate.

(5) To issue, renew, refuse to renew, suspend and revoke licenses provided for in ~~Laws 1967, chapter 602~~ sections 326.241 to 326.248.

(6) To adopt reasonable rules to carry out its duties under ~~Laws 1967, chapter 602~~ sections 326.241 to 326.248 and to provide for the amount and collection of fees for inspection and other services. All rules shall be adopted in accordance with chapter 14.

Subd. 3. [FEES AND FINANCES; DISPOSITION.] All license fees collected under the provisions of sections 326.241 to 326.248 are to be credited to the general fund. The expenses of administering sections 326.241 to 326.248 shall be paid from appropriations made to the board of electricity.

Sec. 4. Minnesota Statutes 1984, section 326.242, is amended by adding a subdivision to read:

Subd. 3a. [ALARM AND COMMUNICATIONS INSTALLER.] (a) Notwithstanding the provisions of subdivisions 1 and 2, and section 5, any person holding an alarm and communications installer's license may lay out and install electrical wiring, apparatus, and equipment for alarm and communications systems.

(b) An applicant for an alarm and communications installer's license shall have at least two years' experience, acceptable to the board, in laying out and installing electrical wiring, apparatus, and equipment for alarm and communications systems, or have completed a post-high school course in electricity acceptable to the board.

(c) No person who has been convicted of a felony within the previous three years may obtain an alarm and communications installer's license.

Sec. 5. Minnesota Statutes 1984, section 326.242, is amended by adding a subdivision to read:

Subd. 6a. [ALARM AND COMMUNICATION SYSTEM CONTRACTOR.] (a) Except as provided by law, no person other than an employee of a licensed alarm and communication system contractor shall undertake or offer to undertake for another the installation, maintenance, repair, planning, or servicing of any wiring or equipment used in an alarm and communication system for a fixed sum, price, fee, percentage, or other compensation.

(b) The board shall issue an alarm and communication system contractor's license to any person who has obtained a bond and insurance as specified under subdivision 6.

(c) No alarm and communication system contractor shall engage in business unless the contractor has employed a licensed alarm and communications installer, who shall be responsible for the performance of all electrical

work relating to the installation of an alarm and communication system in accordance with the requirements of sections 326.241 to 326.248.

(d) Each person licensed under this subdivision shall provide the board with the names and addresses of all persons under his or her employ who sell, install, maintain, alter, repair, monitor, respond to, or inspect an alarm or communication system.

(e) No person who has been convicted of a felony within the previous three years may install, maintain, alter, monitor, respond to, or inspect any wiring or equipment used in an alarm and communication system. The department of public safety shall provide assistance to the board in conducting criminal background checks.

Sec. 6. Minnesota Statutes 1984, section 326.242, subdivision 7, is amended to read:

Subd. 7. [EXAMINATION.] In addition to the requirements imposed herein and except as herein otherwise provided, as a precondition to issuance of an electrician's or an alarm and communications installer's license, each applicant must pass a written or oral examination given by the board to insure the competence of each applicant for license. An oral examination shall be administered only to an applicant who furnishes a written statement from a certified teacher or other professional, trained in the area of reading disabilities stating that the applicant has a specific reading disability which would prevent the applicant from performing satisfactorily on a written test. The oral examination shall be structured so that an applicant who passes the examination will not impair the safety of himself or others while acting as an electrician. No person failing an examination may retake it for six months thereafter, but within such six months he may take an examination for a lesser grade of license. Any licensee failing to renew his license for two years or more after its expiration shall be required to retake the examination before he is issued a new license.

An applicant for journeyman's or special electrician's license who shall furnish evidence satisfactory to the board that he has the requisite experience, upon written application, payment of the examination fee and fulfillment of all other requirements stated herein, may work as a journeyman or special electrician until the examination next following and the announcement of the results of such latter examination by the board.

Sec. 7. Minnesota Statutes 1984, section 326.242, subdivision 8, is amended to read:

Subd. 8. [LICENSE AND RENEWAL FEES.] All licenses issued hereunder shall expire in a manner as provided by the board. Fees, as set by the board, shall be payable for examination, issuance and renewal of the following:

(1) For examination:

Class A Master.

Class B Master.

Class A Journeyman, Class B Journeyman, Installer, Alarm and Communications Installer, or Special Electrician.

(2) For issuance of original license and renewal:

Class A Master.

Class B Master.

Class A Journeyman, Class B Journeyman, Installer, *Alarm and Communications Installer*, or Special Electrician.

Electrical contractor.

Alarm and Communication System Contractor.

Sec. 8. Minnesota Statutes 1984, section 326.243, is amended to read:

326.243 [SAFETY STANDARDS.]

All electrical wiring, apparatus and equipment for electric light, heat and power, and *alarm and communication systems* shall comply with the rules and regulations of the department of public service, the commissioner of commerce, or the department of labor and industry, as applicable, and be installed in conformity with accepted standards of construction for safety to life and property. For the purposes of this chapter, the regulations and safety standards stated at the time the work is done in the then most recently published edition of the National Electrical Code as approved by the United States of America Standards Institute, and the National Electrical Safety Code as issued by the National Bureau of Standards, shall be prima facie evidence of accepted standards of construction for safety to life and property; provided further, that in the event a Minnesota building code is formulated pursuant to section 16B.61, containing approved methods of electrical construction for safety to life and property, compliance with said methods of electrical construction of said Minnesota building code shall also constitute compliance with this section, and provided further, that nothing herein contained shall prohibit any political subdivision from making and enforcing more stringent requirements than set forth herein and such requirements shall be complied with by all licensed electricians working within the jurisdiction of such political subdivisions.

Sec. 9. Minnesota Statutes 1984, section 326.244, subdivision 4, is amended to read:

Subd. 4. [POWERS OF POLITICAL SUBDIVISIONS.] Any political subdivision may make provision for inspection of electrical installations within its jurisdiction, in which case it shall keep on file with the board copies of its current inspection ordinances and codes. No political subdivision shall require any individual, partnership, corporation or other business association holding a license from the state board of electricity under ~~Laws 1967, Chapter 602 sections 326.241 to 326.248~~ to pay any license or registration fee, provided however, that any such political subdivision may provide by ordinance a requirement that each individual, partnership, corporation or other business association doing electrical work within the jurisdiction of such political subdivision have on file with said political subdivision a copy of the current license issued by the state board of electricity or such other evidence of such license as may be provided by the state board of electricity.

Each electrical inspector of any political subdivision must be a licensed master or journeyman electrician under section 326.242, subdivision 1(1) or

subdivision 2(1) and may not otherwise engage or be employed in the sale or installation of electrical wiring, devices, appliances or equipment, and shall have no financial interest in any concern engaged in any such business.

Sec. 10. Minnesota Statutes 1984, section 326.244, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS FROM INSPECTIONS.] Installations, materials, or equipment shall not be subject to inspection under ~~Laws 1967, Chapter 602 sections 326.241 to 326.248:~~

1. When owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under ~~Laws 1967, Chapter 602 sections 326.241 to 326.248,~~ except any electrical installations in any new construction or major remodeling; or

2. When owned or leased, and operated and maintained by any electric, communications or railway utility in the exercise of its utility function; and

(i) are used in connection with the generations, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility; and

(ii) are generally accessible only to employees of such utility or persons acting under its control or direction; or

3. When used in the street lighting operations of an electric utility; or

4. When used as outdoor area lights which are owned and operated by an electric utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

Sec. 11. Minnesota Statutes 1984, section 326.246, is amended to read:

326.246 [CRIMES.]

It is a misdemeanor knowingly and willfully to commit, or to order, instruct, or direct another to commit, any of the following acts:

(1) To make a false statement in any license application, request for inspection, certificate or other lawfully authorized or required form or statement provided by ~~Laws 1967, Chapter 602 sections 326.241 to 326.248;~~

(2) To perform electrical work for another without a proper license for such work;

(3) To fail to file a request for inspection when required;

(4) To interfere with, or refuse entry to, an inspector lawfully engaged in the performance of his duties; and

(5) To violate any lawful rule, regulation or order of the board.

Sec. 12. [EXISTING ALARM AND COMMUNICATIONS INSTALLERS.]

Notwithstanding the requirement of examination under Minnesota Stat-

utes, section 326.242, subdivision 7, the board of electricity shall issue an alarm and communications installer's license to any person who makes application to the board by September 1, 1985, upon payment of the applicable license fee and proof that the person has at least two years' experience installing electrical wiring, apparatus, or equipment for alarm and communication systems.

Sec. 13. [EFFECTIVE DATE.]

This act is effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to occupations and professions; providing for licensing of alarm and communication contractors and installers by the board of electricity; amending Minnesota Statutes 1984, sections 326.01, by adding subdivisions; 326.241; 326.242, subdivisions 7 and 8, and by adding subdivisions; 326.243; 326.244, subdivisions 4 and 5; and 326.246."

Mr. Wegscheid moved to amend the Waldorf amendment to S.F. No. 952 as follows:

Page 5, after line 19, insert:

"Sec. 8. Minnesota Statutes 1984, section 326.242, is amended by adding a subdivision to read:

Subd. 13. [EXEMPTIONS; ALARM AND COMMUNICATIONS SYSTEMS.] Notwithstanding any law to the contrary, sections 326.241 to 326.248 do not apply to a person who lays out, installs, or maintains an alarm or communications system, provided that the person maintains a bond and insurance in the amounts required under section 326.242, subdivision 6, and the system is to be installed within a residential building which has a separate outside entrance for each dwelling unit. No person exempt under this section may be required to obtain any authorization, permit, franchise, or license from, or pay any fee, franchise tax, or other assessment to, any agency, department, board, or political subdivision of the state. Nothing in this section prohibits a unit of local government from charging a franchise fee to the operator of a cable communications system, or from maintaining a system for inspecting and issuing building permits for residential buildings."

Renumber the sections in sequence

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

The question recurred on the Waldorf amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 952 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 51 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, R.D.	Solon
Belanger	Diessner	Knutson	Nelson	Storm
Berg	Dieterich	Kroening	Olson	Stumpf
Berglin	Frank	Kronebusch	Pehler	Vega
Bernhagen	Frederick	Laidig	Peterson, D.C.	Waldorf
Bertram	Frederickson	Langseth	Peterson, R.W.	Wegscheid
Brataas	Freeman	Lantry	Petty	Willet
Chmielewski	Hughes	Lessard	Pogemiller	
Dahl	Isackson	Luther	Reichgott	
Davis	Johnson, D.J.	McQuaid	Samuelson	
DeCramer	Jude	Moe, D.M.	Schmitz	

Those who voted in the negative were:

Anderson	Gustafson	Merriam	Ramstad	Sieloff
Benson	Kamrath	Peterson, D.L.	Renneke	Taylor

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

SPECIAL ORDER

S.F. No. 1061: A bill for an act relating to taxation; property; clarifying the definition of real property; amending Minnesota Statutes 1984, section 272.03, subdivision 1.

Mr. Bernhagen moved to amend S.F. No. 1061 as follows:

Page 2, line 17, delete "This"

Page 2, delete lines 18 and 19

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1061. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 1061 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.

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

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Nelson	Samuelson
Berglin	Diessner	Lantry	Pehler	Schmitz
Bertram	Freeman	Lessard	Peterson, D.C.	Vega
Chmielewski	Hughes	Luther	Peterson, R.W.	Waldorf
Dahl	Johnson, D.J.	Merriam	Petty	Wegscheid
Davis	Jude	Moe, D.M.	Pogemiller	Willet
DeCramer	Kroening	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Anderson	Dieterich	Kamrath	Mehrkens	Storm
Belanger	Frank	Knaak	Olson	Stumpf
Benson	Frederick	Knutson	Peterson, D.L.	Taylor
Berg	Frederickson	Kronebusch	Ramstad	
Bernhagen	Gustafson	Laidig	Renneke	
Brataas	Isackson	McQuaid	Sieloff	

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

SPECIAL ORDER

H.F. No. 730: A bill for an act relating to petroleum products; setting standards for heating fuel, diesel fuel, and kerosene; providing testing authority for the weights and measures division of the department of public service; amending Minnesota Statutes 1984, sections 296.01, subdivision 4, and by adding subdivisions; and 296.05, subdivisions 2 and 4; repealing Minnesota Statutes 1984, section 296.05, subdivision 3a.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 273: A bill for an act relating to commerce; making permanent the time price differential rate on certain motor vehicles; providing a time price differential rate for certain classes of manufactured homes; amending Minnesota Statutes 1984, section 168.72, subdivisions 1 and 4; repealing Minnesota Statutes 1984, section 168.72, subdivision 2.

Mr. Wegscheid moved that the amendment made to H.F. No. 273 by the Committee on Rules and Administration in the report adopted April 1, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 273 was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1279: A bill for an act relating to housing; providing for a product standard for formaldehyde in building materials used in the construction of housing units; amending Minnesota Statutes 1984, sections 144.495; and 325F.18, subdivisions 1, 1a, and 4; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 1984, section 325F.18, subdivision 5.

Mr. Vega moved to amend S.F. No. 1279 as follows:

Page 1, lines 18 and 21, delete "4" and insert "5"

Page 3, line 2, delete "*RESULTING FROM ENERGY EFFICIENCY*"

Page 3, line 3, delete "*STANDARDS*"

Page 3, line 8, after the period insert "*OTHER MEANS OF CONTROLLED MECHANICAL VENTILATION CAN BE USED TO REDUCE LEVELS OF FORMALDEHYDE AND OTHER INDOOR AIR CONTAMINANTS.*"

Page 3, line 19, strike the first "or" and insert a comma and after "insulation" insert a comma

Page 3, line 28, delete the comma

Page 3, line 31, after "not" insert ", at the time of manufacture,"

Page 3, line 32, delete "3," and strike "and in addition" and insert "5. The builder of a housing unit shall pay the reasonable cost of repair or relocation if the consumer can document that the builder used products in the construction of the housing unit that were subject to the product standard adopted under section 5 but were not certified and labeled under section 5. A manufacturer or builder is not liable under this subdivision unless the consumer."

Page 3, line 36, strike "ambient air level of the" and after "unit" insert "or products"

Page 4, line 3, reinstate the stricken language

Page 4, line 16, after "standards" insert ", certification and labeling requirements, and other provisions"

Page 4, line 20, after "standard" insert ", certification and labeling requirements, and other provisions"

The motion prevailed. So the amendment was adopted.

S.F. No. 1279 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1362: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws affected; amending Minnesota Statutes 1984, chapters 35; 37; 92; 219; 315; 344; 390; 458; 589; 629; and 631; Laws 1959, chapter 699, section 4; Laws 1961, chapter 545, section 1; Laws 1963, chapters 254, section 1; and 827, section 1; Laws 1965, chapter 344, as amended; Laws 1967, chapter 541, section 1, as amended; Laws 1971, extra session, chapter 35, sections 7, 8, and 9; Laws 1974, chapter 218; Laws 1975, chapter 326, section 1; Laws 1976, chapter 234, section 3, as amended; Laws 1979, chapters 269, section 1; and 303, article 10, section 16; Laws 1980, chapter 453, section 1; and chapter 595, section 5; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110, sections 1 and 2; and 257, section 1; Laws 1984, chapters 397, section 1; 498, section 1; and 548, section 9; repealing Minnesota Statutes 1984, sections 458.13; 458.16, subdivision 3; 458.192, subdivision 3a; 458.41; 458.50; 458.51; 458.52; 458.54; 458.55; 458.56; 458.57; 458.58; and 458.60.

Mr. Merriam moved to amend S.F. No. 1362 as follows:

Page 2, line 7, delete "*a person*" and insert "*an individual*"

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend S.F. No. 1362 as follows:

Page 330, line 8, after "*by*" insert "*articles 1 to 12 of*"

Page 330, lines 11 and 14, before "*this*" insert "*articles 1 to 12 of*"

Page 330, after line 19, insert:

"ARTICLE 13

Section 1. Minnesota Statutes 1984, section 14.47, subdivision 8, is amended to read:

Subd. 8. [SALES AND DISTRIBUTION OF COMPILATION.] 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 *without charge copies of each edition of any compilation, reissue, or supple-*

ment to the persons or bodies listed in this subdivision. Those copies must be marked with the words "State Copy" and kept for the use of the office. The revisor shall distribute:

- (a) 25 copies to the office of the attorney general;
- (b) 12 copies for the legislative commission for review of administrative rules;
- (c) 3 copies to the revisor of statutes for transmission to the Library of Congress for copyright and depository purposes;
- (d) 150 copies to the state law library;
- (e) 10 copies to the law school of the University of Minnesota; and
- (f) one copy of any compilation or supplement to each county library maintained pursuant to section 134.12 or 375.33 upon its request, except in counties containing cities of the first class. If a county has not established a county library pursuant to section 134.12 or 375.33, the copy will be provided to any public library in the county upon its request."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "expanding the mandatory free distribution of Minnesota Rules;"

Page 1, line 7, before "chapters" insert "section 14.47, subdivision 8;"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 1362 as follows:

Page 330, delete lines 15 to 19

The motion prevailed. So the amendment was adopted.

S.F. No. 1362 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	McQuaid	Pogemiller
Anderson	Dicklich	Kamrath	Mehrkens	Ramstad
Belanger	Diessner	Knaak	Merriam	Schmitz
Benson	Frank	Knutson	Moe, R.D.	Stumpf
Bernhagen	Frederick	Kroening	Olson	Taylor
Bertram	Frederickson	Kronebusch	Peterson, D.C.	Vega
Brataas	Freeman	Lantry	Peterson, D.L.	Waldorf
Dahl	Gustafson	Lessard	Peterson, R.W.	Willet
Davis	Hughes	Luther	Petty	

Mr. Renneke voted in the negative.

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

SPECIAL ORDER

S.F. No. 1363: 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

certain laws; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 3C.12, subdivision 2; 8.31, subdivision 2; 13.37, subdivision 2; 14.47, subdivision 8; 16A.065; 16A.133, subdivision 1; 16B.64, subdivision 2; 21.92; 35.09, subdivision 1; 42.09, subdivision 9; 46.046, subdivision 1; 47.101, subdivisions 2 and 3; 47.29, subdivision 1; 47.30, subdivisions 2 and 3; 47.51; 48.89, subdivision 1; 60A.03, subdivision 2; 62D.04, subdivision 1; 62D.041, subdivision 5; 62D.09; 62H.06; 83.23, subdivision 3; 106.631, subdivisions 2 and 4; 116J.58, subdivision 4; 122.531, subdivisions 3a and 5; 124A.03, subdivision 3; 204B.14, subdivision 5; 214.13, subdivision 4; 240.16, subdivision 6; 256B.431, subdivision 4; 257.67, subdivision 3; 260.121, subdivision 3; 268.04, subdivision 32; 268.08, subdivision 1; 268.675, subdivision 1; 270.84, subdivision 1; 290.531; 290A.111, subdivision 2; 296.18, subdivision 1; 297A.391; 307.06; 309.502; 349.51, subdivision 5; 352.01, subdivision 2A; 360.531, subdivision 7; 363.071, subdivision 1; 388.051, subdivision 2; 422A.101, subdivision 2; 453.55, subdivision 11; 473.384, subdivision 6; 473.446, subdivision 1; 474.17, subdivision 3; 474.19, subdivisions 3 and 7; 519.01; 525.619; 571.41, subdivision 5b; amending Laws 1984, chapter 463, article 7, section 53, subdivision 2; reenacting Minnesota Statutes 1984, sections 10A.31, subdivision 5; 62D.03, subdivision 4; repealing Minnesota Statutes 1984, sections 124A.035, subdivision 6; 177.295; 204B.19, subdivision 3; repealing Laws 1977, chapter 434, sections 4 and 5; chapter 386, section 1; Laws 1978, chapter 772, section 8; Laws 1980, chapter 522, section 4; Laws 1983, chapter 222, section 14; chapter 247, sections 122, 176, and 217; chapter 253, section 19; chapter 299, section 20; chapter 301, section 220; chapter 314, article 11, section 19; chapter 359, section 149; Laws 1984, chapter 464, section 12, clause (g), and the second paragraph after clause (g); chapter 468, section 1; chapter 471, sections 14, 15, and 16; chapter 514, article 2, section 13; chapter 541, section 1; chapter 543, section 8; chapter 618, section 59; that part of Laws 1984, chapter 629, section 2, that amends section 375.193; Laws 1984, chapter 638, section 3; chapter 654, article 2, section 118.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Mr. Jude moved that S.F. No. 99, No. 62 on General Orders, be stricken and returned to its author. The motion prevailed.

SPECIAL ORDER

S.F. No. 547: A bill for an act relating to motor vehicles; prohibiting issuance of a motor vehicle dealer license to a person convicted of certain crimes; authorizing immediate revocation or suspension of motor vehicle dealer licenses upon conviction; removing an exception allowing a motor vehicle dealer to register a vehicle without a certificate of title; amending Minnesota Statutes 1984, sections 168.27, subdivisions 11, 12, and 24; and 168A.02, subdivision 2.

Mr. Sieloff moved to amend S.F. No. 547 as follows:

Page 1, line 25, before "*convicted*" insert "*enjoined due to a violation of section 325F.69 or*" and delete "*subdivision 12*" and insert "*sections 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 15, sections 1981 to 1991, as amended through December 31, 1984.*"

Page 1, line 26, delete the new language

Page 3, line 9, strike everything after "of"

Page 3, strike line 10

Page 3, line 11, strike everything before the semicolon and insert "*violating section 325F.69, or having been enjoined due to a violation of section 325F.69*"

Page 3, strike lines 10 and 11

Page 3, line 13, strike "sections 325.821 to 325.824" and insert "*section 325E.14, 325E.15, or 325E.16*"

Page 3, line 14, before "15" insert "*United States Code, title*" and strike "U.S.C." and insert a comma and after "1991" insert "*, as amended through December 31, 1984*"

Page 3, line 17, after "convicted" insert "*under section 609.53*"

Page 3, line 21, before the period insert "*or permanent injunction*"

Page 3, line 22, delete "*the*" and insert "*a summary*"

Page 3, line 23, before the comma insert "*under this paragraph*"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend S.F. No. 547, as follows:

Page 1, after the enacting clause, insert:

"Section 1. Minnesota Statutes 1984, section 168.27, subdivision 2, is amended to read:

Subd. 2. [NEW MOTOR VEHICLE DEALER.] (a) No person shall engage in the business of selling or arranging the sale of new motor vehicles or shall offer to sell, solicit, arrange or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to sell, broker, wholesale or auction and to solicit and advertise the sale, broker, wholesale or auction of new motor vehicles covered by his franchise and any used motor vehicles or to lease and to solicit and advertise the lease of new motor vehicles and any used motor vehicles and such sales or leases may be either for consumer

use at retail or for resale to a dealer. Nothing herein shall be construed to require an applicant for a dealer license who proposes to deal in new and unused motor vehicle bodies to have a bona fide contract or franchise in effect with the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a handicapped person to use the vehicle."

Page 4, line 17, delete "4" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "exempting from certain franchising requirements those dealers who remodel or convert motor vehicles for medical purposes;"

Page 1, line 9, after "subdivisions" insert "2,"

The motion prevailed. So the amendment was adopted.

S.F. No. 547 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Pehler	Sieloff
Anderson	Frank	Kronebusch	Peterson, D.C.	Storm
Belanger	Frederick	Laidig	Peterson, D.L.	Stumpf
Benson	Frederickson	Lantry	Peterson, R.W.	Taylor
Bernhagen	Freeman	Lessard	Petty	Vega
Bertram	Gustafson	Luther	Pogemiller	Waldorf
Brataas	Isackson	McQuaid	Ramstad	Willet
Chmielewski	Jude	Mehrrens	Reichgott	
Dahl	Kamrath	Merriam	Renneke	
Davis	Knaak	Moe, R.D.	Samuelson	
DeCramer	Knutson	Olson	Schmitz	

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

SPECIAL ORDER

S.F. No. 879: A bill for an act relating to economic development; adding definitions to the Minnesota energy and economic development authority law; clarifying purposes of the economic development fund; adding development power and authority; restricting the duties of the energy and economic development authority and enlarging the duties of the commissioner of energy and economic development; extending the life of the Minnesota manufacturing growth council; amending Minnesota Statutes 1984, sections 116J.58, subdivision 1; 116M.03, subdivisions 10, 11, 13, and by adding subdivisions; 116M.04, subdivision 1; 116M.06, subdivisions 2, 4, and 11; 116M.07, subdivisions 1, 2, 11, 12, and by adding a subdivision; 116M.08,

subdivisions 11, 13, 16, 19, 20, and by adding subdivisions; 116M.10, subdivision 5; 474.01, subdivisions 6, 7b, 8, and 11; and Laws 1984, chapter 654, article 2, section 151, subdivision 5.

Mr. Frederickson moved to amend S.F. No. 879 as follows:

Page 21, delete section 37

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, line 10, delete everything before "amending"

Page 1, line 17, after "5;" insert "and"

Page 1, line 18, delete everything after "11"

Page 1, line 19, delete everything before the period

CALL OF THE SENATE

Mr. Freeman imposed a call of the Senate for the vote on the Frederickson amendment: The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Dieterich	Kamrath	McQuaid	Peterson, R.W.
Belanger	Frederick	Knaak	Mehrkens	Ramstad
Benson	Frederickson	Knutson	Merriam	Renneke
Bernhagen	Gustafson	Kronebusch	Moe, D.M.	Sieloff
Brataas	Isackson	Laidig	Olson	Storm
Chmielewski	Jude	Lantry	Peterson, D.L.	Taylor

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Pehler	Schmitz
Berglin	Diessner	Langseth	Peterson, D.C.	Stumpf
Bertram	Frank	Lessard	Petty	Vega
Dahl	Freeman	Luther	Pogemiller	Waldorf
Davis	Hughes	Moe, R.D.	Reichgott	Wegscheid
DeCramer	Johnson, D.J.	Nelson	Samuelson	Willet

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

Mr. Benson moved to amend S.F. No. 879 as follows:

Page 18, delete section 32

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 17, delete "116M.10, subdivision 5;"

The motion prevailed. So the amendment was adopted.

S.F. No. 879 was then progressed.

SPECIAL ORDER

H.F. No. 1150: A bill for an act relating to state lands; providing for the

sale of certain tax-forfeited land in Chisago 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 537: A bill for an act relating to Itasca county; changing the permissible expenditure on tourist, agricultural, and industrial promotion; changing allocation of proceeds for tax-forfeited land; amending Laws 1965, chapter 326, section 1, subdivisions 1, 4, 5, as amended, and 7.

Mr. Lessard moved that the amendment made to H.F. No. 537 by the Committee on Rules and Administration in the report adopted April 2, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 537 was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1499: A bill for an act relating to Goodhue county; permitting the county to levy a tax for the county historical society; imposing a reverse referendum requirement.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 87: A bill for an act relating to agriculture; removing the limitation on certain fees for state livestock weighing services; amending Minnesota Statutes 1984, section 17A.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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 887: A bill for an act relating to the environment; providing procedures for condemnation of property with environmental impairment; amending Minnesota Statutes 1984, sections 117.025, by adding subdivisions; and 117.085; proposing coding for new law in Minnesota Statutes, chapter 117.

Mr. Merriam moved to amend S.F. No. 887 as follows:

Pages 1 to 3, delete sections 1 to 3

Renumber the sections in sequence

Delete the title and insert:

“A bill for an act relating to the environment; providing for determination of environmental impairment; amending Minnesota Statutes 1984, section 117.085.”

The motion prevailed. So the amendment was adopted.

S.F. No. 887 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

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

REPORTS OF COMMITTEES

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

S.F. No. 1510: A bill for an act relating to economic development; creating a special enterprise zone for a large manufacturing facility; providing for the taxation of the facility; authorizing the issuance of bonds; providing assistance to locate a large manufacturing facility in the state; appropriating money; amending Minnesota Statutes 1984, sections 273.1312, subdivisions 3 and 4; and 273.1314, subdivisions 3, 4, 6, 7, 8, 9, and by adding a subdivision.

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

Page 6, line 19, delete “*at any time prior to*” and insert “*no later than*”

Page 10, line 9, delete “*municipalities and other local*”

Page 10, line 13, delete “*municipality*” and insert “*local taxing authority*”

Page 10, line 14, delete “*the*” and insert “*its budget.*”

Page 10, delete line 15

Page 10, line 18, delete "*municipality and other*"

Page 10, line 19, delete "*authorities*" and insert "*authority*" and after "*increase*" insert "*in equalized assessed property values as determined by the commissioner of revenue, multiplied by the mill rate of the local taxing authority for taxes payable in the current year.*"

Page 10, line 21, delete "*municipality's and other*" and insert "*local*" and delete "*authorities' budgets*" and insert "*authority's budget for the current year*"

Page 10, line 24, delete "*municipality's and other*" and delete "*authorities*" and insert "*authority's*"

Page 10, line 26, delete "*municipality*" and insert "*local taxing authority*"

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

Mr. Moe, R.D. moved the adoption of the foregoing committee report. The motion prevailed. Amendments adopted. Report adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Luther, Novak, Jude, Freeman and Dieterich introduced—

S.F. No. 1514: A bill for an act relating to taxation; increasing the maximum dependent care credit and extending eligibility; amending Minnesota Statutes 1984, section 290.067, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Lantry, Messrs. Knaak, Novak, Hughes and Dieterich introduced—

S.F. No. 1515: A bill for an act relating to Ramsey county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

Referred to the Committee on Local and Urban Government.

Mrs. Lantry introduced—

S.F. No. 1516: A bill for an act relating to Ramsey county; authorizing the issuance of county bonds for capital improvement projects; proposing coding for new law in Minnesota Statutes, chapter 383A.

Referred to the Committee on Local and Urban Government.

Mr. Jude introduced—

S.F. No. 1517: A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1984, section 500.20, by adding a subdivision.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Mr. Mehrkens was excused from the Session of today from 7:15 to 8:15 p.m. Mr. Stumpf was excused from the Session of today from 4:30 to 7:15 p.m. Mr. Purfeerst was excused from the Session of today at 6:30 p.m. Messrs. Peterson, C.C. and Novak were excused from the Session of today at 7:00 p.m. Mr. Johnson, D.E. was excused from the Session of today at 7:15 p.m. Mr. Solon was excused from the Session of today at 6:45 p.m. Mr. Spear was excused from the Session of today at 7:30 p.m. Mr. Berg was excused from the Session of today at 9:45 p.m.

The following members were excused from today's Session for brief periods of time: Messrs. Dieterich, Frank and Gustafson.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on H.F. No. 1216 from 4:30 to 7:15 p.m.:

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

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 3:00 p.m., Thursday, May 2, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-NINTH DAY

St. Paul, Minnesota, Wednesday, May 1, 1985

The House of Representatives met on Wednesday, May 1, 1985, which was the Forty-Ninth Legislative Day of the Seventy-Fourth Session of the Minnesota State Legislature. The Senate did not meet on this date.

FIFTIETH DAY

St. Paul, Minnesota, Thursday, May 2, 1985

The Senate met at 3:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Sister Esther Nickel, R.S.M.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 29, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preser-

vation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	91	31	April 29	April 29
	112	32	April 29	April 29
	157	33	April 29	April 29
	241	34	April 29	April 29
	221	35	April 29	April 29
	316	36	April 29	April 29
	320	37	April 29	April 29
	335	38	April 29	April 29
	379	39	April 29	April 29
	415	40	April 29	April 29
	461	41	April 29	April 29
	485	42	April 29	April 29
	517	43	April 29	April 29
	604	44	April 29	April 29
	985	45	April 29	April 29
46		46	April 29	April 29
70		47	April 29	April 29
379		48	April 29	April 29
437		49	April 29	April 29
625		50	April 29	April 29
1231		Resolution No. 2	April 29	April 29

Sincerely,

Joan Anderson Growe
Secretary of State

May 1, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	151	51	April 30	April 30
	158	52	May 1	May 1
	511	53	May 1	May 1
	928	54	May 1	May 1
	953	55	May 1	May 1
	1254	56	May 1	May 1
	886	Resolution No. 3	May 1	May 1

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. 335, 994, 1071, 1214 and 1329.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1985

Mr. President:

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

S.F. No. 450: A bill for an act relating to taxation; providing for collection of outstate liabilities; changing certain time limitations; changing tax lien provisions; providing for certain disclosures; changing entry for confessions of judgment; amending Minnesota Statutes 1984, sections 270.06; 270.063; 270.66, subdivision 1; 270.68, subdivisions 1 and 4; 270.69, subdivisions 1, 2, 3, and 4; 270.70, subdivisions 1 and 13; 290.49, subdivision 7; 290.58; 290.92, subdivisions 6 and 23; 296.15, subdivision 6; 297A.34, subdivision 5; 297A.42, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1984, section 270.69, subdivision 5.

Senate File No. 450 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1985

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 450 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 450: A bill for an act relating to taxation; providing for collection of outstate liabilities; changing certain time limitations; changing tax lien provisions; changing entry for confessions of judgment; amending Minnesota Statutes 1984, sections 270.063; 270.66, subdivision 1; 270.68, subdivisions 1 and 4; 270.69, subdivisions 1, 2, 3, and 4; 270.70, subdivisions 1 and 13; 290.49, subdivision 7; 290.92, subdivisions 6 and 23; 296.15, subdivision 6; 297A.34, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1984, section 270.69, subdivision 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 245:

H.F. No. 245: A bill for an act relating to crimes; clarifying elements of the crime of depriving another of custodial or parental rights; amending Minnesota Statutes 1984, section 609.26, subdivisions 1 and 2.

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

Segal, Blatz and Bishop have been appointed as such committee on the part of the House.

House File No. 245 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1985

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 245, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 274:

H.F. No. 274: A bill for an act relating to crimes; defining "dangerous weapon" to include flammable liquids; amending Minnesota Statutes 1984, section 609.02, subdivision 6.

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

Ozment, Bishop and Nelson, K. have been appointed as such committee on the part of the House.

House File No. 274 is herewith transmitted to the Senate with the request

that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1985

Mr. Frank moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 274, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 315:

H.F. No. 315: A bill for an act relating to local government; removing the restriction on the number of mills certain towns may levy to provide fire protection for special fire protection districts; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition and betterment of a new fire hall and permitting participation by other local government units; amending Minnesota Statutes 1984, section 368.85, subdivision 6.

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

Becklin, Ogren and Carlson, D. have been appointed as such committee on the part of the House.

House File No. 315 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1985

Mrs. Adkins moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 315, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1235:

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

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

Zaffke, Thiede and Wenzel have been appointed as such committee on the part of the House.

House File No. 1235 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1985

Mr. Willet moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1235, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1216 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1216 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1216

A bill for an act relating to agriculture; clarifying the meaning of lender in the Minnesota emergency farm operating loans act; amending Laws 1985, chapter 4, section 3, subdivision 8.

April 30, 1985

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1216, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1216 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Laws 1985, chapter 4, section 3, subdivision 8, is amended to read:

Subd. 8. [LENDER.] “Lender” means a bank, *savings and loan association, or credit union* chartered by the state or federal government and a farm credit system lender. “Lender” also means the *Federal Deposit Insurance Corporation*.

Sec. 2. Laws 1985, chapter 4, section 6, is amended to read:

Sec. 6. [INTEREST PAYMENT PROGRAM ON NEW FARM OPERATING LOANS.]

Subdivision 1. [APPLICATION; FARMER CRITERIA.] A farmer may apply to a lender for a farm operating loan on which the state will pay part of the interest. To be eligible for the state payment, the farmer must have a debt to asset ratio greater than 50 percent and must not have a positive cash flow at the commissioner's interest index rate.

Subd. 2. [LOAN CRITERIA.] (a) To be eligible for the state interest payment, the farm operating loan must:

- (1) be made to a farmer at an interest rate between seven and ten percent per year;
- (2) be due and payable by March 1, 1986, after it is made;
- (3) be for operating expenses of the farm business; and
- (4) be made to a farmer that shows a positive cash flow at the reduced interest rate, demonstrates a reasonable chance of obtaining debt restructuring necessary to achieve a positive cash flow, or shows the ability to repay the operating loan.

(b) The lender may use additional criteria in determining whether to make a farm operating loan to a farmer.

(c) The lender must encourage the farmer to participate in the vocational adult farm business management program. The lender must agree to offer to pay enrollment fees, less the amount of a locally available reduction in or subsidy to fees ordinarily paid by the enrollee, for loan recipients who wish to enroll and participate in a vocational adult farm business management program or equivalent. A lender is not required to pay farm management program enrollment fees for more than one farmer per loan.

Subd. 3. [LOAN SUBMISSION.] The lender must submit to the commissioner all farm operating loans made by the lender for which the lender requests the state to pay part of the interest. ~~The lender must certify that the approved farm operating loan has been submitted to the farmers home administration for any loan guarantee programs that are available.~~ The commissioner must review the loan within five days after receipt. The commissioner may not pay interest on loans submitted after December 31, 1985.

Subd. 4. [PAYMENT AMOUNT.] The amount of interest paid by the state must be two-thirds of the amount of interest foregone by the lender as a result of the lender making the loan at an interest rate less than the commissioner's interest index. The interest is payable on the unpaid principal of the first \$75,000 of the loan, except as provided in section 7. The maximum interest payment per farmer may not exceed \$3,750. ~~The commissioner shall make payments beginning January 1, 1986, and pay all interest due by March 1, 1986. At the request of the lender, the commissioner shall pay 50 percent of the total amount due to the lender within ten days after the request is submitted to the commissioner. The commissioner shall pay all interest due by March 1, 1986.~~

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 agriculture; clarifying the meaning of lender in the Minnesota emergency farm operating loans act; changing certain eligibility criteria; providing for earlier payments; amending Laws 1985, chapter 4, sections 3, subdivision 8; and 6."

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

House Conferees: (Signed) Elton R. Redalen, Glen H. Anderson, K. J. McDonald

Senate Conferees: (Signed) LeRoy A. Stumpf, Charles R. Davis, Charles A. Berg

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1216 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Merriam moved that the recommendations and Conference Committee Report on H.F. No. 1216 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion did not prevail.

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

H.F. No. 1216 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Moe, R. D.	Sieloff
Anderson	Dicklich	Knutson	Nelson	Solon
Belanger	Diessner	Kroening	Novak	Storm
Benson	Frederick	Kronebusch	Olson	Stumpf
Berg	Frederickson	Laidig	Peterson, D.C.	Taylor
Bernhagen	Freeman	Langseth	Peterson, D.L.	Wegscheid
Bertram	Gustafson	Lessard	Pogemiller	Willet
Brataas	Hughes	Luther	Purfeerst	
Chmielewski	Isackson	McQuaid	Renneke	
Dahl	Johnson, D.E.	Mehrkens	Samuelson	
Davis	Jude	Moe, D. M.	Schmitz	

Those who voted in the negative were:

Berglin	Lantry	Peterson, R.W.	Ramstad	Vega
Dieterich	Merriam	Petty	Spear	Waldorf
Knaak	Pehler			

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 459: A bill for an act relating to probate; adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse's elective share, and omitted spouses and children; clarifying provisions relating to the award of costs in guardianship and conservatorship pro-

ceedings; providing for the payment of reasonable fees and expenses for certain guardians and conservators; amending Minnesota Statutes 1984, sections 257.34, subdivision 1; 525.13; 525.145; and 525.703; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1984, sections 525.16; 525.17; 525.171; 525.172; 525.173; 525.20; 525.201; 525.202; 525.212 to 525.216.

Senate File No. 459 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1985

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 459, 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. 781, 1109 and 1045.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 781: A bill for an act relating to workers' compensation; regulating the membership of the board of directors of the workers' compensation reinsurance association; transferring certain duties from the department of commerce to the department of labor and industry; amending Minnesota Statutes 1984, section 79.37.

Referred to the Committee on Governmental Operations.

H.F. No. 1109: A bill for an act relating to state government; concerning the state procurement of goods and services from small businesses; modifying geographical distribution requirements and preference program limitations; amending Minnesota Statutes 1984, section 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1233, now on General Orders.

H.F. No. 1045: A bill for an act relating to taxation; making administrative and technical changes to income tax and property tax refund provisions; amending Minnesota Statutes 1984, sections 80A.09, subdivision 1; 136D.28, subdivision 4; 136D.741, subdivision 7; 136D.89, subdivision 4; 270.67, by adding a subdivision; 270.75, subdivision 4; 290.06, subdivision 3d; 290.069, subdivision 5; 290.08, subdivision 8; 290.09, subdivision 4; 290.095, subdivisions 3 and 10; 290.101, subdivision 1; 290.172; 290.18,

subdivision 2; 290.42; 290.50, subdivision 2; 290.523, subdivision 2; 290.92, subdivisions 5a, 6, 19, and 28; 290.97; 290.9726, subdivision 2; 290A.03, subdivisions 3 and 11; 290A.11, subdivision 2, and by adding a subdivision; 290A.19; repealing Laws 1983, chapters 213, section 2; and 247, section 122; and Laws 1984, chapter 514, article 2, section 13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1104, now on General Orders.

REPORTS OF COMMITTEES

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

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

S.F. No. 1032: A bill for an act relating to agriculture; clarifying provisions relating to state agricultural land preservation and conservation; providing for benefits and restrictions on the use of land in exclusive agricultural use zones; creating a Minnesota conservation fund; authorizing a county conservation fee; providing for a tax credit; conforming soil loss limit standards; appropriating money; amending Minnesota Statutes 1984, sections 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2; 40A.13, subdivision 1; and 473H.10, subdivision 3; repealing Minnesota Statutes 1984, sections 40.19, subdivisions 3, 4, 10, 12, 14, and 15; and 40A.13, subdivisions 2, 3, 4, and 5; proposing coding for new law in Minnesota Statutes, chapters 40A and 273.

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

Page 2, after line 23, insert:

“Sec. 5. Minnesota Statutes 1984, section 40A.03, subdivision 2, is amended to read:

Subd. 2. [PLANS AND OFFICIAL CONTROLS.] By ~~January~~ July 1, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.”

Page 8, line 36, delete “16” and insert “17”

Page 9, lines 4 and 18, delete “17” and insert “18”

Page 10, line 12, after the period, insert “The credit paid pursuant to this

section shall be deducted from the tax due on the property before computation of the homestead credit paid pursuant to section 273.13 and the state agricultural credit paid pursuant to section 124.2137."

Page 10, line 15, delete "16" and insert "17"

Page 10, line 22, delete "15" and insert "16"

Page 11, line 23, delete "16" and insert "17"

Page 11, line 36, delete "15" and insert "16"

Page 12, line 14, delete "17" and insert "18"

Page 12, line 15, delete "18" and insert "19"

Renumber the sections in sequence.

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "40A.03, subdivision 2;"

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

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

S.F. No. 1423: A bill for an act relating to taxation; providing for the allocation among governmental units of increases in the assessed valuation of commercial-industrial property within the taconite tax relief area; providing a formula for the distribution of additional revenues to municipalities within the taconite tax relief area; proposing coding for new law as Minnesota Statutes, chapter 276A.

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

Page 1, line 13, delete "10" and insert "9"

Page 2, line 21, delete "(a)" and insert "(1)" and after "3b" insert ", 3c, 3cc, and 3f" and after "property" insert ", limited to the homestead dwelling, a garage, and the one acre of land on which the dwelling is located."

Page 2, delete lines 22 to 24

Page 2, line 25, delete "(e)" and insert "(2)"

Page 2, line 27, delete "(f)" and insert "(3)"

Page 3, lines 10 and 24, delete "10" and insert "9"

Page 4, line 36, delete "10" and insert "9"

Page 8, line 12, delete "nonagricultural"

Page 10, lines 5, 11, and 19, delete "or adjusted assessed"

Pages 11 and 12, delete section 9

Page 12, line 19, delete "10. [276A.10]" and insert "9. [276A.09]"

Page 12, lines 30 and 36, delete "10" and insert "9"

Page 13, lines 7 and 11, delete "10" and insert "9"

Page 13, line 10, delete "11." and insert "10."

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

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

H.F. No. 756: A bill for an act relating to taxation; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; providing for timely payment of certain taxes; changing the estate tax; changing corporate income tax provisions; rescheduling payments and reducing the budget reserve; reducing sales tax rates and providing sales tax exemptions; authorizing lodging taxes for towns; reducing the basic maintenance mill rate; changing the computation of or eliminating certain property tax credits; changing property tax exemptions, classes, and classification ratios; changing the taxation of telephone companies; providing for studies; imposing duties on the commissioner of revenue and commissioner of natural resources; providing for changes in the levy limit base; changing property tax provisions relating to collection of property tax, confessions of judgment, and sale of tax forfeit lands; changing property tax refund benefit schedules, eligible claimants, and definition of property taxes payable; changing local government aids; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 16A.15, subdivision 6; 41.55; 60A.15, subdivision 12; 60A.199, subdivision 8; 92.46, subdivision 1; 117.55; 124.2137, subdivision 1; 124A.02, subdivision 7; 270A.07, subdivision 5; 271.12; 272.02, subdivision 1; 272.03, subdivision 1; 273.111, subdivision 11; 273.115, subdivisions 2 and 3; 273.116, subdivisions 2 and 3; 273.13, subdivisions 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 14a, 16, 17, 17b, 17c, 17d, 19, 20, and 21; 273.133, by adding a subdivision; 273.135, subdivisions 1, 2, and 5; 273.1391, subdivisions 1, 2, and 4; 273.1392; 273.40; 273.42, subdivision 2; 275.50, by adding a subdivision; 275.51, subdivision 3h; 277.03; 277.10; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 290.01, subdivisions 20, 20a, 20b, 20d, 20e, and 20f; 290.032, subdivision 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 3f, 3g, 11, and by adding a subdivision; 290.067, subdivision 1; 290.069, subdivision 4; 290.07, subdivision 1; 290.08, subdivision 26, and by adding a subdivision; 290.089, subdivision 2; 290.09, subdivisions 1 and 7; 290.091; 290.095, subdivisions 3, 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.14; 290.17, subdivision 2; 290.175; 290.18, subdivision 2; 290.21, subdivisions 3 and 4; 290.34, subdivision 1, and by adding a subdivision; 290.37, subdivision 1; 290.38; 290.39, subdivision 1a; 290.41, subdivision 2; 290.50, subdivisions 1, 5, and 6; 290.92, subdivisions 2a, 6, 11, 13, and 19; 290.93, subdivision 9; 290.932, subdivision 1; 290.933, subdivision 1; 290.936; 290A.03, subdivisions 3 and 13; 290A.04, subdivisions 1, 2, 3, and by adding a subdivision; 290A.06; 290A.07, subdivisions 2a and 3; 290A.10; 290A.19; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3;

291.18; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.34, subdivision 1; 297A.01, subdivisions 15 and 16; 297A.02, subdivisions 1, 2, and 3; 297A.03, subdivision 2; 297A.14; 297A.25, subdivision 1; 297A.26, subdivision 1, and by adding a subdivision; 297A.27, subdivision 1; 297A.35, subdivision 1; 298.09, subdivision 4; 298.40, by adding a subdivision; 299.05; 299F.26, subdivision 1; 473.556, subdivision 4; 477A.011, subdivision 3, and by adding subdivisions; 477A.013; 477A.018; 524.3-1202; amending Laws 1984, chapter 644, section 85; proposing coding for new law in Minnesota Statutes, chapters 16A; 124A; 270; 290; and 297A; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2; 270.75, subdivision 7; 273.115, subdivisions 1, 5, 6, and 7; 273.116, subdivisions 1, 5, 6, and 7; 273.1311; 273.1315; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 2f, 3d, 3e, 14, 15, 16, 17, 18, and 19; 290.067, subdivisions 2 and 4; 290.068, subdivision 6; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 1, 3, 4, 5, and 6; 290.09, subdivision 29; 290.101; 290.18, subdivision 4; 290.21, subdivision 8; 290.34, subdivision 2; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34, subdivision 2; 297A.15, subdivision 5; 297A.26, subdivision 3; 297A.275; 385.36; 477A.011, subdivision 10; and 477A.0131; repealing Laws 1982, chapter 523, article 7, section 3.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

INCOME TAX

Section 1. Minnesota Statutes 1984, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. Every individual resident of Minnesota who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$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 \$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 \$2 shall be paid from the general fund of the state into the state elections campaign fund.~~ No individual shall be allowed to designate \$2 more than once in any year.

Sec. 2. Minnesota Statutes 1984, section 10A.31, subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the filing individual and any adult dependent of

~~that individual to indicate whether or not he wishes to allocate \$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 \$2 (or \$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 \$2. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$2 on the return only if he has not designated \$2 on the income tax return.~~

Sec. 3. Minnesota Statutes 1984, section 10A.31, subdivision 3a, is amended to read:

Subd. 3a. A minor political party as defined in section 10A.01, subdivision 13 qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3, provided that

(1) (a) if a petition is filed, it is filed by June 1 of the taxable year; or

(b) if the party ran a candidate for statewide office, that office must have been the office of governor and lieutenant governor, secretary of state, state auditor, state treasurer, or attorney general; and

(2) the secretary of state certifies to the commissioner of revenue by July 1, 1984, and by July 1 of every odd-numbered year thereafter the parties which qualify as minor political parties under this subdivision.

A minor party shall be certified only if the secretary of state determines that the party satisfies the following conditions:

(a) the party meets the requirements of section 10A.01, subdivision 13(b), and or in the last applicable election ran a candidate for the statewide offices listed in clause (1)(b) of this subdivision;

(b) it is a political party, not a principal campaign committee;

(c) it has held a state convention in the last two years, adopted a state constitution, and elected state officers; and

(d) an officer of the party has filed with the secretary of state a certification that the party held a state convention in the last two years, adopted a state constitution, and elected state officers; *provided that the secretary of state will be deemed to have determined the satisfaction of this condition if the party's certification of these occurrences is not challenged.*

Sec. 4. Minnesota Statutes 1984, section 13.04, subdivision 2, is amended to read:

Subd. 2. [INFORMATION REQUIRED TO BE GIVEN INDIVIDUAL.] An individual asked to supply private or confidential data concerning himself shall be informed of: (a) the purpose and intended use of the requested data within the collecting state agency, political subdivision, or statewide system; (b) whether he may refuse or is legally required to supply the requested data; (c) any known consequence arising from his supplying or refusing to supply

private or confidential data; and (d) the identity of other persons or entities authorized by state or federal law to receive the data. This requirement shall not apply when an individual is asked to supply investigative data, pursuant to section 13.82, subdivision 5, to a law enforcement officer.

The commissioner of revenue may place the notice required under this subdivision in the individual income tax or property tax refund instructions instead of on those forms.

Sec. 5. Minnesota Statutes 1984, section 41.55, is amended to read:

41.55 [ELIGIBILITY.]

A family farm security loan approval may be granted if the following criteria are satisfied:

- (a) That the applicant is a resident of the state of Minnesota;
- (b) That the applicant has sufficient education, training, or experience in the type of farming for which he wishes the loan and continued participation in a farm management program, approved by the commissioner, for at least the first ten years of the family farm security loan;
- (c) That the applicant, his dependents and spouse have total net worth valued at less than \$75,000 and has demonstrated a need for the loan;
- (d) That the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;
- (e) That the applicant is credit worthy according to standards prescribed by the commissioner;
- ~~(f) That the seller has not acquired the farm land for purposes of obtaining the income tax exemption allowed by sections 41.58 and Laws 1976, chapter 210, section 12.~~

Sec. 6. Minnesota Statutes 1984, section 117.55, is amended to read:

117.55 [PAYMENTS NOT CONSIDERED INCOME FOR TAX OR PUBLIC ASSISTANCE PURPOSES.]

No payments received under sections 117.50 to 117.56 shall be considered ~~as income for the purposes of chapter 290, or~~ for purposes of determining the eligibility or the extent of eligibility of any person for public assistance based on need under the laws of the state of Minnesota.

Sec. 7. Minnesota Statutes 1984, section 270.68, subdivision 4, is amended to read:

Subd. 4. [CONFESSION OF JUDGMENT.] (a) The commissioner may, within 3-1/2 years after any return or report is filed, notwithstanding section 541.09, enter judgment on any confession of judgment contained in the return or report after ten days notice served upon the taxpayer by mail at the address shown in his return or report. The judgment shall be entered by the clerk of court of any county upon the filing of a photocopy or similar reproduction of that part of the return or report containing the confession of judgment along with a statement of the commissioner or his agent that the tax has not been paid. *The commissioner may prescribe the words for the confession of judgment statement contained on the return or report.*

(b) Notwithstanding any other provision of the law to the contrary, the commissioner may, within five years after a written agreement is signed by the taxpayer and the commissioner under the provisions of section 270.67, subdivision 2, enter judgment on the confession of judgment contained within the agreement after ten days notice served upon the taxpayer at the address shown in the agreement. Such judgment shall be entered by the clerk of court of any county upon the filing of the agreement or a certified copy thereof along with a statement of the commissioner or his agent that the tax has not been paid.

Sec. 8. Minnesota Statutes 1984, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the gross income, as defined in subdivision 20, less the following deductions to the extent allowed by section 290.18, subdivision 1:

(a) For corporations, the deductions allowed by section 290.09; and

(b) For individuals, the deductions allowed in section 290.088, without regard to sections 290.18, subdivision 1, 290.089, and 290.09; and

(c) For estates and trusts, the deduction allowed by section 290.088, without regard to section 290.18, subdivision 1.

Sec. 9. Minnesota Statutes 1984, section 290.01, subdivision 20, as amended by Laws 1985, chapter 2, section 1, 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.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f.

(i) 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.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608

(relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) sections 122, 123, 126, 201, 202, 203, 204, 211, 213, 214, 251, 261, 264, 265, 311(g)(3), 313, 314(a)(1), 321(a), 501 to 507, 811, and 812 of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 and section 113 of Public Law Number 97-119 shall be effective at the same time that they become effective for federal income tax purposes.

(iv) (ii) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981. The provisions of sections 205(a), 214 to 222, 231, 232, 236, 247, 251, 252, 253, 265, 266, 285, 288, and 335 of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law Number 97-248, section 6(b)(2) and (3) of the Subchapter S Revision Act of 1982, Public Law Number 97-354, section 517 of Public Law Number 97-424, sections 101(c) and (d), 102(a), (aa), (f)(4), (g), (j), (l), 103(c), 104(b)(3), 105, 305(d), 306(a)(9) of Public Law Number 97-448, and sections 101 and 102 of Public Law Number 97-473 shall be effective at the same time that they become effective for federal income tax purposes. The Payment-in-Kind Tax Treatment Act of 1983, Public Law Number 98-4, shall be effective at the same time that it becomes effective for federal income tax purposes.

(v) (iii) The Internal Revenue Code of 1954, as amended through January 15, 1983, shall be in effect for taxable years beginning after December 31, 1982.

(vi) (iv) The Internal Revenue Code of 1954, as amended through December 31, 1983, shall be in effect for taxable years beginning after December 31, 1983.

(v) *The Internal Revenue Code of 1954, as amended through December 31, 1984, is in effect for taxable years beginning after December 31, 1984.*

The provisions of section 611(a) of the Deficit Reduction Act of 1984, Public Law Number 98-369, shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in subdivisions 20a, 20b, 20e, and 20e, and 20f shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

Sec. 10. Minnesota Statutes 1984, section 290.01, subdivision 20a, is

amended to read:

Subd. 20a. [MODIFICATIONS INCREASING FEDERAL ADJUSTED GROSS INCOME.] There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) 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;

(3) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction under Minnesota Statutes 1982, section 290.01, subdivision 20b, clause (7);

(4) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(5) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(6) 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;

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

(8) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(9) Exempt interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(10) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(e)(1) of the Internal Revenue Code of 1954;

(11) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the equity investment credit contained in section 290.069, subdivision 4, and

to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (7);

(12) For an estate or trust, the amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

(13) (4) To the extent deducted in computing the estate or trust's federal taxable income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10); and

(14) The deduction for two earner married couples provided in section 221 of the Internal Revenue Code of 1954;

(15) (5) Losses from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; *except that persons engaged in the business of mining or producing iron ore, the mining or production of which is subject to the occupation tax imposed by section 298.01, subdivision 1, shall not be required to add that portion of losses that arise from items not deductible, capitalizable, or taken into account by allowance or otherwise in computing occupation tax.*

(16) Expenses and depreciation attributable to property subject to Laws 1982, chapter 523, article 7, section 3 which has not been registered;

(17) The amount of contributions to an individual retirement account, including a qualified voluntary employee contribution, simplified employee pension plan, or self-employed retirement plan which is allowed under sections 311 and 312 of Public Law Number 97-34; section 238 of Public Law Number 97-248; and section 103(d)(1)(B) of Public Law Number 97-448 to the extent those contributions were not an allowable deduction prior to the enactment of that law; provided that an individual on whose behalf stock worth less than \$300 is contributed during the taxable year to a tax credit employee stock ownership plan that satisfies the requirements of sections 44G and 409A of the Internal Revenue Code of 1954 shall not be required, as a consequence of that contribution, to include contributions to another plan or account in gross income under this clause to the extent the contributions do not exceed the difference between the value of the stock contributed during the taxable year and \$1,500; and

(18) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any contributions to a qualified pension plan, designated as employee contributions but which the employing unit picks up and which are treated as employer contributions pursuant to section 414(h)(2) of the Internal Revenue Code of 1954, provided that employee contributions to police and fire relief associations that previously were not included within gross income as contributions to organizations qualified under section 501(c)(4) of the Internal Revenue Code of 1954 shall not be included in gross income under this clause.

Sec. 11. Minnesota Statutes 1984, section 290.01, subdivision 20b, is amended to read:

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

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

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

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

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

Code of 1954. For purposes of this clause, "severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

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

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

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

(3) *Pension income as provided in section 290.08, subdivision 26;*

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

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

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

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

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

defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

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

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

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

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

(8) The amount paid to others not to exceed \$650 for each dependent in grades K to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transpor-

tation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs.

Sec. 12. Minnesota Statutes 1984, section 290.01, subdivision 20d, is amended to read:

Subd. 20d. [MODIFICATION FOR AMOUNTS TRANSFERRED TO SURPLUS.] Amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, *for corporate taxpayers*, to the extent that the amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that the amounts resulted in a reduction of the tax imposed by this chapter and amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this chapter.

Sec. 13. Minnesota Statutes 1984, section 290.012, subdivision 3, is amended to read:

Subd. 3. "Dependent" means an individual dependent upon and receiving his chief support from the claimant. ~~Payments for support of minor children under a temporary or final decree of dissolution or legal separation, shall be considered as payments by the claimant for the support of a dependent. For the purposes of section 290.06, subdivision 3d, a spouse except a divorced or separated spouse shall be considered to be a dependent a person who was claimed as a dependent by the claimant on the claimant's federal income tax return as provided in sections 151(e) and 152 of the Internal Revenue Code of 1954, as amended through December 31, 1984.~~

Sec. 14. Minnesota Statutes 1984, section 290.032, subdivision 2, is amended to read:

Subd. 2. The amount of tax imposed by subdivision 1 shall be computed in the same way as the tax imposed under section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1983, except that the initial separate tax shall be an amount equal to ten times the tax which would be imposed by section ~~290.03~~ 290.06, subdivision 2c, if the recipient was an unmarried individual referred to in such ~~section~~ subdivision and the taxable net income, excluding the credits allowed in section 290.06, subdivision 3f, was an amount equal to one-tenth of the excess of

- (i) the total taxable amount of the lump sum distribution for the year, over
- (ii) the minimum distribution allowance, and except that references in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1983, to paragraph (1)(A) thereof shall instead be references to subdivision 1 of this section.

~~The amount of any distribution from a qualified pension or profit sharing plan which is received as a lump sum distribution shall be reduced to the extent of any contribution:~~

- (1) not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota for a taxable year beginning in 1974 or thereafter; or

(2) designated as an employee contribution but which the employing unit picks up and which is treated as an employer contribution and which was taxed on the Minnesota return but not the federal return in the year the contribution was made.

Sec. 15. Minnesota Statutes 1984, section 290.05, subdivision 3, is amended to read:

Subd. 3. (a) An organization exempt from taxation under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent provided in the following provisions of the Internal Revenue Code:

(i) Section 527 (dealing with political organizations) and (ii) section 528 (dealing with certain homeowners associations) but

notwithstanding this subdivision, shall be considered an organization exempt from income tax for the purposes of any law which refers to organizations exempt from income taxes.

(b) The tax shall be imposed on the taxable income of political organizations or homeowner associations. The tax shall be at the corporate rates. The tax shall only be imposed on income and deductions assignable to this state under sections 290.17 to 290.20. Except for section 290.09, subdivision 29, To the extent deducted in computing federal taxable income, the deductions contained in sections 290.09 and 290.21 shall not be allowed in computing Minnesota taxable net income.

Sec. 16. Minnesota Statutes 1984, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULE OF RATES FOR INDIVIDUALS, ESTATES AND TRUSTS.] (a) The income taxes imposed by this chapter upon individuals, estates and trusts, other than those taxable as corporations, shall be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$500, one and six-tenths percent;
- (2) On the second \$500, two and two-tenths percent;
- (3) On the next \$1,000, three and five-tenths percent;
- (4) On the next \$1,000, five and eight-tenths percent;
- (5) On the next \$1,000, seven and three-tenths percent;
- (6) On the next \$1,000, eight and eight-tenths percent;
- (7) On the next \$2,000, ten and two-tenths percent;
- (8) On the next \$2,000, eleven and five-tenths percent;
- (9) On the next \$3,500, twelve and eight-tenths percent;
- (10) On all over \$12,500, and not over \$20,000, fourteen percent;
- (11) On all over \$20,000 and not over \$27,500, fifteen percent;
- (12) On all over \$27,500, sixteen percent.

(1) For married individuals filing joint returns: on the first \$1,200, one and seven-tenths percent;

*on the next \$500, two and one-tenths percent;
 on the next \$1,000, two and three-tenths percent;
 on the next \$2,900, three and four-tenths percent;
 on the next \$3,500, five and three-tenths percent;
 on the next \$3,500, six and six-tenths percent;
 on the next \$5,200, eight and four-tenths percent;
 on the next \$13,000, nine and three-tenths percent;
 on all over \$30,800, nine and nine-tenths percent.*

(2) For unmarried individuals, married individuals filing separate returns, estates, and trusts:

*on the first \$300, one and five-tenths percent;
 on the next \$300, one and six-tenths percent;
 on the next \$300, one and nine-tenths percent;
 on the next \$400, two and four-tenths percent;
 on the next \$700, two and nine-tenths percent;
 on the next \$800, three and eight-tenths percent;
 on the next \$1,500, four and seven-tenths percent;
 on the next \$2,100, six and one tenth percent;
 on the next \$3,000, seven and five tenths percent;
 on the next \$6,800, nine and two-tenths percent;
 on all over \$16,200, nine and nine tenths percent.*

(3) Married individuals who file a joint federal income tax return must also file a joint Minnesota income tax return. Married individuals who file a separate federal income tax return must also file a separate Minnesota income tax return. The determination of whether an individual is married is made as of the close of that person's taxable year; except that if that person's spouse dies during the taxable year the determination is made as of the time of the death. An individual who is legally separated from that person's spouse under a decree of divorce, dissolution, or of separate maintenance is not considered to be married.

(b) In lieu of a tax computed according to the rates set forth in clause (a) of this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than \$40,000 an amount determined by the commissioner shall be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(c) An individual who is not a Minnesota resident for the entire year must compute his Minnesota income tax as provided in clause (a). After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota sourced federal adjusted gross income, computed as if the provisions of section 290.081, clause (a), 290.17, subdivision 2, or 290.171 applied; and

(2) the denominator is the individual's federal adjusted gross income.

Sec. 17. Minnesota Statutes 1984, section 290.06, subdivision 2d, is

amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] ~~For taxable years beginning after December 31, 1980. Beginning in 1985 the commissioner of revenue shall annually adjust the taxable net income brackets in subdivision 2c shall be adjusted for the following tax year for inflation. For the purpose of making the adjustment as provided in this subdivision all of the brackets provided in subdivision 2c shall be the adjusted brackets as they existed for taxable years beginning after December 31, 1979 1984 and before January 1, 1981 1986. The commissioner shall determine: (a) (1) the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor. He shall then determine the percent change from August, 1980, to, in 1981, August, 1981, and in each subsequent year, from August of the preceding year to August of the current year determined under section 1(f) of the Internal Revenue Code of 1954, as amended through December 31, 1984, except that "1984" shall be substituted for "1983" in section 1(f)(3)(B); and (b) (2) the percentage increase in average Minnesota gross income from tax year 1980 1984 to, in 1981 1985, tax year 1981 1985, and in each subsequent tax year between the previous 1984 tax year and the current tax year. The percent increases in Minnesota gross income shall be estimated using the best available data sources and reasonable forecasting procedures. The determination of the commissioner pursuant to this section subdivision shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 14.~~

The dollar amount in each taxable net income bracket for ~~the prior tax year~~ 1985 in subdivision 2c shall be multiplied by a figure calculated as one plus 100 percent of ~~the consumer price index increase the amount determined in clause (1) of the preceding paragraph~~ or 100 percent of the Minnesota gross income increase, whichever is smaller. The product of the calculation shall yield the inflation adjusted tax brackets for each succeeding year. If the product exceeds a whole dollar amount, it shall be rounded to the nearest whole dollar.

No later than ~~October 1~~ December 15 of each year, the commissioner shall announce both percentage increases and the specific percentage that will be used to adjust the tax brackets, the maximum standard deduction amount, and the personal credit amounts.

Sec. 18. Minnesota Statutes 1984, section 290.06, subdivision 2f, is amended to read:

Subd. 2f. [SUSPENSION OF INFLATION ADJUSTMENTS.] (a) The taxable net income brackets, the personal credit amounts established pursuant to subdivision 3f and 3g, and the maximum standard deduction provided under section 290.089, subdivision 3, shall not be adjusted for inflation pursuant to subdivision 2d, for taxable years beginning during a calendar year if the following conditions occur:

(1) The legislature and the governor have enacted a budget providing for an appropriation to the budget reserve account of at least \$250,000,000 for the biennium during which the calendar year began or, in the second half of an odd-numbered year, for the biennium which began during the calendar year; and

(2) The commissioner of finance estimated at the time the budget is enacted that the state would receive sufficient general fund receipts during the biennium to fund the full appropriation to the budget reserve account; and

(3) On or before September 15 of the calendar year it is estimated by the commissioner of finance that the probable general fund receipts from taxes and other sources will be less than estimated and consequently the amount available for the remainder of the biennium after transferring any available funds in the budget reserve account will be less than the amount estimated or allotted to be expended or incurred from the general fund; and

(4) The additional receipts resulting from the suspension of the inflation adjustments, together with all other general fund revenues, are not estimated to exceed the sum of the amounts necessary to fund in full all appropriations, including the appropriation to the budget reserve account, in which case the commissioner of revenue shall provide for partial inflation adjustments sufficient to fund in full the appropriations.

(b) The suspension of inflation adjustments shall apply only during the biennium in which the conditions specified in paragraph (a) have been satisfied.

(c) For taxable years beginning during a calendar year in which the inflation adjustments of the brackets, credits, and maximum standard deduction are not made pursuant to this subdivision, the taxable net income adjustment factor, as defined in section 290.18, subdivision 4, shall be the adjustment factor applicable to taxable years beginning during the preceding calendar year. For taxable years beginning during a calendar year in which the inflation adjustments are suspended for one-half of the taxable year as a result of paragraph (b), the taxable net income adjustment factor shall be determined by multiplying the factor for the previous year by an amount equal to the current year factor minus one, divided by two, plus one.

(d) For taxable years beginning during a calendar year in which the inflation adjustments are suspended pursuant to this subdivision and for which paragraph (b) will result in the inflation adjustments being suspended for only one-half of the taxable year, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed is withheld and remitted by employers during the first six months of the taxable year as if the suspension were in effect for the entire year.

Sec. 19. Minnesota Statutes 1984, section 290.06, subdivision 3f, is amended to read:

Subd. 3f. [CREDITS AGAINST TAX.] Subject to the provisions of subdivision 3g 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 \$68 \$72;

(2) In the case of a married individual ~~individuals~~ *individuals filing a joint return*, \$136 \$144. ~~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, \$68 \$72 for each person ~~(other than a spouse)~~ *who is a dependent upon and receiving his chief support from of 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 ~~\$68~~ \$72;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional ~~\$68~~ \$72;

(c) In the case of a married ~~individual~~ *individuals filing a joint return*, an additional ~~\$68~~ \$72 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional ~~\$68~~ \$72 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 ~~\$68~~ \$72 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 subparagraphs (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 ~~\$68~~ \$72.

(g) In the case of a married ~~individual~~ *individuals filing a joint return*, an additional ~~\$68~~ \$72 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 ~~\$68~~ \$72 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 ~~\$68~~ \$72;

(b) In the case of a married ~~individual~~ *individuals filing a joint return*, an additional ~~\$68~~ \$72 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;~~

(c) In the case of an individual, another ~~\$68~~ \$72 for each ~~person, other than a spouse, who is quadriplegic and dependent upon and receiving his chief support from the taxpayer;~~ 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) For purposes of this subdivision, the term "unmarried individual" includes a married individual filing a separate return, and a "dependent" is a person who was claimed as a dependent on the individual's federal income tax return as provided in sections 151(e) and 152 of the Internal Revenue Code of 1954, as amended through December 31, 1984.

(7) 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 this chapter is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by sections 69.54 to 69.56.

Sec. 20. Minnesota Statutes 1984, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] A taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office or federal office, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A major or minor party includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. A "federal office" means the office of the president or vice president of the United States or the office of United States senator or congressman from Minnesota.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 21. Minnesota Statutes 1984, section 290.06, subdivision 16, is amended to read:

Subd. 16. [RESOURCE RECOVERY EQUIPMENT.] (a) A credit of ten percent of the net cost of equipment used for processing solid or hazardous waste at a resource recovery facility located in Minnesota, as defined in section 115A.03, subdivision 28, may be deducted from the tax due from a corporation under this chapter in the taxable year in which the property is purchased.

(b) If the amount of the credit provided by this subdivision exceeds the taxpayer's liability under this chapter for the taxable year, the excess may be carried forward to the four taxable years following the year of purchase.

Sec. 22. Minnesota Statutes 1984, section 290.06, subdivision 17, is

amended to read:

Subd. 17. [POLLUTION CONTROL EQUIPMENT, CREDIT.] (a) A credit of five percent of the net cost of equipment used primarily to abate or control pollutants to meet or exceed state laws, rules, or standards, or equipment used primarily to reduce the generation of hazardous waste, to the extent the property is so used and which is included in section 290.09, subdivision 7, paragraph (A), clause (a), may be deducted from the tax due from a corporation under this chapter in the first year for which a depreciation deduction is allowed for the equipment. The credit allowed by this subdivision may not exceed the lesser of the liability for tax for the taxable year or \$75,000. The credit shall apply only if

(1) the equipment meets rules prescribed by the Minnesota pollution control agency and is installed or operated in accordance with a permit or order issued by the agency; or

(2) the pollution control agency certifies that the equipment reduces the generation of hazardous waste and that the generator is in compliance with applicable hazardous waste laws and rules.

(b) If the amount of the credit determined under paragraph (a) for any taxable year for which a depreciation deduction is allowed exceeds the limitation provided by paragraph (a) for the taxable year, referred to in this subdivision as the "unused credit year," the excess is a credit carryover to each of the four taxable years following the unused credit year.

(c) The entire amount of the unused credit for an unused credit year must be carried to the earliest of the four taxable years to which such credit may be carried and then to each of the other three taxable years. The maximum credit allowable in any one taxable year under this subdivision including the credit allowable under paragraph (a) and the carryforward allowable under paragraph (b) and this paragraph shall in no event exceed \$75,000.

Sec. 23. Minnesota Statutes 1984, section 290.06, subdivision 18, is amended to read:

Subd. 18. [FEEDLOT POLLUTION CONTROL EQUIPMENT.] A credit of ten percent of the net cost of pollution control and abatement equipment, including but not limited to, lagoons, concrete storage pits, slurry handling equipment, and other equipment and devices approved by the pollution control agency, purchased, installed and operated within the state by a feedlot operator to prevent pollution of air, land, or water in connection with the operation of a livestock feedlot, poultry lot, or other animal lot, may be deducted from the tax due from a corporation under this chapter in the taxable year in which the equipment is purchased; provided that no deduction may be taken for any portion of the cost of the same equipment pursuant to subdivision 16.

If the amount of the credit provided by this subdivision exceeds the taxpayer's liability for taxes pursuant to chapter 290 in the taxable year in which the equipment is purchased, the excess amount may be carried forward to the four taxable years following the year of purchase. The entire amount of the credit not used in the year purchased shall be carried to the earliest of the four taxable years to which the credit may be carried and then to each of the three successive taxable years.

Sec. 24. Minnesota Statutes 1984, section 290.068, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] In addition to the deduction provided in section 290.09, a *credit corporation* shall be allowed a *credit* against the tax imposed by this chapter for the taxable year equal to

(a) 12.5 percent of the first \$2 million of the excess (if any) of

(1) the qualified research expenses for the taxable year, over

(2) the base period research expenses; and

(b) 6.25 percent on all of such excess expenses over \$2 million.

Sec. 25. Minnesota Statutes 1984, section 290.068, subdivision 3, is amended to read:

Subd. 3. [LIMITATION; CARRYBACK AND CARRYOVER.] (a)(+) The credit for the taxable year shall not exceed the liability for tax. "Liability for tax" for purposes of this section means the tax imposed under this chapter for the taxable year reduced by the sum of the nonrefundable credits allowed under this chapter.

(2) In the case of an individual who

(A) owns an interest in an unincorporated business;

(B) is a partner in a partnership;

(C) is a beneficiary of an estate or trust; or

(D) is a shareholder in an S corporation;

the credit allowed for the taxable year shall not exceed the lesser of the amount determined under clause (1) for the taxable year or an amount (separately computed with respect to such person's interest in the trade or business or entity) equal to the amount of tax attributable to that portion of a person's taxable income which is allocable or apportionable to the person's interest in the trade or business or entity.

(b) If the amount of the credit determined under this section for any taxable year exceeds the limitation under clause (a), the excess shall be a research credit carryback to each of the three preceding taxable years and a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this clause shall not exceed the taxpayer's liability for tax less the research credit for the taxable year.

For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a research and experimental expenditure credit carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month, or the 45th month, in the case of a corporation, following the end of the taxable year in which the research and experimental expenditure credit arises which results in the carryback. With respect to any portion of a credit

carryback from a taxable year attributable to a loss carryback from a subsequent taxable year, the period of limitations shall be that period which ends with the expiration of the 15th day of the 46th month, or, in the case of a corporation, the 45th month following the end of the subsequent taxable year. In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a research and experimental expenditure credit, interest shall be computed only from the end of the taxable year in which the credit arises. With respect to any portion of a credit carryback from a taxable year attributable to a loss carryback from a subsequent taxable year, interest shall be computed from the end of the subsequent taxable year.

Sec. 26. Minnesota Statutes 1984, section 290.068, subdivision 4, is amended to read:

Subd. 4. [~~ESTATES AND TRUSTS; PARTNERSHIPS.~~] In the case of ~~estates and trusts, and~~ partnerships, the credit shall be allocated to corporate partners in the same manner provided by section 44F 30(f)(2) of the Internal Revenue Code.

Sec. 27. Minnesota Statutes 1984, section 290.069, subdivision 4a, is amended to read:

Subd. 4a. [RECAPTURE; EQUITY INVESTMENT CREDIT.] (a) A taxpayer who receives a tax reduction pursuant to *Minnesota Statutes 1984, section 290.069*, subdivision 4 shall repay to the commissioner an amount of the tax reduction as specified in paragraph (b) if any of the following conditions occur within a four-year period after the date of the investment:

- (1) The taxpayer transfers, sells, or otherwise disposes of the stock other than transfer by the estate of a taxpayer who died after acquiring the stock.
- (2) The taxpayer or a related person acquires an interest in the qualified small business in excess of that permitted by subdivision 4, clause (b)(2).
- (3) The transferee ceases operations in Minnesota.
- (b) The amount of the repayment is determined pursuant to the following schedule:

Occurrence of event causing recapture	Repayment portion
Less than six months	100 percent
Six months or more but less than 12 months	87-1/2 percent
12 months or more but less than 18 months	75 percent
18 months or more but less than 24 months	62-1/2 percent
24 months or more but less than 30 months	50 percent
30 months or more but less than 36 months	37-1/2 percent
36 months or more but less than 42 months	25 percent
42 months or more but less than 48 months	12-1/2 percent

(c) If a credit was allowed for a qualified small business whose principal place of business was located in an enterprise zone and the business ceases operations in the zone within three years after the investment is made, the taxpayer shall file an amended return claiming the credit without regard to *Minnesota Statutes 1984, section 290.069*, subdivision 4, paragraph (c).

Sec. 28. Minnesota Statutes 1984, section 290.069, subdivision 4b, is amended to read:

Subd. 4b. [MULTISTATE BUSINESSES.] If a qualified small business is engaged in a business partly within and partly without the state, the credit allowable pursuant to subdivision 2 ~~or 4~~ for technology transferred to ~~or a net investment made in~~ the business must be apportioned. The credit determined pursuant to subdivision 2 ~~or 4~~ must be multiplied by the arithmetical average of the qualified small business' property and payrolls, determined as provided by section 290.19, subdivision 1, clauses (2)(a)(2) and (2)(a)(3), using data from the most recently available year. After the technology is transferred ~~or the investment made~~, the qualified small business shall certify to the transferor taxpayer its factors under section 290.19, subdivision 1, clauses (2)(a)(2) and (2)(a)(3) for each of the succeeding two tax years. If the factors for either of these years would result in at least a 25 percent change in the allowable credit, the taxpayer shall file an amended return repaying or claiming the difference in the credit. The preceding sentence does not apply if the qualified small business ceases operations in Minnesota and the recapture provisions of subdivision 2a or 4a apply.

Sec. 29. Minnesota Statutes 1984, section 290.069, subdivision 5, is amended to read:

Subd. 5. [CARRYOVER; OTHER CONDITIONS.] If the amount of the allowable credit pursuant to subdivision 2 or 3 for the taxable year exceeds the taxpayer's tax liability ~~or if the limitation contained in subdivision 4, clause (a)(3) applies~~, the unused credit for the taxable year is a carryover to each of the succeeding five taxable years. The entire amount of the unused credit must be carried to the earliest of the taxable years to which it may be carried. "Tax liability" means the tax imposed by this chapter reduced by the sum of the nonrefundable credits allowed under this chapter except the credit allowed by section 290.068. The credits allowed by subdivisions 2 and 3 shall only be available to corporations and banks whose tax is computed pursuant to section 290.06, subdivision 1.

The maximum limitations on the amount of credits pursuant to subdivisions 2, ~~or 3,~~ ~~and 4~~ shall be determined by aggregating ~~together~~ the credits of all the corporations in the controlled group of corporations with the taxpayer. In order to facilitate compliance with and enforcement of this provision the commissioner may require the taxpayer to claim the credit on a combined report of the unitary business or to file a copy of the consolidated federal return with the state return or both.

Sec. 30. Minnesota Statutes 1984, section 290.069, subdivision 6, is amended to read:

Subd. 6. [REPEALER.] This section is repealed effective for contributions made to a small business office or to an innovation center public corporation as provided in subdivision 3, ~~and~~ for technology transferred as described in subdivision 2, ~~and for investments made as described in subdivision 4~~ in taxable years beginning after December 31, 1985.

Sec. 31. Minnesota Statutes 1984, section 290.069, subdivision 7, is amended to read:

Subd. 7. [COMMISSIONER'S POWER TO DISALLOW CREDIT.] The commissioner may disallow a credit under subdivision 2 ~~or 4~~ if he determines that the transaction giving rise to the credit was entered into by the parties

primarily to reduce taxes and not primarily for an independent business or commercial purpose other than the reduction of taxes.

Sec. 32. Minnesota Statutes 1984, section 290.08, subdivision 1, is amended to read:

Subdivision 1. [IN GENERAL.] The following items shall not be included in gross income, provided that any item which was excluded in arriving at gross income under the provisions of section 290.01, subdivisions 20 to 20f 20e, shall not be again excluded under this section.

Sec. 33. Minnesota Statutes 1984, section 290.08, subdivision 26, is amended to read:

Subd. 26. [PENSION INCOME.] (a) [EXCLUSION.] Gross income shall not include the taxpayer's pension income of a qualified recipient. The maximum amount of this exclusion is the greater of the following two amounts amount:

(1) \$11,000 reduced by the amount of the taxpayer's and spouse's combined federal adjusted gross income in excess of \$17,000 excluding including social security benefits and railroad retirement benefits to the extent included in federal adjusted gross income; or

(2) \$11,000 reduced by the sum of

(A) social security benefits,

(B) railroad retirement benefits, and

(C) the excess over \$23,000 of federal adjusted gross income, but excluding social security benefits and railroad retirement benefits to the extent included in federal adjusted gross income.

(3) (2) Notwithstanding clauses clause (1) and (2), in the case of an involuntary lump sum distribution of pension or retirement benefits to volunteer firefighters, the maximum amount of the exclusion is \$11,000. This amount is not subject to reduction for other income of the taxpayer.

(4) (3) Pension income consisting of severance pay qualifies only for the exclusion computed according to paragraph (a), clause (1).

(b) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given:

(1) "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through December 31, 1983.

(2) "Federal adjusted gross income" is the federal adjusted gross income referred to in section 290.01, subdivision 20, for the current taxable year, and includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code.

(3) "Pension income" means to the extent included in the taxpayer's federal adjusted gross income the amount received by the taxpayer

(A) 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,

(B) 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, or

(C) severance pay distributed to an individual upon discontinuance of the individual's employment due to termination of business operations by the individual's employer, if the termination is reasonably likely to be permanent, involves the discharge of at least 75 percent of the employees at that site within a one-year period, and the business is not acquired by another person who continues operations at that site.

(4) "Severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future.

(5) "Qualified recipient" means an individual who, at the end of the taxable year, is aged 65 or older or is disabled as defined in section 290A.03, subdivision 9.

Sec. 34. Minnesota Statutes 1984, section 290.089, subdivision 2, is amended to read:

Subd. 2. [ITEMIZED DEDUCTIONS.] An amount equal to the amount determined pursuant to section 63(f) of the Internal Revenue Code is allowed with the following adjustments:

(a) Add the amount paid to others not to exceed \$650 for each dependent in grades K to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(b) Add the amount of Minnesota and other states' estate or inheritance taxes which were allowed as a deduction under section 290.077, subdivision 4, on income in respect of a decedent;

(c) Add the amount by which the deduction for the taxable year allowed pursuant to subdivision 4 exceeds the amount determined pursuant to section 222 of the Internal Revenue Code;

(d) Subtract income taxes paid or accrued within the taxable year under this chapter;

(e) (b) Subtract income taxes paid to any other state or to any province or territory of Canada; and

(f) (c) If the deduction computed under section 164 of the Internal Revenue Code is not reduced by the amount of the credit or refund allowed under chapter 290A, subtract that amount;

(g) Subtract the amount of interest on investment indebtedness paid or accrued in a taxable year beginning before January 1, 1981, which has been carried forward and is allowed as a deduction in the taxable year under section 163(d) of the Internal Revenue Code;

(h) Subtract the amount of charitable contributions deducted under section 170 of the Internal Revenue Code that (i) exceeds the following limitations: (A) an overall limit of 30 percent of the taxpayer's Minnesota gross income which, for purposes of this paragraph, shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code; and (B) the aggregate of contributions to organizations described in section 290.21, subdivision 3, clause (e) shall not exceed 20 percent of the taxpayer's Minnesota gross income; or (ii) was deducted as a carryover under section 170(d) of the Internal Revenue Code.

Sec. 35. Minnesota Statutes 1984, section 290.089, subdivision 3, is amended to read:

Subd. 3. [STANDARD DEDUCTION.] In lieu of the deductions provided in subdivision 2, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of ~~\$2,268~~ \$2,400.

In the case of a husband and wife, the standard deduction shall not be \$2,400 and shall be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction only one spouse if the spouses file separately.

(b) For taxable years beginning after December 31, 1985, the maximum amount of the standard deduction shall be adjusted for inflation in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the taxable net income brackets. The commissioner shall then round the maximum amount of the standard deduction to the nearest hundred dollar amount. When adjusting the maximum amount of standard deduction for inflation, the commissioner shall use the actual dollar amount of the maximum amount of the standard deduction prior to rounding the dollar amounts.

(c) The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize nonbusiness deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.

Sec. 36. Minnesota Statutes 1984, section 290.09, subdivision 1, is

amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, the deductions provided in this section from gross income shall only be allowed to corporations in computing net income. The provisions of subdivisions 2, clause (c), and 28; and 29 shall also apply to individuals, estates, and trusts to the extent provided in those subdivisions.

Sec. 37. Minnesota Statutes 1984, section 290.09, subdivision 2, is amended to read:

Subd. 2. [TRADE OR BUSINESS EXPENSES.] (a) [IN GENERAL.] There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity; and

(4) *For persons engaged in the business of mining or producing iron ore, the mining or production of which is subject to the occupation tax imposed by section 298.01, subdivision 1, those expenses that are not deductible, capitalizable, or taken into account by allowance or otherwise in computing the occupation tax.*

(b) No deduction shall be allowed under this subdivision for any contribution or gift which would be allowable as a deduction under section 290.21 were it not for the percentage limitations set forth in such section;

(c) All expense money paid by the legislature to legislators;

(d) Entertainment, amusement, or recreation expenses shall be allowed under this subdivision only to the extent that they qualify as a deduction under section 274 of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(e) No deduction shall be allowed under this subdivision for illegal bribes, kickbacks, and other payments, fines, and penalties, or treble damage payments under the antitrust laws except as provided in section 162 of the Internal Revenue Code of 1954, as amended through December 31, 1983.

Sec. 38. Minnesota Statutes 1984, section 290.09, subdivision 7, is amended to read:

Subd. 7. [DEPRECIATION.] (A) [CUMULATIVE DEPRECIATION.] (a) There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence):

(1) of property used in the trade or business, or

(2) of property held for the production of income.

In the case of recovery property as provided in clause (c), the deduction allowable under clause (c) shall be deemed to constitute the reasonable allowance provided by this subdivision, except for the provisions of Part (B) relating to first year depreciation and except with respect to that portion of the basis of the property to which section 167(k) of the Internal Revenue Code of 1954, as amended through December 31, 1983, applies.

(b) The term "reasonable allowance" as used in clause (a) shall include (but shall not be limited to) an allowance computed in accordance with regulations prescribed by the commissioner, under any of the following methods:

(1) the straight line method.

(2) the declining balance method, using a rate not exceeding twice the rate which would have been used had the annual allowance been computed under the method described in paragraph (1).

(3) the sum of the years-digits method, and

(4) any other consistent method productive of an annual allowance; which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in (2). Nothing in this clause (b) shall be construed to limit or reduce an allowance otherwise allowable under clause (a).

(c) For purposes of this subdivision "reasonable allowance" shall be the accelerated cost recovery system provisions of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1983, except as provided in this subdivision. In the case of recovery property within the meaning of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1983, the term "reasonable allowance" as used in clause (a) shall mean 85 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 for property placed in service after December 31, 1980 and for taxable years beginning before January 1, 1982.

For taxable years beginning after December 31, 1981 the term reasonable allowance as used in clause (a) shall mean the following percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1983:

(1) For 3, 5 and 10 year property and for 15 year public utility property the allowable percentage is 83 percent and 80 percent for taxable years beginning after December 31, 1982.

(2) For 15 year real property the allowable percentage is 60 percent.

For property placed in service after December 31, 1980 the term "reasonable allowance" as used in clause (a) shall mean 100 percent of the deduction allowed pursuant to section 168 of the Internal Revenue Code of 1954 where the taxpayer uses for federal income tax purposes the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1983. For property placed in service after December 31, 1980

and for which the full amount of the deduction allowed under section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1983 has been allowed, the remaining depreciable basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:

- (1) 3 year property - 1 year.
- (2) 5 year property - 2 years.
- (3) 10 year property - 5 years.
- (4) All 15 year property - 7 years.

When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code gain is not recognized in whole or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis due to the limitations provided in this clause can be written off as provided in the preceding sentence.

After the full amount of the allowable deduction for that property under the provision of section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1983, has been obtained, the remaining depreciable basis in those assets for Minnesota purposes that shall be allowed as a depreciation allowance as provided above shall include the amount of any basis reduction made for federal purposes under section 48(q) of the Internal Revenue Code, as amended through December 31, 1983, to reflect the investment tax credit. No amount shall be allowed as a deduction under section 196 of the Internal Revenue Code of 1954, as amended through December 31, 1983.

The provisions of section 168(i)(4) of the Internal Revenue Code of 1954, as amended through December 31, 1983 shall apply to restrict research credit carrybacks and net operating loss carrybacks which are allocable to elected qualified leased property, notwithstanding section 290.068, subdivision 3, or 290.095, subdivision 3.

~~The modification provided in this clause shall apply before applying a limitation on farm losses as contained in subdivision 29.~~

(d) Paragraphs (2), (3), and (4) of clause (b) shall apply only in the case of property (other than intangible property) described in clause (a) with a useful life of three years or more.

(1) the construction, reconstruction, or erection of which is completed after December 31, 1958, and then only to that portion of the basis which is properly attributable to such construction, reconstruction, or erection after December 31, 1958, or

(2) acquired after December 31, 1958, if the original use of such property commenced with the taxpayer and commences after such date.

(e) Where, under rules prescribed by the commissioner, the taxpayer and the commissioner have, after June 30, 1959, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the commissioner in the absence of facts or circumstances not taken into

consideration in the adoption of such agreement. The responsibility of establishing the existence of such facts and circumstances shall rest with the party initiating the modification. Any change in the agreed rate and useful life specified in the agreement shall not be effective for taxable years before the taxable year in which notice in writing by certified mail is served by the party to the agreement initiating such change. This clause shall not apply with respect to recovery property as defined in clause (c).

(f) In the absence of an agreement under clause (e) containing a provision to the contrary, a taxpayer may at any time elect in accordance with rules prescribed by the commissioner to change from the method of depreciation prescribed in clause (b)(2) to the method described in clause (b)(1).

(g) The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in this chapter for the purpose of determining the gain on the sale or other disposition of such property.

(B) [FIRST YEAR DEPRECIATION.] The term "reasonable allowance" as used in this subdivision may, at the election of the taxpayer, include an amount as provided under section 179 of the Internal Revenue Code of 1954, as amended through December 31, 1983.

Sec. 39. Minnesota Statutes 1984, section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed on individuals, estates, and trusts a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's alternative minimum tax liability for tax preference items pursuant to the provisions of sections 55, 57, 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1983. For purposes of the tax imposed by this section, the following modifications shall be made:

(1) Alternative tax itemized deductions shall include the amount allowable as a deduction for the taxable year under section 164 of the Internal Revenue Code for Minnesota income tax paid or accrued.

(2) ~~The capital gain preference item shall be reduced where the gain would be modified because some or all of the assets have a higher basis for Minnesota purposes than for federal purposes.~~

(3) In the case of a nonresident individual, or an estate or trust, with a net operating loss that is a larger amount for Minnesota than for federal, the capital gain preference item shall be reduced to the extent it was reduced in the allowance of the net operating loss.

(4) (3) Federal preference items from the business of mining or producing iron ore and other ores which are subject to the occupation tax and exempt from taxation under section 290.05, subdivision 1, shall not be a preference item for Minnesota *except to the extent that they are subtracted from federal adjusted gross income pursuant to section 290.01, subdivision 20a.*

(5) (4) The term "regular tax" as defined in section 55(f)(2) of the Internal Revenue Code shall be increased by the amount of the credit allowable under section 38 of the Internal Revenue Code and it shall be computed before the

limitation on tax provided in section 1301 of the Internal Revenue Code.

~~(6) Federal preference items which arise from a farm shall not be a preference item to the extent they exceed the loss allowed under section 290.09, subdivision 29, other than interest and taxes.~~

In the case of any taxpayer who is not a full year resident individual, or who is an estate or trust the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

The tax benefit rule contained in section 58(h) of the Internal Revenue Code is applied to the Minnesota minimum tax only to the extent that it determines if there is a federal minimum tax. No separate tax benefit rule is allowable for the Minnesota minimum tax.

~~For property placed in service after December 31, 1980, and in a taxable year beginning before January 1, 1983, the preference items contained in section 57 (a)(12) of the Internal Revenue Code of 1954, as amended through December 31, 1983, shall not apply.~~

Sec. 40. Minnesota Statutes 1984, section 290.095, subdivision 7, is amended to read:

Subd. 7. [TENTATIVE CARRYBACK ADJUSTMENTS.] (a) Application for adjustment. A taxpayer may file an application for a tentative carryback adjustment of the tax for the prior taxable year affected by a loss or credit carryback from any taxable year. The application shall be signed and verified as provided in section 290.37, subdivision 1, and shall be filed on or after the date of filing of the return for the taxable year from which the carryback results and within a period of 12 months from the end of such taxable year (or with respect to any portion of a credit carryback from a taxable year attributable to a loss carryback from a subsequent taxable year, the application shall be filed within a period of 12 months from the end of the subsequent taxable year), in the manner and form required by rules prescribed by the commissioner. The application shall set forth in such detail and with such supporting data and explanation as such rules shall require:

- (1) The amount of the loss or credit;
- (2) The amount of the tax previously determined for the prior taxable year affected by such carryback;
- (3) The amount of decrease in such tax, attributable to such carryback, such decrease being determined by applying the carryback in the manner provided by law to the items on the basis of which such tax was determined;
- (4) The unpaid amount of such tax;
- (5) Such other information for purposes of carrying out the provisions of this subdivision as may be required by such rules.

An application under this subdivision shall not constitute a claim for refund until 90 days from the date on which the application was filed, at which time it will become a claim for refund under the provisions of section 290.50.

(b) Allowance of adjustments. Within a period of 90 days from the date on

which an application for a tentative carryback adjustment is filed under (a), or from the last day of the month in which falls the last date prescribed by law (including any extension of time granted the taxpayer) for filing the return for the taxable year from which such carryback results, whichever is the later, the commissioner shall make, to the extent he deems practicable in such period a limited examination of the application, to discover omissions and errors of computation therein, and shall determine the amount of the decrease in the tax attributable to such carryback upon the basis of the application and the examination, except that the commissioner may disallow, without further action, any application which he finds contains errors of computation which he deems cannot be corrected by him within such 90-day period or material omissions. Such decrease shall be applied against any unpaid amount of tax decreased and any remainder shall, within such 90-day period, be either credited against any tax or installment thereof then due from the taxpayer, or refunded to the taxpayer.

(c) The provisions of this subdivision shall apply to net operating loss carrybacks as provided in subdivision 3 or 11; capital loss carrybacks as provided in section 290.16, subdivision 6; ~~farm loss carrybacks as provided in section 290.09, subdivision 29;~~ research credit carrybacks as provided in section 290.068, subdivision 3; and to any other carrybacks which may be provided in this chapter.

Sec. 41. Minnesota Statutes 1984, section 290.095, subdivision 9, is amended to read:

Subd. 9. [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NET OPERATING LOSS CARRYBACKS.] For the purposes of sections 290.46 and 290.50 if the claim for refund relates to an overpayment attributable to a net operating loss carryback under this section or as the result in the case of an individual of an adjustment of "federal adjusted gross income" because of the carryback under section 172 of the Internal Revenue Code of 1954, as amended through December 31, 1983 in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback or adjustment of "federal adjusted gross income." During this extended period, *for taxable years beginning before January 1, 1985*, married individuals who elected to file separate returns or a combined return may change their election and file a joint return.

Sec. 42. Minnesota Statutes 1984, section 290.095, subdivision 11, is amended to read:

Subd. 11. [CARRYBACK OR CARRYOVER ADJUSTMENTS.] (a) For individuals the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal adjusted gross income. For estates and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income.

(b) The following adjustments to the amount of the net operating loss that may be carried back or carried over must be made for:

(1) Nonassignable income or losses as required by section 290.17, sub-

division 2.

(2) Modifications required because of the restrictions on farm losses as provided in section 290.09, subdivision 29.

(3) Adjustments to the determination of federal adjusted gross income that must be made because of changes in the Internal Revenue Code that have not yet been adopted by the legislature by updating the reference to the Internal Revenue Code contained in section 290.01, subdivision 20.

(4) Modifications to income contained in federal adjusted gross income according to the provisions of section 290.01, subdivision 20c.

(5) Gains or losses which result from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes subject to the limitations contained in section 290.01, subdivision 20b, clauses (2) and (4).

(6) (3) Interest, taxes, and other expenses not allowed under section 290.10, clause (9) or section 290.101.

(7) The modification for accelerated cost recovery system depreciation as provided in section 290.01, subdivision 20f.

(c)(1) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal adjusted gross income (or federal taxable income for trusts and estates) subject to the modifications contained in clause (b) and to the following modifications:

(A) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(B) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year and the amount of federal jobs credit earned in the taxable year.

(C) A taxpayer who is not a resident of Minnesota during any part of the taxable year and who has no income assignable to Minnesota during the taxable year shall apply no net operating loss carryback or carryover in the taxable year.

(2) The provisions of section 172(b) of the Internal Revenue Code of 1954 as amended through December 31, 1983 (relating to carrybacks and carryovers) shall apply. The net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (c)(1) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. A net operating loss carryback or carryover that was allowed to offset federal income in a year earlier than was possible on the Minnesota return shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(d) A net operating loss shall be allowed to be carried back or carried

forward only to the extent that loss was assignable to Minnesota in the year the loss occurred or in the year to which the loss was carried over, whichever would allow more of the loss to be allowed for Minnesota purposes.

(e) If a taxpayer has a net operating loss for federal purposes and the provisions of the farm loss limitation as provided in section 290.09, subdivision 29 apply, the limitations applying to the farm losses that are carried back or carried over are applied first and the net operating loss that is carried back or carried over is limited to the excess, if any, that the net operating loss exceeds the farm loss limitation.

Sec. 43. Minnesota Statutes 1984, section 290.10, is amended to read:

290.10 [NONDEDUCTIBLE ITEMS.]

In computing the net income no deduction shall in any case be allowed for:

- (1) Personal, living or family expenses;
- (2) Amounts paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except as otherwise provided in this chapter;
- (3) Amounts expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made;
- (4) Premiums paid on any life insurance policy covering the life of the taxpayer or of any other person;
- (5) The shrinkage in value, due to the lapse of time, of a life or terminable interest of any kind in property acquired by gift, devise, bequest or inheritance;
- (6) Losses from sales or exchanges of property, directly or indirectly, between related taxpayers as defined and as provided in section 267 of the Internal Revenue Code of 1954, as amended through December 31, 1983;
- (7) In computing net income, no deduction shall be allowed under section 290.09, subdivision 2, relating to expenses incurred or under section 290.09, subdivision 3, relating to interest accrued as provided in section 267 of the Internal Revenue Code of 1954, as amended through December 31, 1983;
- (8)(a) Contributions by employees under the federal railroad retirement act and the federal social security act; (b) Payments to Minnesota or federal public employee retirement funds; (c) ~~Three-fourths (75 percent) of the amount of taxes imposed on self-employment income under section 1401 of the Internal Revenue Code of 1954, as amended through December 31, 1983, provided that effective for taxable years beginning after December 31, 1989, no deduction is allowed for self-employment taxes where the taxpayer claimed a deduction for those taxes under section 164(f) of the Internal Revenue Code of 1954, as amended through December 31, 1983;~~
- (9) Expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this chapter, *except that for persons engaged in the business of mining or producing iron ore, the mining of which is subject to the occupation tax imposed by section 298.01, subdivision 1, this shall not prohibit deductions to the extent that they are allowed under section 290.01, subdivi-*

sion 20a, clause (6) or section 290.09, subdivision 2, paragraph (a)(4);

(10) In situations where this chapter provides for a subtraction from gross income of a specific dollar amount of an item of income assignable to this state, and within the measure of the tax imposed by this chapter, that portion of the federal income tax liability assessed upon such income subtracted, and any expenses attributable to earning such income, shall not be deductible in computing net income;

(11) Amounts paid or accrued for such taxes and carrying charges as, under rules prescribed by the commissioner, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such rules, to treat such taxes or charges as so chargeable;

(12) (11) No deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if the trade or business (or the activities which comprise the trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the federal Controlled Substances Act) which is prohibited by federal law or the law of Minnesota.

Sec. 44. Minnesota Statutes 1984, section 290.12, subdivision 1, is amended to read:

Subdivision 1. [MEASUREMENT.] The gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the basis provided in this chapter and the loss shall be the excess of such basis over the amount realized, except that such basis shall, in the case of both gain and loss, be adjusted as provided in subdivision 2. *The provisions of this section apply only to corporations.*

Sec. 45. Minnesota Statutes 1984, section 290.12, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENTS.] In computing the amount of gain or loss under subdivision 1 proper adjustment shall be made for any expenditure, receipt, loss, or other item properly chargeable to capital account by the taxpayer during his ownership thereof. The basis shall be diminished by the amount of the deductions for exhaustion, wear and tear, obsolescence, amortization, depletion, and the allowance for amortization of bond premium if an election to amortize was made in accordance with section 290.09, subdivision 13, which could, during the period of his ownership thereof, have been deducted by the taxpayer under this chapter in respect of such property. ~~The basis shall also be diminished by the amount of depreciation relating to a substandard building disallowed by section 290.101.~~ In addition, if the property was acquired before January 1, 1933, the basis, if other than the fair market value as of such date, shall be diminished by the amount of exhaustion, wear and tear, obsolescence, amortization, or depletion actually sustained before such date. In respect of any period since December 31, 1932, during which property was held by a person or an organization not subject to income taxation under this chapter, proper adjustment shall be made for exhaustion, wear and tear, obsolescence, amortization, and depletion of such property to the extent sustained. For the purpose of determining the amount of these adjustments the taxpayer who sells or otherwise disposes of property acquired by gift shall be treated as the owner thereof from the time it was

acquired by the last preceding owner who did not acquire it by gift, and the taxpayer who sells or otherwise disposes of property acquired by gift through an inter vivos transfer in trust shall be treated as the owner from the time it was acquired by the grantor:

No adjustment shall be made:

(1) for taxes or other carrying charges described in section 290.10, clause ~~(1)~~ (10), or

(2) for expenditures described in section 290.09, subdivision 16 (relating to circulation expenditures), for which deductions have been taken by the taxpayer in determining taxable income for the taxable year or prior years.

Sec. 46. Minnesota Statutes 1984, section 290.14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.]

The determination of basis under this section applies only to corporations. Except as for basis determinations otherwise provided in this chapter for corporations, the basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

(1) If the property should have been included in the last inventory, it shall be the last inventory value thereof;

(2) If the property was acquired by gift, it shall be the same as it would be if it were being sold or otherwise disposed of by the last preceding owner not acquiring it by gift; if the facts required for this determination cannot be ascertained, it shall be the fair market value as of the date, or approximate date, of acquisition by the last preceding owner, as nearly as the requisite facts can be ascertained by the commissioner;

(3) If the property was acquired by gift through an inter vivos transfer in trust, it shall be the same as it would be if it were being sold or otherwise disposed of by the grantor;

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by the person, be the fair market value of the property at the date of decedent's death or, in the case of an election under section 2032 (relating to alternate valuation) of the Internal Revenue Code of 1954, as amended through December 31, 1983, its valuation at the applicable valuation date prescribed by that section, or in the case of an election under section 2032A (relating to valuation of farm real property) of the Internal Revenue Code of 1954, as amended through December 31, 1983, its value determined by that section.

For the purposes of the preceding paragraph, the following property shall be considered to have been acquired from or to have passed from the decedent:

(a) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent;

(b) Property transferred by the decedent during his lifetime in trust to pay

the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death to revoke the trust;

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent with the right reserved to the decedent at all times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

(d) Property passing without full and adequate consideration under a general power of appointment exercised by the decedent by will;

(e) In the case of a decedent's dying after December 31, 1956, property acquired from the decedent by reason of death, form of ownership, or other conditions (including property acquired through the exercise or non-exercise of a power of appointment), if by reason thereof the property is required to be included in determining the value of the decedent's gross estate for Minnesota inheritance or estate tax purposes. In this case, if the property is acquired before the death of the decedent, the basis shall be the amount determined under the first paragraph of this clause reduced by the amount allowed to the taxpayer as deductions in computing taxable net income under this chapter or prior Minnesota income tax laws for exhaustion, wear and tear, obsolescence, amortization, and depletion on the property before the death of the decedent. The basis shall be applicable to the property commencing on the death of the decedent. This paragraph shall not apply to annuities and property described in paragraphs (a), (b), (c) and (d) of this clause.

This clause shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 290.077.

(5) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under section 290.089 or section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as that provided in section 1091 of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(6) Neither the basis nor the adjusted basis of any portion of real property shall, in the case of a lessor of the property, be increased or diminished on account of income derived by the lessor in respect of the property and excludable from gross income under section 290.08, subdivision 14.

If an amount representing any part of the value of real property attributable to buildings erected or other improvements made by a lessee in respect of the property was included in gross income of the lessor for any taxable year beginning before January 1, 1943, the basis of each portion of the property shall be properly adjusted for the amount included in gross income.

(7) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

(8) The basis of property subject to the provisions of section 1034 of the Internal Revenue Code of 1954, as amended through December 31, 1983 (relating to the rollover of gain on sale of principal residence) shall be the

same as the basis for federal income tax purposes. The basis shall be increased by the amount of gain realized on the sale of a principal residence outside of Minnesota, while a nonresident of this state, which gain was not recognized because of the provisions of section 1034.

Sec. 47. Minnesota Statutes 1984, section 290.16, subdivision 1a, is amended to read:

Subd. 1a. [INAPPLICABLE TO INDIVIDUALS, TRUSTS, ESTATES.] With respect to individuals, trusts and estates, the provisions of this section shall not be applicable and gains and losses shall be reported as provided in section 290.01, subdivisions 20 to ~~20f~~ 20e.

Sec. 48. Minnesota Statutes 1984, section 290.19, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, BUSINESS CONDUCTED PARTLY WITHIN STATE; APPORTIONMENT.] The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09, so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the mining, producing, smelting, refining, or any combination of these activities of copper and nickel ores, or of the manufacture of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned or rented and, used by the taxpayer in connection with such trade or business during the tax period; and,

(c) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from busi-

ness operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in this state during the tax period in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or rented, and used by the taxpayer in connection with such trade or business during the tax period; and

(3) The percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total payrolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a) (1), 15 percent of the percentage determined under clause (2) (a) (2), and 15 percent of the percentage determined under clause (2) (a) (3);

(b) If the methods prescribed under clause (2) (a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method; however, for athletic teams when the visiting team does not share in the gate receipts, all of the team's income is apportioned to the state in which the team's operation is based;

(3) If the business consists exclusively of the selling of tangible personal property and services in response to orders received by United States mail or telephone, and 100 percent of the taxpayer's property and payroll is within Minnesota, then the taxpayer may apportion net income to Minnesota as provided in clause (1), except that the percentages applicable in clause (1)(d) shall be 80 percent of the percentage determined under clause (1)(a), 10 percent of the percentage determined under clause (1)(b), and 10 percent of the percentages determined under clause (1)(c). In determining eligibility for this section, the occasional sales of tangible or intangible assets used in conducting business activities shall be disregarded.

(4) The sales, payrolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property owned or rented and used by the taxpayer during the taxable year in respect of which the tax is being computed. For purposes of computing the property factor referred to in this section, United States government property which is used by the taxpayer shall be considered as being owned by the taxpayer.

Sec. 49. Minnesota Statutes 1984, section 290.23, subdivision 3, is amended to read:

Subd. 3. [UNUSED LOSS CARRYOVERS AND EXCESS DEDUCTIONS ON TERMINATION AVAILABLE TO BENEFICIARIES.] If on

the termination of an estate or trust, the estate or trust has

(1) a net operating loss carryover under section 290.095, or a capital loss carryover under section 290.01, subdivisions 20 to ~~20f~~ or ~~any other loss or credit carryover allowed under this chapter 20e~~; or

(2) for the last taxable year of the estate or trust deductions (other than the charitable deduction) in excess of gross income for such year,

then such carryover or such excess shall be allowed as a deduction, in accordance with rules prescribed by the commissioner, to the beneficiaries succeeding to the property of the estate or trust.

Sec. 50. Minnesota Statutes 1984, section 290.311, subdivision 1, is amended to read:

Subdivision 1. [PARTNERS.] (a) Partner's modifications. In determining gross income and Minnesota taxable income of a partner, any modification described in section 290.01, subdivisions 20 to ~~20e~~, which relates to an item of partnership income, gain, loss or deduction shall be made in accordance with the partner's distributive share, for federal income tax purposes, of the item to which the modification relates. *The basis of a partner's interest is the same as determined for federal income tax purposes for all partners, except corporate partners, notwithstanding section 290.31, subdivisions 5 and 19.*

(b) Character of items. Each item of partnership income, gain, loss, or deduction shall have the same character for a partner under this section which it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a partner as if realized directly from the source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(c) Minnesota tax avoidance or evasion. Where a partner's distributive share of an item of partnership income, gain, loss or deduction is determined for federal income tax purposes by special provision in the partnership agreement with respect to such item, and where the effect of such provision is the avoidance or evasion of tax under this section, the partner's distributive share of such item, and any modifications required with respect thereto shall be determined as if the partnership agreement made no special provision with respect to such item.

Sec. 51. Minnesota Statutes 1984, section 290.37, subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a) The commissioner of revenue shall annually determine the gross income levels at which individuals, trusts, and estates shall be required to file a return for each taxable year. An individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's Minnesota gross income computed under section 290.06, subdivision 2c, clause (c)(1) is less than the filing requirements for an individual who is a full year resident of Minnesota with the same marital status and number of personal credits.

The decedent's final income tax return, and all other income tax returns for prior years where the decedent had gross income in excess of the minimum

amount at which an individual is required to file and did not file, shall be filed by his or her personal representative, if any. If there is no personal representative, the return or returns shall be filed by the transferees as defined in section 290.29, subdivision 3, who receive any property of the decedent.

The trustee or other fiduciary of property held in trust shall file a return with respect to the taxable net income of such trust if that exceeds an amount determined by the commissioner if such trust belongs to the class of taxable persons.

Every corporation shall file a return. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed a return is required.

(b) Such return shall (1) ~~be verified or~~ contain a written declaration that it is ~~made under the penalties of criminal liability for willfully making a false return correct and complete,~~ and (2) shall contain *language prescribed by the commissioner providing a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.*

(c) For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1983, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20b, clauses (1), (6), and (10), ~~290.08, (3), and (4)~~ and 290.17.

Sec. 52. Minnesota Statutes 1984, section 290.38, is amended to read:

290.38 [JOINT RETURNS OF HUSBAND AND WIFE.]

A husband and wife ~~may must~~ make a single return jointly ~~even though one of the spouses has neither gross income nor deductions if they filed a joint federal income tax return.~~ If a joint return is made the tax shall be computed on the aggregate income and the liability with respect to the tax shall be joint and several. If ~~both the~~ husband and wife have ~~gross income elected to file separate federal income tax returns they may elect to either file a single return jointly or may must~~ file separate returns pursuant to this section ~~or as provided in section 290.39, subdivision 2.~~ This election to file a joint or separate returns ~~may must~~ be changed ~~within the period provided for the assessment of additional taxes on said return or returns if they change their election for federal purposes.~~ In the event taxpayers desire to change their election, such change shall be done in the manner and on such form as the commissioner shall prescribe by ~~regulation rule.~~

No joint return shall be made if the husband and wife have different taxable years; ~~except that if such taxable years begin on the same day and end on different days because of the death of either or of both, then the joint return may be made with respect to the taxable year of each.~~ The above exception shall not apply if the surviving spouse remarries before the close of his taxable year or if the taxable year of either spouse is a fractional part of a year under section 290.32.

In the case of the death of one spouse or both spouses the joint return with respect to the decedent may be made only by the personal representative of his estate; except that in the case of the death of one spouse the joint return may be made by the surviving spouse with respect to both himself and the decedent if (a) no return for the taxable year has been made by the decedent, (b) no personal representative has been appointed, and (c) no personal representative is appointed before the last day prescribed by law for filing the return of the surviving spouse. If a personal representative of the estate of the decedent is appointed after the joint return has been filed by the surviving spouse, the personal representative may disaffirm such joint return by filing, within one year after the last day prescribed by law for filing the return of the surviving spouse, a separate return for the taxable year of the decedent with respect to which the joint return was made, in which case the return made by the survivor shall constitute his separate return *provided that the election has been also disaffirmed for federal purposes.*

~~If husband and wife determine their federal income tax on a joint return but determine their Minnesota income taxes separately, they shall determine their Minnesota gross income separately as if their federal adjusted gross incomes had been determined separately.~~

Sec. 53. Minnesota Statutes 1984, section 290.41, subdivision 2, is amended to read:

Subd. 2. [BY PERSONS, CORPORATIONS, COOPERATIVES, GOVERNMENTAL ENTITIES OR SCHOOL DISTRICTS.] Every person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and every city, county and school district in Minnesota, making payments in the regular course of a trade or business during the taxable year to any person or corporation of \$600 or more on account of rents or royalties, or of \$10 or more on account of interest, or \$10 or more on account of dividends or patronage dividends, or \$600 or more on account of either wages, salaries, commissions, fees, prizes, awards, pensions, annuities, or any other fixed or determinable gains, profits or income, not otherwise reportable under section 290.92, subdivision 7, or on account of earnings of \$10 or more distributed to its members by savings, building and loan associations or credit unions chartered under the laws of this state or the United States, (a) shall make a return (except in cases where a valid agreement to participate in the combined federal and state information reporting system has been entered into, and such return is therefore filed only with the commissioner of internal revenue pursuant to the applicable filing and informational reporting requirements of the Internal Revenue Code of 1954 as amended through December 31, 1983) in respect to such payments in excess of the amounts specified, giving the names and addresses of the persons to whom such payments were made, the amounts paid to each, and (b) shall make a return in respect to the total number of such payments and total amount of such payments, for each category of income specified, which were in excess of the amounts specified. This subdivision shall not apply to the payment of interest or dividends to a person who was a nonresident of Minnesota for the entire year.

A person, corporation, or cooperative required to file returns under this subdivision on interest, dividends, or patronage dividend payments with respect to more than 50 payees for any calendar year must file all of these

returns on magnetic media unless the person establishes to the satisfaction of the commissioner that compliance with this requirement would be an undue hardship.

Upon request from the commissioner, any public pension plan as defined in section 356.61 in which the employer picks up the employee contributions under section 356.62 shall furnish the commissioner, on magnetic media to the extent possible, with the name, address, and social security number of each employee who participated in the plan during that calendar year for which picked up contributions were made.

Sec. 54. Minnesota Statutes 1984, section 290.49, subdivision 10, is amended to read:

Subd. 10. [INCORRECT DETERMINATION OF FEDERAL ADJUSTED GROSS INCOME.] Notwithstanding any other provision of this chapter, if a taxpayer whose gross income is determined under section 290.01, subdivisions 20 to ~~20f~~ 20e, omits from income such an amount as will under the Internal Revenue Code of 1954, as amended through December 31, 1983 extend the statute of limitations for the assessment of federal income taxes; or otherwise incorrectly determines his federal adjusted gross income resulting in adjustments by the Internal Revenue Service then the period of assessment and determination of tax shall be the same as that under the Internal Revenue Code of 1954, as amended through December 31, 1983. When a change is made to federal income during the extended time provided under this subdivision, the provisions under section 290.56 regarding additional extensions apply.

Sec. 55. Minnesota Statutes 1984, section 290.50, subdivision 5, is amended to read:

Subd. 5. [OVERPAYMENTS; CREDITS AND REFUNDS.] (a) If the amount allowable as a credit under section 290.92, subdivision 12 (relating to credit for tax withheld at source) or an amount determined to be an overpayment under section 290.93, subdivision 9, or 290.936 exceeds the taxes imposed by this chapter against which such credit is allowable the amount of such excess shall be considered an overpayment. An amount paid as tax shall constitute an overpayment even if in fact there was no tax liability with respect to which such amount was paid.

(b) Notwithstanding any other provision of law to the contrary, in the case of any overpayment the commissioner, within the applicable period of limitations, may credit the amount of such overpayment against any liability in respect of Minnesota income tax on the part of the person who made the overpayment or against any liability in respect to Minnesota income tax on the part of either spouse who shall have filed a joint or combined return for the taxable year in which the overpayment was made and shall refund any balance of more than one dollar to such person if the taxpayer shall so request.

The commissioner is authorized to prescribe rules providing for the crediting against the estimated income tax for any taxable year of a corporation of the amount determined by the commissioner to be an overpayment of the income tax for a preceding taxable year.

Sec. 56. [290.491] [TAX ON GAIN; DISCHARGE IN BANK-

RUPTCY.]

Any tax due under this chapter on a gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be a dischargeable debt in a bankruptcy proceeding under 11 U.S.C.A. 727.

Sec. 57. Minnesota Statutes 1984, section 290.50, subdivision 6, is amended to read:

Subd. 6. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.] Upon a finding by a court of this state that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing including attorneys fees and costs incurred in ascertaining or collecting child support shall be withheld from a refund due the person under this section. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorneys fees and costs are owed may petition the district or county court for an order providing for the withholding of the amount of child support, attorneys fees and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld shall be notified of the petition pursuant to the rules of civil procedure prior to the issuance of an order pursuant to this subdivision. The order may be granted on a showing to the court that required support payments, attorneys fees and costs have not been made when they were due.

On order of the court, the money shall be withheld by the commissioner from the refund due to the person obligated to pay and the amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child, provided that any delinquent tax obligations of the taxpayer owed to the revenue department shall be satisfied first. Any amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance expended for the benefit of the child to be supported, or the amount of any support, attorneys fees and costs that had been the subject of the claim pursuant to this subdivision which has been paid by the taxpayer prior to the diversion of the refund, shall be remitted to the person entitled to the money. If the refund is based on a joint or combined return, the portion of the refund that shall be remitted to the petitioner shall be the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments. A petition filed pursuant to this subdivision shall be in effect with respect to any refunds due under this section until the support money, attorneys fees and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support, attorneys fees and costs. If a petition is filed pursuant to this subdivision and a claim is made pursuant to chapter 270A with respect to the same individual's refund and notices of both are received prior to the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time shall be paid first; any amount of the refund remaining shall then be applied to the other claim. The provisions of section 290.61 shall not prohibit the exchange of information among the department, the petitioner, and the court to the extent necessary to accomplish the intent of this subdivi-

sion.

Sec. 58. Minnesota Statutes 1984, section 290.92, subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration ~~the allowable deduction for federal income tax and the deduction allowable under section 290.089, subdivision 3, and the personal credits allowed against the tax.~~

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) [REGULATIONS ON WITHHOLDING.] The commissioner may, by

~~regulations rule~~, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code of 1954, as amended through December 31, 1983, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1954 as amended through December 31, 1983 to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

Sec. 59. Minnesota Statutes 1984, section 290.92, subdivision 18, is amended to read:

Subd. 18. [RETURNS; CONFESSION OF JUDGMENT.] Any return that is required to be filed with the commissioner of revenue under this section shall (a) contain a written declaration that it is ~~made under the penalties of criminal liability for wilfully making a false return~~ *correct and complete*, and (b) shall contain *language prescribed by the commissioner providing a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.*

Sec. 60. Minnesota Statutes 1984, section 290.92, subdivision 21, is

amended to read:

Subd. 21. [EXTENSION OF WITHHOLDING TO UNEMPLOYMENT COMPENSATION BENEFITS.] For purposes of this section, any supplemental unemployment compensation benefit paid to an individual to the extent includable in such individual's Minnesota adjusted gross income, shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

Sec. 61. Minnesota Statutes 1984, section 290.93, subdivision 10, is amended to read:

Subd. 10. [UNDERPAYMENT OF ESTIMATED TAX.] (1) In the case of any underpayment of estimated tax by an individual, except as provided in paragraph (4) or (5), there may be added to and become a part of the taxes imposed by this chapter, for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment for the period of the underpayment.

(2) For purposes of the preceding paragraph, the amount of underpayment shall be the excess of

(a) The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent (66 $\frac{2}{3}$ percent in the case of farmers referred to in subdivision 5(2) of this section) of the taxes shown on the return for the taxable year or the taxes for such year if no return was filed, over

(b) The amount, if any, of the installment paid on or before the last day prescribed for such payment.

(3) The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier

(a) The 15th day of the fourth month following the close of the taxable year.

(b) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this subparagraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under paragraph (2)(a) for such installment date.

(4) The addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser

(a) The total tax liability shown on the return of the individual for the preceding taxable year (if a return showing a liability for such taxes was filed by the individual for the preceding taxable year of 12 months), or

(b) An amount equal to the tax computed, at the rates applicable to the taxable year, on the basis of the taxpayer's filing status with respect to the *and number of* personal credits for the taxable year, but otherwise on the basis of the facts shown on his return for, and the law applicable to the

preceding taxable year, or

(c) An amount equal to 80 percent (66 $\frac{2}{3}$ percent in the case of farmers referred to in subdivision 5(2) of this section) of the tax for the taxable year (after deducting personal credits) computed by placing on an annualized basis the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. For purposes of this subparagraph, the taxable income shall be placed on an annualized basis by

(i) Multiplying by 12 (or in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income computed for the months in the taxable year ending before the month in which the installment is required to be paid.

(ii) Dividing the resulting amount by the number of months in the taxable year ending before the month in which such installment date falls, or

(d) An amount equal to 90 percent of the tax computed, at the rates applicable to the taxable year, on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid.

(5) No addition to the tax shall be imposed under this subdivision for any taxable year if:

(a) the individual did not have any liability for tax for the preceding taxable year,

(b) the preceding taxable year was a taxable year of 12 months, and

(c) the individual was a resident of Minnesota throughout the preceding taxable year.

(6) For the purposes of applying this subdivision, the estimated tax shall be computed without any reduction for the amount which the individual estimates as his credit under section 290.92, subdivision 12 (relating to tax withheld at source on wages), and the refundable ~~credits~~ *credit* contained in ~~sections 290.06, subdivision 13, section 290.067,~~ and any other refundable credits which are allowed against income tax liability, and the amount of such credits for the taxable year shall be deemed a payment of estimated tax, and an equal part of such amounts shall be deemed paid on each installment date (determined under subdivisions 6 and 7 of this section) for such taxable year, unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts so withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld.

Sec. 62. Minnesota Statutes 1984, section 290.9726, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] The gross income of the shareholders of corporations described in section 290.9725 shall be computed under the provisions of section 290.01, subdivisions 20 to ~~20e~~.

Sec. 63. Minnesota Statutes 1984, section 290.974, is amended to read:

290.974 [RETURN OF S CORPORATION.]

Every S corporation shall make a return for each taxable year during which

said election is in effect stating specifically the names and addresses of all persons owning stock in the corporation at any time during the taxable year, the number of shares of stock owned by each shareholder at all times during the taxable year, each shareholder's pro rata share of each item of the corporation for the taxable year, and such other information for the purposes of carrying out the provisions of sections 290.01, subdivisions 20 to ~~20f~~ 20e and 290.9725 as the commissioner may by forms and rules prescribe.

Sec. 64. Minnesota Statutes 1984, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1983; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, section 290.01, subdivision 20a, clauses (1), ~~and (2), (4), (9), (10), and (14)~~;

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends ~~and interest~~ excluded from federal adjusted gross income under ~~sections~~ section 116 ~~or 128~~ of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation; or

~~(f) federal adjusted gross income shall be reduced by wage or salary expense which is not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954.~~

Sec. 65. [PURPOSE.]

It is the intent of the legislature to simplify Minnesota's income tax. In order to simplify, many complicating provisions are repealed by this act and the revenue is used to fund income tax relief. It is the clear intent of the legislature to eliminate all carryovers and basis adjustments of these complicating provisions and conform with federal income tax law as quickly as possible.

Sec. 66. [REPEALER.]

Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 62E.03, subdivision 2; 290.01, subdivisions 20c, 20f, and 26; 290.06, subdivisions 3e, 14, and 19; 290.069, subdivision 4; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.088; 290.089, subdivisions 4 and 6; 290.09, subdivision 29; 290.101; 290.17, subdivision 1a; 290.18, subdivisions 2 and 4; 290.39, subdivision 2; 290.41, subdivision 5; 290.9726, subdivisions 5 and 6; and Laws 1982, chapter 523, article 7, section 3, are repealed.

Sec. 67. [EFFECTIVE DATE.]

This article is effective for taxable years beginning after December 31, 1984, except that section 64 is effective for claims based on rent paid in 1985 and thereafter and for property taxes payable in 1986 and thereafter.

ARTICLE 2

PROPERTY TAX

Section 1. Minnesota Statutes 1984, section 13.58, is amended to read:

13.58 [HOMESTEAD APPLICATION DATA.]

The following data collected and maintained by political subdivisions are classified as private data pursuant to section 13.02, subdivision 12: the social security account numbers and detailed financial data submitted by individuals who are applying for class ~~3e~~ 1b homestead classifications pursuant to section 273.13.

Sec. 2. Minnesota Statutes 1984, section 16A.641, subdivision 11, is amended to read:

Subd. 11. [CONSTITUTIONAL TAX LEVY.] Under the Constitution, article XI, section 7, the state auditor must levy each year on all taxable

property within the state a tax sufficient, with the amount then on hand in the state bond fund, to pay all principal and interest on state bonds due and to become due to and including July 1 in the second ensuing year. ~~If levied, this tax must be assessed and extended against real property used for the purposes of a homestead, as well as other taxable property, notwithstanding section 273.13, subdivisions 6 and 7.~~ The tax is not subject to limitation of rate or amount. However, the amount of money appropriated from other sources as provided in subdivision 10, and actually received and on hand prior to the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the state bond fund.

Sec. 3. Minnesota Statutes 1984, section 16B.60, subdivision 5, is amended to read:

Subd. 5. [AGRICULTURAL BUILDING.] "Agricultural building" means a structure on agricultural land as defined in section 273.13, subdivision 6 23, designed, constructed, and used to house farm implements, livestock, or agricultural produce or products used by the owner, lessee, and sublessee of the building and members of their immediate families, their employees, and persons engaged in the pickup or delivery of agricultural produce or products.

Sec. 4. Minnesota Statutes 1984, section 18.023, subdivision 7, is amended to read:

Subd. 7. [FINANCING.] (a) A municipality may collect the amount assessed against the property under subdivision 2 as a special assessment and may issue obligations as provided in section 429.101, subdivision 1, provided that a municipality at its option make any assessment levied payable with interest in installments not to exceed five years from the date of the assessment.

(b) After a contract for the sanitation or approved treatment of trees on private property has been let, or the work commenced, the municipality may issue obligations to defray the expense of any such work financed by special assessments imposed upon private property. Section 429.091 shall apply to such obligations with the following modifications:

(1) Such obligations shall be payable not more than five years from the date of issuance; and

(2) No election shall be required.

~~Obligations issued under the provisions of this clause shall not be considered bonded indebtedness for the purposes of section 273.13, subdivisions 6 and 7.~~ The certificates shall not be included in the net debt of the issuing municipality.

Sec. 5. Minnesota Statutes 1984, section 47.58, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION.] Pursuant to rules which the commissioner of commerce or commissioner of insurance may find to be necessary and proper, if any, and subject to federal laws and regulations, lenders may make investments in reverse mortgage loans and purchases of obligations representing reverse mortgage loans, provided the aggregate total of committed principal of the investment in reverse mortgage loans by any bank, savings

bank, or savings and loan association, does not exceed five percent of that lender's total deposits and savings accounts. This limitation shall be determined at each June 30 and December 31 for the following six month period. Any decline in the total of deposits and savings accounts subsequent to a determination may be disregarded. Security for loans made under this section shall be a first lien on residential property (a) which the borrower occupies as principal residence and which qualifies for a homestead ~~credit~~ *classification* pursuant to section 273.13, and (b) to which the borrower alone has title.

Sec. 6. Minnesota Statutes 1984, section 47.58, subdivision 3, is amended to read:

Subd. 3. [PAYMENT; REPAYMENT; AMOUNT.] The committed principal amount of a reverse mortgage loan shall be paid to the borrower over the period of months or years as specified in the loan agreement. The borrower and lender may, by written agreement, amend the loan agreement from time to time. Pursuant to the terms of the contract the borrower shall make repayment to the lender:

(a) Upon payment to the borrower of the final installment unless, by written agreement between the borrower and lender whereunder the borrower agrees to periodically pay the lender interest accruing on the outstanding loan balance, repayment of the outstanding loan balance is postponed until default in payment of interest or until the occurrence of any of the events specified in clauses (b) to (e);

(b) Upon sale of the property securing the loan;

(c) Upon the death of the last surviving borrower;

(d) Upon the borrower terminating use of the property as principal residence so as to disqualify the property from ~~the homestead credit given in~~ *classification under section 273.13*; or

(e) Upon renegotiation of the terms of the reverse mortgage loan agreement, unless the parties agree in writing to postpone repayment.

Except as otherwise provided in this subdivision, the outstanding loan balance as projected by the lender to the anticipated time of payment to the borrower of the final installment of committed principal shall not exceed 80 percent of the appraised value of the property at inception of the loan. If upon reappraisal of the property made at any time during the term of the loan, the projected outstanding loan balance does not exceed 70 percent of the reappraised value of the property, the schedule of the lender's installment payments may be extended and the amount of the committed principal amount increased, provided the revised outstanding loan balance at payment of the lender's final installment of committed principal does not exceed 80 percent of the reappraised value of the property.

Sec. 7. Minnesota Statutes 1984, section 84B.08, subdivision 6, is amended to read:

Subd. 6. 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 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 Voyageurs National Park 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 such 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 such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments.

Sec. 8. Minnesota Statutes 1984, section 85A.05, subdivision 5, is amended to read:

Subd. 5. [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 zoological garden 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 zoological garden 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 such 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 such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota zoological garden bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated, with such sums from tax levies and the general fund subject to future reimbursement to the bond fund by the Minnesota zoological garden bond account as indicated in section 85A.04, subdivision 2.

Sec. 9. Minnesota Statutes 1984, section 93.55, subdivision 2, is amended to read:

Subd. 2. The commissioner shall notify the last owner of record on file in either the county recorder's or registrar of titles' office of a hearing on an order to show cause why the mineral interest should not forfeit to the state absolutely. The notice shall be served in the same manner as provided for the service of summons in a civil action to determine adverse claims under chapter 559 and shall contain the following: (1) the legal description of the property upon or beneath which the interest exists; (2) a recitation that the statement of severed mineral interest either did not comply with the requirements specified by section 93.52 for such a statement or was not filed within the time specified in section 93.55, or both; and (3) that the court will be requested to enter an order adjudging the forfeiture of the mineral interest to be absolute in the absence of a showing that there was substantial compliance with laws requiring the registration and taxation of severed mineral interests. For the purposes of this section, substantial compliance with laws requiring the registration and taxation of severed mineral interests means: (1) that the records in the office of the county recorder or registrar of titles specified the

true ownership of the severed mineral interest during the time period within which the statement of severed mineral interest should have been registered with the county recorder or the registrar of titles, or that probate, divorce, bankruptcy, mortgage foreclosure, or other proceedings affecting the title had been timely initiated and diligently pursued by the true owner during the time period within which the severed mineral interest statement should have been registered, and (2) that all taxes relating to severed mineral interests had been timely paid, including any taxes which would have been due and owing under section ~~273.13~~ 273.165, subdivision 2a 1, had the interest been properly filed for record as required by section 93.52 within the time specified in section 93.55. For the purposes of this section, "timely paid" means paid within the time period during which tax forfeiture would not have been possible had a real property tax been assessed against the property.

Sec. 10. Minnesota Statutes 1984, section 97.488, subdivision 1a, is amended to read:

Subd. 1a. [APPLICATION.] The provisions of subdivision 1 do not apply to plants on land classified for property tax purposes as class 3 or 3b 2a or 2c agricultural land pursuant to section 273.13, or on ditches and roadways. The provisions of subdivision 1 do not apply to noxious weeds designated pursuant to sections 18.171 to 18.315 or to weeds otherwise designated as troublesome by the department of agriculture. When control of noxious weeds is necessary, it takes priority over the protection of endangered plant species, as long as reasonable effort is taken to preserve the endangered plant species first.

The taking or killing of an endangered plant species on land adjacent to class 3 or 3b agricultural land as a result of the application of pesticides or other agricultural chemical on the class 3 or 3b land shall not be a violation of subdivision 1, as long as reasonable care is taken in the pesticide or other chemical application to avoid impact on adjacent lands.

The accidental taking of an endangered plant, where the existence of the plant is not known at the time of the taking, shall not be a violation of subdivision 1.

For the purpose of this subdivision, class 3 or 3b agricultural land does not include timber land, waste land, or any land for which the owner receives a state paid wetlands or native prairie tax credit.

Sec. 11. Minnesota Statutes 1984, section 110A.28, subdivision 11, is amended to read:

Subd. 11. A district shall not, in the exercise of the powers conferred by sections 110A.01 to 110A.36, provide service to actual or potential residential, commercial, industrial or publicly-owned land uses within one-half mile of the limits of a city of up to 20,000 persons without approval by the city council. Approval shall not be required prior to serving class 3b 2a lands as defined in section 273.13.

Sec. 12. Minnesota Statutes 1984, section 110A.28, subdivision 12, is amended to read:

Subd. 12. A district shall not, in the exercise of the powers conferred by sections 110A.01 to 110A.36, provide service to actual or potential residen-

tial, commercial, industrial or publicly-owned land uses within one mile of the limits of a city of more than 20,000 persons without approval by the city council. Approval shall not be required prior to serving class ~~3b~~ 2a lands as defined in section 273.13.

Sec. 13. Minnesota Statutes 1984, section 115A.58, subdivision 6, is amended to read:

Subd. 6. [SECURITY.] 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 currently credited to the debt service account, to pay the entire amount of principal and interest currently due and the principal and interest to become due before July 1 in the second year thereafter on Minnesota waste management 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 the bonds and interest thereon are fully paid. The proceeds of this tax are appropriated to the debt service account. The principal of and interest on the bonds are payable from the proceeds of this tax.

Sec. 14. Minnesota Statutes 1984, section 116.17, subdivision 6, is amended to read:

Subd. 6. [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 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 water pollution control 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 such 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 such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota water pollution control bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Sec. 15. Minnesota Statutes 1984, section 116C.63, subdivision 4, is amended to read:

Subd. 4. When private real property defined as class 3, 3b, 3c, 3e, 3d, or ~~3f~~ 1a, 1b, 2a, 2c, 4a, or 5a pursuant to section 273.13 is proposed to be acquired for the construction of a site or route by eminent domain proceedings, the 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 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 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. 16. Minnesota Statutes 1984, section 116J.64, subdivision 6, is amended to read:

Subd. 6. The remaining 20 percent of the tax revenue received by the county auditor under section ~~273.13~~ 273.165, subdivision 2a 1 shall be remitted by the county auditor to the state treasurer and shall be deposited in a special account called the "Indian business loan account", which shall be a revolving fund created and established under the jurisdiction and control of the agency, which may engage in a business loan program for American Indians as that term is defined in subdivision 2. The tribal councils may administer the fund, provided that, before making any eligible loans, each tribal council must submit to the agency, for its review and approval, a plan for that council's loan program which specifically describes, as to that program, its content, utilization of funds, administration, operation, implementation, and other matters required by the agency. All such programs must provide for a reasonable balance in the distribution of funds appropriated pursuant to this section for the purpose of making business loans between Indians residing on and off the reservations within the state. As a condition to the making of such eligible loans, the tribal councils shall enter into a loan agreement and other contractual arrangements with the agency for the purpose of carrying out the provisions of this chapter, and shall agree that all official books and records relating to the business loan program shall be subject to audit by the legislative auditor in the same manner prescribed for agencies of state government.

Whenever any moneys are appropriated by the state treasurer to the agency solely for the above-specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the Indian business loan fund to record the receipt and disbursement of such moneys and of the income, gain and loss from the investment and re-investment thereof.

Sec. 17. Minnesota Statutes 1984, section 124.155, subdivision 2, is amended to read:

Subd. 2. [SUBTRACTION FROM AIDS.] The amount specified in Laws 1981, Third Special Session chapter 2, article 4, section 3, subdivision 2, as amended by Laws 1982, chapter 548, article 7, section 7, as further amended

by Laws 1982, Third Special Session chapter 1, article III, section 4 shall be subtracted from the following state aids and credits in the order listed in fiscal year 1983. The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) Foundation aid as authorized in section 124.212, subdivision 1;
- (b) Secondary vocational aid authorized in section 124.573;
- (c) Special education aid authorized in section 124.32;
- (d) Secondary vocational aid for handicapped children authorized in section 124.574;
- (e) Gifted and talented aid authorized in section 124.247;
- (f) Aid for pupils of limited English proficiency authorized in section 124.273;
- (g) Aid for chemical use programs authorized in section 124.246;
- (h) Transportation aid authorized in section 124.225;
- (i) Community education programs aid authorized in section 124.271;
- (j) Adult education aid authorized in section 124.26;
- (k) Capital expenditure equalization aid authorized in section 124.245;
- (l) Homestead credit *replacement aid* authorized in section ~~273.13~~, ~~subdivisions 6, 7, and 4a~~ 273.1393;
- (m) ~~Reduced assessment credit~~ *Agricultural credit replacement aid* authorized in section ~~273.139~~ 273.1394;
- (n) Wetlands credit authorized in section 273.115;
- (o) Native prairie credit authorized in section 273.116; and
- (p) Attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the reductions from state aids and credits specified in Laws 1981, Third Special Session chapter 2, article 4, section 3, subdivision 2, as amended by Laws 1982, chapter 548, article 7, section 7, as further amended by article III, section 4 of this act, and the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible and in such a manner that will minimize the impact of Laws 1981, Third Special Session chapter 2, article 4, as amended, on the cash flow needs of the school districts.

Sec. 18. Minnesota Statutes 1984, section 124.2131, subdivision 3, is amended to read:

Subd. 3. [DECREASE IN ASSESSED VALUE.] (1) [REDETERMINATION OF ASSESSED VALUE.] If in any year the assessed value of any district is less than the assessed value of the immediate preceding year, the equalization aid review committee shall, upon notification by the county assessor prior to October 16 of that assessment year, redetermine for all purposes the adjusted assessed value of the immediate preceding year taking into account the decrease in assessed value. On or before November 1 of the assessment year, the equalization aid review committee shall file the rede-

terminated adjusted assessed value with the commissioner of education who shall thereupon certify to the county auditors and school districts affected the redetermined adjusted assessed value and the appropriate levy limits of the school districts affected pursuant to section 275.125, subdivision 10. Notwithstanding section 275.07, the districts affected may certify the taxes voted to the county auditor on or before December 1.

(2) [IRON ORE VALUE.] If in any year the assessed value of class ~~4~~ and class ~~4a~~ 9a property, as defined in section ~~273.13~~ 273.165, subdivision 2, in any district is less than the assessed value of such property in the immediately preceding year, the equalization aid review committee shall redetermine for all purposes the adjusted assessed value of the immediately preceding year taking into account only the decrease in assessed value of class ~~4~~ and class ~~4a~~ 9a property. If subdivision 2, clause (a) is applicable to such a district, the decrease in class ~~4~~ and class ~~4a~~ 9a property shall be applied to the adjusted assessed value as limited therein. In all other respects, the provisions of clause (1) shall be applicable.

Sec. 19. Minnesota Statutes 1984, section 124.2138, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION LEVY EQUITY.] (1) If the transportation levy for fiscal year 1985 in any district, or for fiscal year 1986 and thereafter in a nonagricultural district, of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), to the extent that those special state aids and state payments have not been reduced pursuant to section 124A.037. However, aid authorized in sections ~~124.2137~~ and 124.646 and 273.1394 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) 1.75 mills times the adjusted assessed valuation of the district for the levy attributable to that fiscal year, and

(b) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clauses (a) and (b); for fiscal year 1988, the amount of the deduction shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Sec. 20. Minnesota Statutes 1984, section 124.2138, subdivision 4, is amended to read:

Subd. 4. [NONAGRICULTURAL DISTRICT DEFINED.] For the pur-

poses of this section and section 124A.037, nonagricultural district means a district where the assessed valuation of agricultural land identified in section 273.13, ~~subdivisions 4, 6, and 6a~~ subdivision 23, comprises less than 60 percent of the assessed valuation of the district.

Sec. 21. Minnesota Statutes 1984, section 124.2139, is amended to read:

124.2139 [REDUCTION OF HOMESTEAD CREDIT PAYMENTS TO SCHOOL DISTRICTS.]

Beginning with homestead credit *replacement aid* payments made to school districts pursuant to section ~~273.13, subdivisions 6, 7, and 14a~~ 273.1393, in fiscal year ~~1985 1987~~ for taxes payable in 1984 1986, and each year thereafter, the commissioner of revenue shall reduce these payments to any school district by the product of:

- (1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times
- (2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after June 30, 1984.

Sec. 22. Minnesota Statutes 1984, section 124.46, subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall maintain a separate school loan bond account in the state bond fund, showing all moneys transferred to that fund for the payment of school loan bonds and all income received from the investment of such moneys. Upon the issuance of each series of school loan bonds the commissioner of finance shall deduct from the proceeds thereof and credit to said bond account a sum sufficient, with the balance then on hand in said account, to pay all interest to become due on such bonds on and before July 1 in the second ensuing year. On the first day of November in each year there shall be transferred to the bond account all or so much of the moneys then on hand in the loan repayment account in the maximum effort school loan fund as will be sufficient, with the balance then on hand in said bond account, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. In the event that moneys are not available for such transfer in the full amount required, the state auditor shall levy on all taxable property within the state a tax sufficient to meet the deficiency. Such 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 and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The proceeds of this tax are hereby irrevocably appropriated and shall be credited to the state bond fund, but the school loan bond account is appropriated as the primary source of payment of such bonds and interest, and only so much of said tax as may be necessary is appropriated for this purpose. If any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, it shall nevertheless be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated; but

any such payments shall be reimbursed from the proceeds of taxes levied as required herein, and any such payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient.

Sec. 23. Minnesota Statutes 1984, section 124A.02, subdivision 11, is amended to read:

Subd. 11. [MINIMUM AID.] A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) The amount of the district's ~~state school~~ agricultural tax credit replacement aid for that school year provided in section 273.1394;

(2) The amount by which ~~property taxes~~ of the district for use in that school year are reduced by the homestead credit provisions in section 273.13, subdivisions 6, 7, and 14a replacement aid provided in section 273.1393;

(3) The amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135;

(4) The amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;

(5) The amount by which property taxes of the district for use in that school year are reduced by the state paid wetlands credit provisions in section 273.115;

(6) The amount by which property taxes of the district for use in that school year are reduced by the state paid native prairie credit provisions in section 273.116;

(7) The amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and

(8) The amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserve provisions in section 473H.10.

Sec. 24. Minnesota Statutes 1984, section 124A.02, subdivision 12, is amended to read:

Subd. 12. [MINIMUM AID QUALIFYING DISTRICT.] A district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a subdivision 23, comprises 60 percent or more of the assessed valuation of the district shall qualify for minimum aid.

Sec. 25. Minnesota Statutes 1984, section 124A.03, subdivision 3, is amended to read:

Subd. 3. [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] In any year when the amount of the maximum levy limitation under subdivision 1 for any district, exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of total pupil units for that district for

that school year, the levy limitation for that district under subdivision 1 shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 1:

(a) the sum of

(i) the product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of total pupil units for that district for that school year, plus

(ii) the amount by which special state aids of chapter 124 receivable for the same school year, excluding aid authorized in sections ~~124.2137 and 124.646 and 273.1394~~, are estimated to be reduced pursuant to section ~~124.2138, subdivision 1~~ 124A.037, plus

(iii) the amount by which state payments on behalf of the district for the same school year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), are estimated to be reduced pursuant to section ~~124.2138, subdivision 1~~ 124A.037, less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124A.035, subdivision 4 in the school year in which the levy is recognized as revenue.

A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 1, for purposes of statutory cross-reference.

Sec. 26. Minnesota Statutes 1984, section 124A.037, is amended to read:

124A.037 [BASIC MAINTENANCE LEVY EQUITY.]

(1) If the amount of the maximum levy limitation under section 124A.03, subdivision 1, for fiscal year 1985 for any district, or for fiscal year 1986 or after for a nonagricultural district exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b). However, the aid authorized in sections ~~124.2137 and 124.646 and 273.1394~~ shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) the sum of the amount of the district's maximum levy limitation under section 124A.03, subdivision 1, plus the amount of any reductions to that levy limitation pursuant to sections 124A.03, subdivision 3, and 275.125, subdivision 9, and

(b) the district's basic foundation revenue.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half

of the difference between clauses (a) and (b); for fiscal year 1988, the amount shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Sec. 27. Minnesota Statutes 1984, section 136.40, subdivision 7, is amended to read:

Subd. 7. [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 state university 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 state university 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 such 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 such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota state university bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Sec. 28. Minnesota Statutes 1984, section 136C.43, subdivision 6, is amended to read:

Subd. 6. [TAX LEVY.] On or before December 1 in each year, if the full amount appropriated to the bond account in subdivision 5 has not been credited thereto, the tax required by the Constitution shall be levied upon all taxable property within the state. 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 vocational technical building 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 such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is not sufficient money from the proceeds of such taxes to pay the principal and interest when due on vocational technical building bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Sec. 29. Minnesota Statutes 1984, section 167.52, is amended to read:

167.52 [TAX LEVY.]

The state auditor shall levy each year on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore transferred under section 167.51, and all income from the investment thereof, to pay the entire amount of principal and interest which is then due or is to become due within the then ensuing year and to and

including July 1 of the second ensuing year, on Minnesota trunk highway bonds heretofore issued and all such bonds hereafter issued pursuant to section 167.50. Such 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. Such tax shall be subject to no limitation of rate or amount until all such bonds and all interest thereon are fully paid. The proceeds of such taxes are appropriated and credited to the state bond fund, and the principal and interest of said bonds are payable from the proceeds of such taxes, and the whole thereof, or so much thereof as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of the taxes provided for herein to pay the principal and interest when due on such bonds, then such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated. The general fund shall be reimbursed from the proceeds of said taxes when received.

Sec. 30. Minnesota Statutes 1984, section 168.012, subdivision 9, is amended to read:

Subd. 9. Manufactured homes shall not be taxed as motor vehicles using the public streets and highways and shall be exempt from the motor vehicle tax provisions of this chapter. Except as provided in section 273.13 274.19, manufactured homes shall be taxed as personal property. The provisions of Minnesota Statutes 1957, Section 272.02 or any other act providing for tax exemption shall be inapplicable to manufactured homes, except such manufactured homes as are held by a licensed dealer and exempted as inventory. House trailers not used on the highway during any calendar year shall be taxed as manufactured homes if occupied as human dwelling places.

Sec. 31. Minnesota Statutes 1984, section 174.51, subdivision 6, is amended to read:

Subd. 6. On or before December 1 in each year, if the full amount appropriated to the bond account in subdivision 5 has not been credited thereto, the tax required by article XI of the constitution shall be levied upon all taxable property within the state. 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 Minnesota state transportation 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 such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is not sufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota state transportation bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Sec. 32. Minnesota Statutes 1984, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;

- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except parcels of property containing structures and the structures assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d as class 7(a), (b), (c), or (d);
- (7) All public property exclusively used for any public purpose;
- (8) Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, clause (c) shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; ~~273.13, subdivision 7b or 7d~~ 273.124, subdivision 6; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) ~~property classified as class 2a~~ property manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, 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 the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly

under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of 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.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite

broadcasting services using direct broadcast satellites operating in the 12-ghz. band;

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band; and

(c) (b) a facility at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, or liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of the ingredients grown or produced in Minnesota.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

The exemptions granted by this subdivision shall be subject to the limits contained in the other subdivisions of this section, section 272.025, or section 273.13, subdivisions 17, 17b, 17c, or 17d.

(16) Real and personal property owned and operated by a private, non-profit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

Sec. 33. Minnesota Statutes 1984, section 272.02, is amended by adding a subdivision to read:

Subd. 1a. The exemptions granted by subdivision 1 are subject to the limits contained in the other subdivisions of this section, section 272.025, or 273.13, subdivision 28, paragraphs (a), (b), (c) and (d).

Sec. 34. Minnesota Statutes 1984, section 272.039, is amended to read:

272.039 [LEGISLATIVE FINDINGS AND CONCLUSIONS RELATED TO THE TAXATION OF MINERALS OWNED SEPARATELY FROM THE SURFACE.]

The legislature finds, for the reasons stated below, that a class of real property has been created which, although not exempt from taxation, is not assessed for tax purposes and does not, therefore, contribute anything toward the cost of supporting the governments which protect and preserve the continued existence of the property. These reasons are as follows: (1) In the case of *Washburn v. Gregory*, 1914, 125 Minn. 491, 147 N.W. 706, the Minne-

sota Supreme Court determined that where mineral interests are owned separately from the surface interests in real estate, the mineral interest is a separate interest in land, separately taxable, and does not forfeit if the overlying surface interest forfeits for nonpayment of taxes due on the surface interest; (2) Since this 1914 decision, mineral interests owned separately from the surface have been valued and assessed for tax purposes, as a practical matter, only if the value of the minerals has been determined through drilling and drill core analysis; and (3) The absence of any taxation of mineral interests owned separately from the surface, except where drilling analysis is available, has encouraged the separation of ownership of surface and mineral estates and resulted in the creation of hundreds of thousands of acres of untaxed mineral estate lands which thus are immune from tax forfeiture. The legislature also finds that the province of Ontario in Canada, which has land ownership patterns and mineral characteristics similar to that of Minnesota, has imposed a tax of \$.50 an acre on minerals owned separately from the surface since 1968, and \$.10 an acre before that. The legislature further finds that the identification of separately owned mineral interests by taxing authorities requires title searches which are extremely burdensome and, where no public tract index is available, prohibitively expensive. This result is caused in part by the decision in *Wichelman v. Messner*, 1957, 250 Minn. 88, 83 N.W. (2d) 800, where the so called "40 year law" was held inapplicable to mineral interests owned separately from surface interests. On the basis of the above findings, and for the purpose of requiring mineral interests owned separately from surface interests to contribute to the cost of government at a time when other interests in real property are heavily burdened with real property taxes, the legislature concludes that the taxation of severed mineral interests as provided in section ~~273.13~~ 273.165, subdivision 2a 1 is necessary and in the public interest, and provides fair taxation of a class of real property which has escaped taxation for many years. The legislature further concludes that such a tax is not prohibited by Minnesota Constitution, Article 10, Section 2. The legislature concludes finally that the amendments and repeals made by Laws 1973, Chapter 650 to sections 93.52 to 93.58, are necessary to provide adequate identification of mineral interests owned separately from the surface and to prevent the continued escape from taxation of obscure and fractionalized severed mineral interests.

Sec. 35. Minnesota Statutes 1984, section 272.04, subdivision 1, is amended to read:

Subdivision 1. When any mineral, gas, coal, oil, or other similar interests in real estate are owned separately and apart from and independently of the rights and interests owned in the surface of such real estate, such mineral, gas, coal, oil, or other similar interests may be assessed and taxed separately from such surface rights and interests in such real estate, including but not limited to the taxation provided in section ~~273.13~~ 273.165, subdivision 2a 1, and may be sold for taxes in the same manner and with the same effect as other interests in real estate are sold for taxes.

Sec. 36. Minnesota Statutes 1984, section 272.115, subdivision 4, is amended to read:

Subd. 4. Beginning with taxes payable in ~~1979~~ 1986, no real estate sold on or after January 1, 1978 for which a certificate of value is required pursuant to subdivision 1 shall receive the homestead credit provided under section

273.13, subdivisions 6 and 7; amount or the agricultural mill credit provided amount computed in section 124.2137 275.082; or the taconite homestead credit provided in sections 273.134 to 273.136, unless a certificate of value has been filed with the county auditor in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale of the property.

Sec. 37. Minnesota Statutes 1984, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, and 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. ~~An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment.~~ All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 38. Minnesota Statutes 1984, section 273.11, subdivision 8, is amended to read:

Subd. 8. [LIMITED EQUITY COOPERATIVE APARTMENTS.] For the purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

A "limited equity cooperative" is a corporation organized under Minnesota Statutes, chapter 308, which has as its primary purpose the provision of housing and related services to its members, who must be persons or families of low and moderate income as defined in section 462A.03, subdivision 10, at the time they purchase their membership, and which meets the following requirements:

- (a) The articles of incorporation set the sale price of occupancy entitling

cooperative shares or memberships at no more than a transfer value determined as provided in the articles. That value may not exceed the sum of the following:

(1) the consideration paid for the membership or shares by the first occupant of the unit, as shown in the records of the corporation;

(2) the fair market value, as shown in the records of the corporation, of any improvements to the real property that were installed at the sole expense of the member with the prior approval of the board of directors;

(3) accumulated interest, or an inflation allowance not to exceed the greater of a ten percent annual noncompounded increase on the consideration paid for the membership or share by the first occupant of the unit, or the amount that would have been paid on that consideration if interest had been paid on it at the rate of the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States Department of Labor, provided that the amount determined pursuant to this clause may not exceed \$500 for each year or fraction of a year the membership or share was owned; plus

(4) real property capital contributions shown in the records of the corporation to have been paid by the transferor member and previous holders of the same membership, or of separate memberships that had entitled occupancy to the unit of the member involved. These contributions include contributions to a corporate reserve account the use of which is restricted to real property improvements or acquisitions, contributions to the corporation which are used for real property improvements or acquisitions, and the amount of principal amortized by the corporation on its indebtedness due to the financing of real property acquisition or improvement or the averaging of principal paid by the corporation over the term of its real property-related indebtedness.

(b) The articles of incorporation require that the board of directors limit the purchase price of stock or membership interests for new member-occupants or resident shareholders to an amount which does not exceed the transfer value for the membership or stock as defined in clause (a).

(c) The articles of incorporation require that the total distribution out of capital to a member shall not exceed that transfer value.

(d) The articles of incorporation require that upon liquidation of the corporation any assets remaining after retirement of corporate debts and distribution to members will be conveyed to a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982 1984, or a public agency.

A "limited equity cooperative apartment" is a dwelling unit owned or leased by a limited equity cooperative. If the dwelling unit is leased by the cooperative the lease agreement must meet the conditions for a cooperative lease stated in Minnesota Statutes, section ~~273.133~~ 273.124, subdivision 3 5.

"Occupancy entitling cooperative share or membership" is the ownership interest in a cooperative organization which entitles the holder to an exclusive right to occupy a dwelling unit owned or leased by the cooperative.

For purposes of taxation, the assessor shall value a unit owned by a limited equity cooperative at the lesser of its market value or the value determined by

capitalizing the net operating income of a comparable apartment operated on a rental basis at the capitalization rate used in valuing comparable buildings that are not limited equity cooperatives. If a cooperative fails to operate in accordance with the provisions of clauses (a) to (d), the property shall be subject to additional property taxes in the amount of the difference between the taxes determined in accordance with this subdivision for the last ten years that the property had been assessed pursuant to this subdivision and the amount that would have been paid if the provisions of this subdivision had not applied to it. The additional taxes, plus interest at the rate specified in section 549.09, shall be extended against the property on the tax list for the current year.

Sec. 39. Minnesota Statutes 1984, section 273.1104, subdivision 1, is amended to read:

Subdivision 1. The term value as applied to iron ore in section ~~273.13~~ 273.165, subdivision 2 and in section ~~273.15~~ 273.13, subdivision 3, paragraph (b) shall be deemed to be three times the present value of future income notwithstanding the provisions of section 273.11. The present value of future income shall be determined by the commissioner of revenue in accordance with professionally recognized mineral valuation practice and procedure. Nothing contained herein shall be construed as requiring any change in the method of determining present value of iron ore utilized by the commissioner prior to the enactment hereof or as limiting any remedy presently available to the taxpayer in connection with the commissioner's determination of present value, or precluding the commissioner from making subsequent changes in the present worth formula.

Sec. 40. Minnesota Statutes 1984, 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~~ 273.1393, for the purpose of replacing revenue lost as a result of the exemption provided in section 272.02, subdivision 1, clause (15), and the credit provided in this section.

Sec. 41. Minnesota Statutes 1984, section 273.115, subdivision 7, is amended 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 amount provided by section ~~273.13, subdivisions 6 and 7~~ 275.082 and the taconite homestead credit provided by section 273.135.

Sec. 42. Minnesota Statutes 1984, section 273.116, subdivision 3, is amended to read:

Subd. 3. Payment shall be made according to the procedure provided in section ~~273.13, subdivision 15a~~ 273.1393, for the purpose of replacing revenue lost as a result of the exemption provided in section 272.02, subdivision 1, and the credit provided in this section.

Sec. 43. Minnesota Statutes 1984, section 273.116, subdivision 7, is amended 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 amount

provided by section ~~273.13, subdivisions 6 and 7~~ 275.082 and the taconite homestead credit provided by section 273.135.

Sec. 44. Minnesota Statutes 1984, section 273.118, is amended to read:

273.118 [TAX PAID IN RECOGNITION OF CONGRESSIONAL MEDAL OF HONOR.]

An owner of *homestead* property ~~classified under section 273.13, subdivision 6, 6a, 7, 7d, or 14a,~~ who submits to the commissioner of revenue his property tax statement and reasonable proof that the owner of the property:

- (a) is a veteran as defined in section 197.447;
- (b) was a resident of this state for at least six months before entering military service, or has been a resident of this state for five consecutive years before submitting the statement and proof; and
- (c) has been awarded the congressional medal of honor;

shall be paid by the commissioner of revenue, within 30 days after the commissioner receives the statement and proof, the amount of the owner's property tax liability as shown on the statement; up to \$2,000. The surviving spouse of a property owner who has received a payment under this section may receive payment of property taxes under this section as long as the spouse continues to own and occupy the property for which the taxes were paid under this section and the property continues to ~~have an eligible classification~~ *be a homestead*. Property taxes paid under this section reduce property taxes payable for purposes of chapter 290A, ~~the Property Tax Refund Act.~~

Sec. 45. Minnesota Statutes 1984, section 273.12, is amended to read:

273.12 [ASSESSMENT OF REAL PROPERTY.]

It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to every element and factor affecting the market value thereof, including its location with reference to roads and streets and the location of roads and streets thereon or over the same, and to take into consideration a reduction in the acreage of each tract or lot sufficient to cover the amount of land actually used for any improved public highway and the reduction in area of land caused thereby, provided, that in determining the market value of vacant land, the fact that such land is platted shall not be taken into account. ~~An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment.~~ It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to lands which are comparable in character, quality, and location, to the end that all lands similarly located and improved will be assessed upon a uniform basis and without discrimination and, for agricultural lands, to consider and give recognition to its earning potential as measured by its free market rental rate.

Sec. 46. Minnesota Statutes 1984, section 273.121, is amended to read:

273.121 [VALUATION OF REAL PROPERTY, NOTICE.]

Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be assessed or reclassified that year if the person's address is known to the assessor, otherwise the occupant of the property. In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor shall not deny ~~the 3b or 3c property classification~~ homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility. The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of review or equalization. It shall contain the amount of the valuation in terms of market value, the new classification, the assessor's office address, and the dates, places, and times set for the meetings of the local board of review or equalization and the county board of equalization. If the assessment roll is not complete, the notice shall be sent by ordinary mail at least ten days prior to the date on which the board of review has adjourned. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any such assessor who is not provided sufficient funds from his governing body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and if he is satisfied that the assessor does not have the necessary funds, issue his certification to the commissioner of finance of the amount necessary to provide such notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 47. Minnesota Statutes 1984, section 273.123, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section (a) "disaster or emergency" means

- (1) a major disaster as determined by the president of the United States;
- (2) a natural disaster as determined by the secretary of agriculture;
- (3) a disaster as determined by the administrator of the small business administration; or
- (4) a tornado, storm, flood, earthquake, landslide, explosion, fire or similar catastrophe, as a result of which a local emergency is declared pursuant to section 12.29.

(b) "disaster or emergency area" means an area

(1) in which the president of the United States, the secretary of agriculture, or the administrator of the small business administration has determined that a disaster exists pursuant to federal law or in which a local emergency has

been declared pursuant to section 12.29; and

(2) for which an application by the local unit of government requesting property tax relief under this section has been received by the governor and approved by the executive council.

(c) "homestead property" means homestead dwelling located on property classified pursuant to section 273.13, subdivision 6, 6a, 7, 7b, 7d, or 14a, including manufactured homes and sectional homes used as homesteads and taxed pursuant to section 273.13, subdivision 3, clause (b), (c), or (d) that is classified as class 1a, 1b, or 2a property.

Sec. 48. Minnesota Statutes 1984, section 273.123, subdivision 4, is amended to read:

Subd. 4. [STATE REIMBURSEMENT.] The county auditor shall calculate the tax on the property described in subdivision 2 based on the assessment made on January 1 of the year in which the disaster or emergency occurred. The difference between the tax determined on the January 1 assessed value and the tax actually payable based on the reassessed value determined under subdivision 2 shall be reimbursed to each taxing jurisdiction in which the damaged property is located. The amount shall be certified by the county auditor and reported to the commissioner of revenue. The commissioner shall make the payments to the taxing jurisdictions containing the property at the time distributions are made pursuant to section 273.13, subdivision 15a 273.1393, in the same proportion that the ad valorem tax is distributed.

Sec. 49. Minnesota Statutes 1984, section 273.123, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF CREDITS.] The amounts of any ~~homestead, agricultural, or similar~~ credits or tax relief which reduce the gross tax shall be computed upon the reassessed value determined under subdivision 2. For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed value determined under subdivision 2.

Sec. 50. [273.124] [HOMESTEAD DETERMINATION; SPECIAL RULES.]

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a homestead. Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for

future development. In order to receive homestead treatment for the non-contiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

Subd. 2. [TOWNHOUSES; COMMON AREAS; CONDOMINIUMS; COOPERATIVES.] (a) The total value of townhouse property, including the value added as provided in this paragraph, must have the benefit of homestead treatment or other special classification if the townhouse otherwise qualifies. The value of townhouse property must be increased by the value added by the right to use any common areas in connection with the townhouse development. The common areas of the development must not be separately taxed.

(b) Condominium property qualifying as a homestead under section 515A.1-105 and property owned by a cooperative association that qualifies as a homestead must have the benefit of homestead treatment or other special classification if the condominium or cooperative association property otherwise qualifies. If the condominium or cooperative association property is owned by the occupant and used for the purposes of a homestead but is located upon land which is leased, that leased land must be valued and assessed as if it were homestead property within class 1 if all of the following criteria are met:

(1) the occupant is using the property as his permanent residence;

(2) the occupant or the cooperative association is paying the ad valorem property taxes and any special assessments levied against the land and structure;

(3) the occupant or the cooperative association has signed a land lease; and

(4) the term of the land lease is at least 50 years, notwithstanding the fact that the amount of the rental payment may be renegotiated at shorter intervals.

Subd. 3. [COOPERATIVES AND CHARITABLE CORPORATIONS.] When one or more dwellings, or one or more buildings which each contain several dwelling units, are owned by a corporation or association organized under sections 308.05 to 308.18, and each person who owns a share or shares in the corporation or association is entitled to occupy a dwelling, or dwelling unit in the building, the corporation or association may claim homestead treatment for each dwelling, or for each unit in case of a building containing several dwelling units, for the dwelling or for the part of the value of the building occupied by a shareholder. Each dwelling or unit must be designated by legal description or number, and the assessed value of each dwelling that qualifies for assessment under this subdivision must include not more than one-half acre of land, if platted, nor more than 80 acres if unplatted. The assessed value of the building or buildings containing several dwelling units is the sum of the assessed values of each of the respective units comprising the building. To qualify for the treatment provided by this subdivision, the corporation or association must be wholly owned by persons having a right to occupy a dwelling or dwelling unit owned by the corpora-

tion or association. A charitable corporation organized under the laws of Minnesota and not otherwise exempt thereunder with no outstanding stock qualifies for homestead treatment with respect to member residents of the dwelling units who have purchased and hold residential participation warrants entitling them to occupy the units.

Subd. 4. [NONPROFIT CORPORATIONS.] When a building containing several dwelling units is owned by an entity organized under chapter 317 and operating as a nonprofit corporation which enters into membership agreements with persons under which they are entitled to life occupancy in a unit in the building, homestead classification must be given to each unit so occupied and the entire building must be assessed in the manner provided in subdivision 3 for cooperatives and charitable corporations.

Subd. 5. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317 or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment may be claimed for each dwelling unit occupied by a member of the cooperative. To qualify for the treatment provided by this subdivision, the following conditions must be met: (a) the cooperative association must be organized under sections 308.05 to 308.18; (b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years; (c) the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property when it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale; and (d) if a limited partnership owns the property, it must include as the managing general partner either the cooperative association or a nonprofit organization operating under the provisions of chapter 317. Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 1, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Subd. 6. [LEASED BUILDINGS OR LAND.] For purposes of class 1 determinations, homesteads include:

(a) buildings and appurtenances owned and used by the occupant as a permanent residence which are located upon land the title to which is vested in a person or entity other than the occupant;

(b) all buildings and appurtenances located upon land owned by the occupant and used for the purposes of a homestead together with the land upon which they are located, if all of the following criterial are met:

(1) the occupant is using the property as his permanent residence;

(2) the occupant is paying the property taxes and any special assessments levied against the property;

(3) the occupant has signed a lease which has an option to purchase the buildings and appurtenances; and

(4) the term of the lease is at least five years.

Any taxpayer meeting all the requirements of this paragraph must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, as soon as possible after signing the lease agreement and occupying the buildings as his homestead.

Subd. 7. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm is entitled to class 1 assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class 1 property, but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Subd. 8. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead on June 1 of a year, constitutes class 1 to the extent of one-half of the valuation that would have been includable in class 1.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Subd. 9. [REAL ESTATE PURCHASED FOR OCCUPANCY AS A

HOMESTEAD.] *Real estate purchased for occupancy as a homestead must be classified as class 1 if the purchaser is prevented from obtaining possession on January 2 next following the purchase by reason of federal or state rent control laws or regulations.*

Subd. 10. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1 or the value of the first tier of assessment percentages provided under section 273.13, subdivision 25, paragraph (a) is entitled to homestead treatment.

If the assessor has classified a property as both homestead and nonhomestead, the reductions in tax provided under sections 273.135 and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property.

Subd. 11. [HOMESTEAD OF MEMBER OF U.S. ARMED FORCES.] Real estate actually occupied and used for the purpose of a homestead by a member of the armed forces of the United States, or by a member of his immediate family shall, notwithstanding the absence of the person, while on active duty with the armed forces of the United States or his family under such conditions, be classified as a homestead provided that absence of the owner is solely by reason of service in the armed forces, and that he intends to return as soon as discharged or relieved from service, and claims it as his homestead. Every person who, for the purpose of obtaining or aiding another in obtaining any benefit under this subdivision, shall knowingly make or submit to any assessor any affidavit or other statement which is false in any material matter shall be guilty of a felony.

Sec. 51. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The homestead base value of class 1a property must be assessed at 18 percent of its market value. The homestead value of class 1a property that exceeds the homestead base value must be assessed at 30 percent of its value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and his or her spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude

motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of his or her total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability.

Property is classified and assessed pursuant to clause (1) only if the commissioner of human services certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. The commissioner of human services shall provide a copy of the certification to the commissioner of revenue.

Class 1b property is valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first \$32,000 of market value shall be valued and assessed at five percent, the next \$32,000 of market value shall be valued and assessed at 19 percent, and the remaining market value shall be valued and assessed at 30 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 19 percent rates. 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.

(c) Class 1c property is commercial use real property which abuts a lake-

shore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and includes a portion used as a homestead by the owner. It must be assessed at 12 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

Sec. 52. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land that is homesteaded, together with the house and garage. The homestead base value of an agricultural homestead is valued at 14 percent. The value of class 2a property that exceeds the homestead base value is assessed at 19 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

(b) Class 2b property is real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products. It is assessed at 19 percent of market value.

(c) Class 2c Property is real estate that is nonhomestead agricultural land. It is assessed at 19 percent of market value.

Agricultural land as used in this section 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.

The assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 53. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property is class 3a

that is assessed at 28 percent of the first \$60,000 of market value and 43 percent for the market value over \$60,000. In the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel may qualify for the 28 percent assessment. In the case of other commercial or industrial property owned by one person or entity, only one parcel in each county may qualify for the 28 percent assessment.

(b) Employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 3b and shall be valued and assessed at 20 percent of the first \$60,000 of market value and 21.5 percent of the remainder, except that for employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), the first \$60,000 of market value shall be valued and assessed at 28 percent and the remainder shall be assessed and valued at 38.5 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 273.1314, subdivision 9, paragraph (a).

Sec. 54. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 25. [CLASS 4.] The following property is assessed at 33-1/3 percent of market value:

Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more.

Class 4b is tools, implements, and machinery 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, which are fixtures.

Sec. 55. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 26. [CLASS 5.] The following property is assessed at 28 percent of market value:

(a) Residential real estate containing less than four units, other than seasonal residential, recreational, and homesteads, is class 5a.

(b) Structures of five stories or more and constructed with materials meeting the requirements for type I or II construction as defined in the state building code, if at least 90 percent of the structure is used or to be used as apartment housing, is class 5b. The 28 percent assessment ratio applies to these structures for a period of 40 years from the date of completion of original construction, or the date of initial though partial use, whichever is earlier.

Sec. 56. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 27. [CLASS 6.] Except as provided in subdivision 22, real property devoted to temporary and seasonal residential occupancy for recreation purposes is class 6. It is assessed at 21 percent on the first \$64,000 of market value, and 30 percent on the market value in excess of \$64,000.

Sec. 57. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 28. [CLASS 7.] (a) Class 7a is a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or regulations promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. Class 7a property must, for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan, be assessed at 21 percent of the market value.

(b) Class 7b is a structure which is

(1) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended, and

(2) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Class 7b property must, for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter, be assessed at 21 percent of its market value.

(c) Class 7c is any structure

(1) 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;

(2) located in a municipality of less than 10,000 population; and

(3) financed by a direct loan or insured loan from the farmers home administration;

Class 7c property must be assessed at five percent of its market value for 15 years from the date of the completion of the original construction or for the original term of the loan except that if (1) construction of the structure had been commenced after December 31, 1983; and (2) the project had been approved by the governing body of the municipality in which it is located after June 30, 1983; and (3) financing of the project had been approved by a federal or state agency after June 30, 1983, it must be assessed at 21 percent.

The 21 percent and five percent assessment ratios apply to the properties described in paragraphs (a), (b), and (c) only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure

had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983.

For all properties described in paragraphs (a), (b), and (c), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents.

The provisions of paragraphs (a) and (c) apply only to nonprofit and limited dividend entities.

(d) Class 7d property is a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families. Class 7d land and improvements, if any, shall be assessed at 21 percent of the market value. This paragraph shall not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this paragraph, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area as determined by the U.S. Secretary of Housing and Urban Development. For purposes of this paragraph, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (1) it is a nonprofit corporation organized under chapter 317; (2) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (3) it limits membership with voting rights to residents of the designated community; and (4) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust.

(e) Class 7e property is real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment. Class 7e property and the remainder of class 1 resorts is assessed at 21 percent.

Sec. 58. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 29. [CLASS 8.] Distribution lines, and the attachments and appurtenances to them, used primarily for supplying electricity to farmers at retail, as described in section 273.37 is class 8 and is assessed at five percent of market value.

Sec. 59. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 30. [CLASS 9.] (a) Iron ore, whether mined or unmined, is class 9a and is assessed at 50 percent of market value.

(b) Class 9b consists of all low-grade iron-bearing formations as defined in section 273.14. Class 9b shall be assessed at the following percentages of its value: If the tonnage recovery is less than 50 percent and not less than 49

percent, the assessed value shall be 48-1/2 percent of the value; if the tonnage recovery is less than 49 percent and not less than 48 percent, the assessed value shall be 47 percent of the value; and for each subsequent reduction of one percent in tonnage recovery, the percentage of assessed value to value shall be reduced an additional 1-1/2 percent of the value, but the assessed value shall never be less than 30 percent of the value. The land, exclusive of the formations, shall be assessed as otherwise provided by law. The commissioner of revenue may estimate the reasonable market value of the iron ore on any parcel of land which at the assessment date is considered uneconomic to mine.

Sec. 60. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 31. [CLASS 10.] All property not included in any other class is class 10 property and is assessed at 43 percent of market value.

Sec. 61. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 32. [VACANT LAND.] Real property which is not improved with a structure and which is not used as part of a commercial or industrial activity shall be classified according to its highest and best use.

Sec. 62. Minnesota Statutes 1984, section 273.1311, is amended to read:

273.1311 [FLEXIBLE HOMESTEAD BRACKETS.]

~~The maximum amount of the market value of the homestead brackets shall be adjusted as provided in this section. For taxes payable in 1986, the homestead base value is the first \$64,000 of market value.~~

For taxes payable in 1985 1987 and subsequent years, the commissioner shall adjust the ~~brackets~~ homestead base value used in the preceding assessment by the estimated percentage increase in the statewide average assessors' estimated market value, as equalized by the state board of equalization, of a residential home for the current assessment over the previous assessment. The revised ~~bracket~~ amount shall be rounded to the nearest \$500. The commissioner of revenue shall determine and announce the revised ~~bracket~~ homestead base value on December 15 of each year preceding the assessment date.

Sec. 63. Minnesota Statutes 1984, section 273.1313, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

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

(c) "Employment property" means taxable property, excluding land but including buildings, structures, fixtures, and improvements that satisfy each of the following conditions:

(1) The property is located within an enterprise zone designated according to section 273.1312.

(2) The property is commercial or industrial property which is not used in a trade or business which either is described in section 103(b)(6)(O) of the

Internal Revenue Code of 1954, as amended through ~~January 15, 1983~~ *December 31, 1984*, or is property of a public utility.

(d) "Market value" of a parcel of employment property means the value of the taxable property as annually determined pursuant to section 273.12, less (i) the market value of all property existing at the time of application for classification, as last assessed prior to the time of application, and (ii) any increase in the market value of the property referred to in clause (i) as assessed in each year after the employment property is first placed in service. In each year, any change in the values of the employment property and the other property on the land shall be deemed to be proportionate unless caused by a capital improvement or loss.

(e) "Municipality" means any home rule charter or statutory city or county, but a county may not exercise the powers granted in this section with reference to property situated within a city.

(f) Notwithstanding the provisions of paragraphs (c) and (d) "employment property" and "market value" includes in the case of taxable real property located in an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the entire value of the commercial and industrial property, including land, used in a trade or business which is not used in a trade or business which either is described in section 103(b)(0)(ii) of the Internal Revenue Code of 1954, as amended through ~~January 15, 1983~~ *December 31, 1984*, or is the property of a public utility. The provisions of this paragraph shall not apply to employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), that is assessed pursuant to the first clause of the first sentence of section 273.13, subdivision 9 24, paragraph (4) (b).

Sec. 64. Minnesota Statutes 1984, section 273.1313, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (a) The governing body of any municipality which contains a designated enterprise zone as provided by section 273.1312 shall by resolution establish a program for classification of new property or improvements to existing property as employment property pursuant to the provisions of this section. Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner, with additions as may be prescribed by the municipal governing body. The application shall contain, where appropriate, a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, the probable time schedule for undertaking any construction or improvement, and information regarding the matters referred to in paragraph (d); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and if the property is to be improved or expanded, an estimate of the probable cost of the new construction or improvement and the market value of the new or improved facility (excluding land) when completed.

(b) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the

property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph (d), and the clerk or auditor shall transmit it to the commissioner.

(c) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disapproved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the application within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.

(d) In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (1), an application shall not be approved unless the governing body finds and determines that the construction or improvement of the facility:

(1) Is reasonably likely to create new employment or prevent a loss of employment in the municipality;

(2) Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;

(3) Is not likely to cause the total market value of employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and

(4) Will not result in the reduction of the assessed value of existing property within the municipality owned by the applicant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within a reasonable time in a manner sufficient to restore the assessed valuation.

(e) In the case of enterprise zones qualifying pursuant to section 273.1312,

subdivision 4, paragraph (c), clause (3), an application for assessment as employment property under section 273.13, subdivision 9 24, *paragraph (b)*, or for a tax reduction pursuant to section 273.1314, subdivision 9, may not be approved unless the governing body finds and determines that the construction or improvement of the facility is not likely to have the effect of transferring existing employment from one or more other municipalities within the state.

Sec. 65. Minnesota Statutes 1984, section 273.1313, subdivision 3, is amended to read:

Subd. 3. [CLASSIFICATION.] Property shall be classified as employment property and assessed as provided for class 4d property in section 273.13, subdivision 9 24, *paragraph (4) (b)*, for taxes levied in the year in which the classification is approved and for the four succeeding years after the approval. If the classification is revoked, the revocation is effective for taxes levied in the next year after revocation.

Sec. 66. Minnesota Statutes 1984, section 273.1315, is amended to read:

273.1315 [CERTIFICATION OF ~~3EE~~ 1B PROPERTY.]

Any property owner seeking classification and assessment of his homestead as class ~~3ee~~ 1b property pursuant to section 273.13, subdivision 7, *clause (b) or (c) 22, paragraph (b), clause (2) or (3)*, shall file with the commissioner of revenue for each assessment year a ~~3ee~~ 1b homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that the property owner or his spouse satisfies the requirements of section 273.13, subdivision 7 22, for ~~3ee~~ 1b classification;

(b) the property owner's household income, as defined in section 290A.03, for the previous calendar year; and

(c) any additional information prescribed by the commissioner.

The declaration shall be filed on or before March 1 of each year to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to section 290A.17.

The commissioner shall provide to the assessor on or before April 1 a listing of the parcels of property qualifying for ~~3ee~~ 1b classification.

Sec. 67. Minnesota Statutes 1984, section 273.135, subdivision 1, is amended to read:

Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area on ~~class 3b property, on class 3e property, and on class 3ee homestead~~ 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.

Sec. 68. Minnesota Statutes 1984, 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 net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c).

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c).

(c) (1) The maximum reduction of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under *section 275.082 attributable to Minnesota Statutes 1984*, section 273.13, subdivision 6, 7, or 14a, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to *section 275.082 attributable to Minnesota Statutes 1984*, section 273.13, subdivision 7, rounded to the nearest whole dollar, and "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in *Minnesota Statutes 1984*, section 273.13, subdivision 7.

Sec. 69. Minnesota Statutes 1984, section 273.135, subdivision 5, is amended to read:

Subd. 5. For the purposes of this section, the amount of property tax to be paid shall be determined after the allowance of any reduction prescribed by section 275.082 *attributable to Minnesota Statutes 1984*, section 273.13, and the reduction prescribed by this section shall be in addition to that prescribed by section ~~273.13~~ 275.082.

Sec. 70. Minnesota Statutes 1984, section 273.1391, subdivision 1, is amended to read:

273.1391 [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, on

class ~~3e~~ property, and on class ~~3e~~ homestead 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.

Sec. 71. Minnesota Statutes 1984, section 273.1391, 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 a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c). The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the maximums specified in clause (c).

(c) (1) The maximum reduction of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under *section 275.082 attributable to Minnesota Statutes 1984*, section 273.13, subdivision 6, 7, or 14a, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to *section 275.082 attributable to Minnesota Statutes 1984*, section 273.13, subdivision 7, rounded to the nearest whole dollar, and "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in *Minnesota Statutes 1984*, section 273.13, subdivision 7.

Sec. 72. Minnesota Statutes 1984, section 273.1391, subdivision 4, is amended to read:

Subd. 4. For the purposes of this section, the amount of property tax to be paid shall be determined after the allowance of any reduction prescribed by section 275.082, *attributable to Minnesota Statutes 1984, section 273.13*, and the reduction prescribed by this section shall be in addition to that prescribed by section ~~273.13~~ 275.082.

Sec. 73. Minnesota Statutes 1984, section 273.1392, is amended to read:

273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

The amounts of homestead credit *replacement aid paid* under section ~~273.13~~, ~~subdivisions 6, 7, and 14a~~ 273.1393; *agricultural credit replacement aid paid* under section 273.1394; wetlands credit and reimbursement under section 273.115; native prairie credit and reimbursement under section 273.116; disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; ~~reimbursement under section 273.139~~; and metropolitan agricultural preserve reduction under section 473H.10, shall be certified to the department of education by the department of revenue. *Homestead credit replacement aid and agricultural credit replacement aid shall be certified to the department of education at the time provided by section 477A.014, subdivision 1, for certification of local government aid. The department of education shall then certify by September 1 to the local school districts their levy limits pursuant to chapter 124A and section 275.012 after deduction of the homestead credit replacement aid and agricultural credit replacement aid. The amounts so certified shall be paid according to the schedule for payment of foundation aids pursuant to section 124.11 for fiscal year 1983. Beginning in fiscal year 1984,* The amounts so certified shall be paid according to section 124.195, subdivisions 6 and 10.

Sec. 74. [273.1393] [HOMESTEAD CREDIT REPLACEMENT AID.]

Subdivision 1. [PAYMENT.] There shall be paid to each taxing jurisdiction in 1986 and subsequent years a homestead credit replacement aid, determined as provided in this section.

Subd. 2. [COMPUTATION.] The aid will be the sum of

(1) the amount of homestead credit reimbursement paid to the taxing jurisdiction in 1985 pursuant to Minnesota Statutes 1984, section 273.13, subdivision 15a, on agricultural homesteads;

(2) for aid paid in 1986 only, the additional amount of homestead credit reimbursement that would have been paid to the taxing jurisdiction in 1985 pursuant to Minnesota Statutes 1984, section 273.13, subdivision 15a, if there had been no \$650 maximum on homestead credits paid on nonagricultural homesteads;

(3) the taxing jurisdiction's nonfarm homestead increase share. That share is determined by multiplying the amount determined in clause (2) by a fraction, the numerator of which is the ratio of the estimated assessed value of the total homestead base value of nonagricultural homesteads in the taxing jurisdiction for the current assessment year to the estimated total assessed value of all property within the taxing jurisdiction for the current assessment year, and the denominator of which is the ratio of the estimated assessed value of the total homestead base value of nonagricultural homesteads in the taxing jurisdiction for the previous assessment year to the estimated total

assessed value of all property within the taxing jurisdiction for the previous assessment year. The resultant fraction shall be adjusted for the percentage change in the total homestead base value from the previous assessment year to the current assessment year. The county auditor shall certify the estimated assessed value of the total homestead base value, of nonagricultural homesteads and the estimated assessed value of all property in the taxing jurisdiction as of July 15 to the commissioner of revenue; plus

(4) for distributions made in 1986 and thereafter, the amounts determined under clauses (1), (2), and (3) for counties that are attributable to current year levy for general assistance, medical assistance and general assistance medical care shall be adjusted for estimated change in these levy amounts. The commissioners of health and human services shall certify these amounts for counties to the commissioner of revenue on August 15. For school districts, the amounts determined under clauses (1), (2), and (3) that are attributable to current year levies certified pursuant to sections 124A.03, subdivisions 1 and 3, 124A.06, 124A.08, 124A.10, 124A.12, 124A.14, and 275.125, subdivisions 5, 5b, and 5c shall be adjusted for estimated change in these levy amounts. The commissioner of education shall certify these amounts for school districts to the commissioner of revenue on August 15. All remaining amounts determined under clauses (1), (2), and (3) shall be increased by a percentage equal to the implicit price deflator increase as determined in section 477A.011, subdivision 6.

Subd. 3. [PAYMENT.] The commissioner shall certify and pay the homestead credit certification and replacement aid at the times provided in section 273.1392 for certification and payments to school districts and at the times provided in sections 477A.014 and 477A.015 for certification and payment of local government aid to other taxing jurisdictions. Aids to school districts must be certified to the commissioner of education. Payment shall not be made to any special taxing jurisdiction that has ceased to levy a property tax.

Subd. 4. [APPROPRIATION.] An amount sufficient to make the payments required in this section is annually appropriated from the general fund to the commissioner of revenue.

Sec. 75. [273.1394] [AGRICULTURAL CREDIT REPLACEMENT AID.]

Subdivision 1. [PAYMENT.] There shall be paid to each taxing jurisdiction in 1986 and subsequent years an agricultural credit replacement aid determined as provided in this section.

Subd. 2. [COMPUTATION.] The aid will be the sum of

(1) the amount of aid that would have been paid to a taxing jurisdiction in 1985 pursuant to Minnesota Statutes 1984, section 124.2137, if the aid paid to school districts under that provision had been distributed among all taxing jurisdictions containing property with respect to which the credit had been paid in proportion to the mill rates of each such taxing jurisdiction applied to the properties receiving the credit; and as if the amount of agricultural credit paid pursuant to Minnesota Statutes 1984, section 124.2137, had been paid as if the percentages utilized had been changed as follows: 33 percent to 35 percent, 15 percent to 23 percent, and 10 percent to 23 percent, provided

that for noncommercial seasonal recreational residential property the 15 percent factor shall be used, plus

(2) the taxing jurisdiction's agricultural increase share. For purposes of this section, agricultural values shall include timberlands. That share is determined by multiplying the amount determined in clause (1) by a fraction, the numerator of which is the ratio of the estimated assessed value of property qualifying for the agricultural credit under Minnesota Statutes 1984, section 124.2137, in the taxing jurisdiction for the current assessment year to the estimated total assessed value of all property within the taxing jurisdiction for the current assessment year, and the denominator of which is the ratio of the estimated assessed value of property qualifying for the agricultural credit under Minnesota Statutes 1984, section 124.2137, in the taxing jurisdiction for the previous assessment year to the estimated total assessed value of all property within the taxing jurisdiction for the previous assessment year. The county auditor shall certify the estimated assessed value of property qualifying for the agricultural credit under Minnesota Statutes 1984, section 124.2137, and the estimated assessed value of all property in the taxing jurisdiction as of July 15 to the commissioner of revenue; plus

(3) for distributions made in 1986 and thereafter, the amounts determined under clauses (1) and (2) for counties that are attributable to current year levy for general assistance, medical assistance and general assistance medical care shall be adjusted for estimated change in these levy amounts. The commissioner of health and human services shall certify these amounts for counties to the commissioner of revenue on August 15. For school districts, the amounts determined under clauses (1) and (2) that are attributable to current year levies certified pursuant to sections 124A.03, subdivisions 1 and 3, 124A.06, 124A.08, 124A.10, 124A.12, 124A.14, and 275.125, subdivisions 5, 5b, and 5c shall be adjusted for estimated change in these levy amounts. The commissioner of education shall certify these amounts for school districts to the commissioner of revenue on August 15. All remaining amounts determined under clauses (1) and (2) shall be increased by a percentage equal to the implicit price deflator increase as determined in section 477A.011, subdivision 6.

Subd. 3. [CERTIFICATION AND PAYMENT.] The commissioner shall certify and pay the agricultural credit replacement aid at the times provided in section 273.1392 for certification and payments to school districts and at the times provided in sections 477A.014 and 477A.015 for certification and payment of local government aid to other taxing jurisdictions. Aids to school districts must be certified to the commissioner of education. Payment shall not be made to any special taxing district that has ceased to levy a property tax.

Subd. 4. [APPROPRIATION.] An amount sufficient to make the payments required in this section is annually appropriated from the general fund to the commissioner of revenue.

Sec. 76. [273.165] [TAXATION OF SEPARATE MINERAL INTERESTS AND UNMINED IRON ORE.]

Subdivision 1. [MINERAL INTEREST.] "Mineral interest," for the purpose of this subdivision, means an interest in any minerals, including but not limited to gas, coal, oil, or other similar interest in real estate, which is

owned separately and apart from the fee title to the surface of such real property. Mineral interests which are filed for record in the offices of either the county recorder or registrar of titles, whether or not filed pursuant to sections 93.52 to 93.58, are taxed as provided in this subdivision unless specifically excluded by this subdivision. A tax of 25 cents per acre or portion of an acre of mineral interest is imposed and is payable annually. If an interest is a fractional undivided interest in an area, the tax due on the interest per acre or portion of an acre is equal to the product obtained by multiplying the fractional interest times 25 cents, computed to the nearest cent. However, the minimum annual tax on any mineral interest is \$2. No such tax on mineral interests is imposed on the following: (1) mineral interests valued and taxed under other laws relating to the taxation of minerals, gas, coal, oil, or other similar interests; or (2) mineral interests which are exempt from taxation pursuant to constitutional or related statutory provisions. Taxes received under this subdivision must be apportioned to the taxing districts included in the area taxed, in the same proportion as the surface interest mill rate of a taxing district bears to the total mill rate applicable to surface interests in the area taxed. The tax imposed by this subdivision is not included within any limitations as to rate or amount of taxes which may be imposed in an area to which the tax imposed by this subdivision applies. The tax imposed by this subdivision does not cause the amount of other taxes levied or to be levied in the area, which are subject to any such limitation, to be reduced in any amount. Twenty percent of the revenues received from the tax imposed by this subdivision must be distributed under the provisions of section 116J.64.

Subd. 2. [IRON ORE.] Unmined iron ore included in class 9 must be assessed with and as a part of the real estate in which it is located, but at the rate established in section 273.13, subdivision 30. Iron ore which either (a) is mined by underground methods and either placed in stockpile or concentrated and placed in stockpile or (b) is mined by open-pit methods and, in accordance with good engineering and metallurgical practice, requires concentration other than crushing or screening or both to make it suitable for commercial blast furnace use, and is either placed in stockpile for the purpose of concentration in the course of a concentration operation, or is concentrated and placed in stockpile, for three taxable years after being mined only, must be listed and assessed in the taxing district where mined at the same amount per ton as it would be assessed if still unmined, except that if the ore contains phosphorous in excess of 180 percent or is classified in the trade as manganiferous ore, then irrespective of whether it requires concentration or has been concentrated it must be so listed and assessed as if it were unmined or for five taxable years after being mined only, and thereafter the ore in stockpiles must be valued and assessed as mined iron ore, as otherwise provided by law. The real estate in which iron ore is located, other than the ore, must be classified and assessed in accordance with the provisions of the appropriate classes. In assessing any tract or lot of real estate in which iron ore is known to exist, the assessable value of the ore exclusive of the land in which it is located, and the assessable value of the land exclusive of the ore must be determined and set down separately and the aggregate of the two must be assessed against the tract or lot.

Sec. 77. Minnesota Statutes 1984, section 273.38, is amended to read:

273.38 [PERCENTAGE OF ASSESSMENTS; EXCEPTIONS.]

The commissioner of revenue shall assess at five percent of market value distribution lines, and the attachments and appurtenances thereto, used primarily for supplying electricity to farmers at retail, and which shall be taxed at the average rate of taxes levied for all purposes throughout the county, and which shall be entered, certified and credited as provided in section 273.42. It is further provided that the distribution lines and the attachments and appurtenances thereto of cooperative associations organized under the provisions of Laws 1923, Chapter 326, and laws amendatory thereof and supplemental thereto, and engaged in the electrical heat, light and power business, upon a mutual, non-profit and cooperative plan, shall be assessed and taxed as provided in sections 273.40 and 273.41.

Sec. 78. Minnesota Statutes 1984, section 273.42, subdivision 2, is amended to read:

Subd. 2. Owners of land defined as class ~~3, 3b, 3e, 3ee, 3d or 3f~~ *1a, 1b, 2a, 2c, 4a, or 5a*, pursuant to section 273.13 listed on records of the county auditor or county treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, except a high voltage transmission line the construction of which was commenced prior to July 1, 1974, shall receive a property tax credit in an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the city or township 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 section 273.36. In the case of property owners in unorganized townships, the property tax credit shall be determined by multiplying a fraction, the numerator of which is the length of the qualifying high voltage transmission line which runs over the parcel and the denominator of which is the total length of the qualifying high voltage transmission line running over all property within all the unorganized townships within the county, by the total utility property tax credit fund amount available within the county for that year pursuant to section 273.42, subdivision 1. Where a right-of-way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width 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 property containing the right of way is included in a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is the sum of the number of acres in each quarter-quarter section or portion thereof which contains a right of way and the denominator of which is the total number of acres in the parcel set forth on the tax statement, and the maximum credit shall be 20 percent of the product of that computation, prior to deduction of those credits. The auditor of the county in which the affected parcel is located shall calculate the amount of the credit due for each parcel and transmit that information to the county treasurer. The county auditor, in computing the ~~credits~~ *credit* received pursuant to ~~sections 273.13 and section 273.135 and the credit amount computed pursuant to section 275.082~~, shall reduce the gross tax by the amount of the credit received pursuant to this section, unless the amount of the credit would be less than \$10.

If, after the county auditor has computed the credit to those qualifying

property owners in unorganized townships, there is money remaining in the utility property tax credit fund, then that excess amount in the fund shall be returned to the general school fund of the county.

Sec. 79. Minnesota Statutes 1984, section 274.19, subdivision 1, is amended to read:

Subdivision 1. Each manufactured home ~~constituting class 2a property~~ shall be valued each year by the assessor and be assessed with reference to its value on January 2 of that year. Notice of the value shall be mailed to the person to be assessed at least ten days before the meeting of the local board of review or equalization. The notice shall contain the amount of valuation in terms of market value, the assessor's office address, and the date, place, and time set for the meeting of the local board of review or equalization and the county board of equalization.

Sec. 80. Minnesota Statutes 1984, section 274.19, subdivision 2, is amended to read:

Subd. 2. On or before May 1, the assessor shall return to the county auditor his assessment books relating to the assessment of ~~class 2a property manufactured homes~~. After receiving the assessment books, the county auditor shall determine the tax to be due by applying the rate of levy of the preceding year and shall transmit a list of the taxes to the county treasurer not later than May 30.

Sec. 81. Minnesota Statutes 1984, section 274.19, subdivision 3, is amended to read:

Subd. 3. Not later than July 15 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on ~~class 2a property a manufactured home~~. The taxes shall be due on the last day of August. Taxes remaining unpaid after the due date shall be deemed delinquent, and a penalty of eight percent shall be assessed and collected as part of the unpaid taxes. On September 30 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the clerk of district court, who shall issue warrants to the sheriff for collection.

Sec. 82. Minnesota Statutes 1984, section 274.19, subdivision 4, is amended to read:

Subd. 4. Any person who claims that his ~~class 2a property manufactured home~~ has been unfairly or unequally assessed, or that such property has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense or objection determined by the district court of the county in which the tax is levied or by the tax court by filing a petition for such determination, in the office of the clerk of the district court on or before the first day of September of the year in which such tax becomes payable. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 83. Minnesota Statutes 1984, section 274.19, subdivision 6, is amended to read:

Subd. 6. If the local board of review or equalization or the county board of

equalization change the assessor's valuation of ~~class 2a property~~ *a manufactured home*, the change shall be transmitted to the county auditor, who shall immediately recompute the tax and advise the treasurer of the corrected tax. If the property is entitled to homestead classification and tax credit pursuant to ~~section 273.13, subdivision 16~~, the auditor shall also take appropriate action to reflect the reduction in tax.

Sec. 84. Minnesota Statutes 1984, section 274.19, subdivision 7, is amended to read:

Subd. 7. The tax assessed on ~~class 2a property~~ *manufactured homes* shall be deemed to be a personal property tax and laws relating to assessment, review, and collection of personal property taxes shall be applicable to this tax, if not inconsistent with provisions in ~~Laws 1975, Chapter 376~~ *this section*.

Sec. 85. Minnesota Statutes 1984, section 274.19, is amended by adding a subdivision to read:

Subd. 8. [MANUFACTURED HOMES; SECTIONAL STRUCTURES.]

(a) *For purposes of this section, a "manufactured home" means a structure transportable in one or more sections, which is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and contains the plumbing, heating, air-conditioning, and electrical systems therein, including any accessory structure which is an addition or supplement to the manufactured home and, when installed, becomes a part of the manufactured home.*

(b) *A manufactured home which meets each of the following criteria must be valued and assessed as an improvement to real property, the appropriate real property classification shall apply and the valuation is subject to review and the taxes payable in the manner provided for real property:*

(i) *the owner of the unit holds title to the land upon which it is situated;*

(ii) *the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured home building code contained in sections 327.31 to 327.34, and the rules adopted thereto, or is affixed to the land in a manner comparable to other real property in the taxing district; and*

(iii) *the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.*

(c) *A manufactured home which meets each of the following criteria must be assessed at the rate provided by the appropriate real property classification but must be classified as a manufactured home, and the valuation is subject to review and the taxes payable thereon in the manner provided in this section:*

(i) *the owner of the unit is a lessee of the land pursuant to the terms of a lease;*

(ii) *the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured homes building code contained in sections 327.31 to 327.34, and the rules adopted thereto, or is*

affixed to the land in a manner comparable to other real property in the taxing district; and

(iii) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(d) Sectional structures must be valued and assessed as an improvement to real property if the owner of the structure holds title to the land upon which it is located or is a qualifying lessee of the land under the provisions of section 273.19. For purposes of this paragraph "sectional structure" means a building or structural unit which has been in whole or substantial part manufactured or constructed at an off site location to be wholly or partially assembled on site alone or with other units and attached to a permanent foundation.

(e) The commissioner of revenue may adopt rules pursuant to the administrative procedure act for the purpose of establishing additional criteria for the classification of manufactured homes and sectional structures under this subdivision.

Sec. 86. Minnesota Statutes 1984, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, and towns, and school districts shall be certified by the proper authorities to the county auditor on or before October tenth in each year. *The taxes of a school district must be certified to the commissioner of education by October tenth in each year. The commissioner of education will certify the net levy of the school districts, after adjustment for the homestead credit replacement aid paid pursuant to section 74 and the agricultural credit replacement aid paid pursuant to section 75, to the county auditor by October 30.* If a city, town, county, school district or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue, or the commissioner of education in the case of a school district, before October tenth of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy.

Sec. 87. [275.081] [FARM AND HOMESTEAD VALUE EXEMPTION.]

Subdivision 1. [PROCEDURE.] After certification of assessed valuations pursuant to section 274.04 and adjustments pursuant to sections 270.13, 274.01, 274.08, 274.09, 274.12, 274.16, and 274.17, the county auditor shall reduce the assessed value of each farm and homestead according to this section.

Subd. 2. [NONAGRICULTURAL HOMESTEADS.] The assessed value of a nonagricultural homestead is reduced by 54 percent of the assessed value attributable to the homestead base value determined under subdivision 5.

Subd. 3. [AGRICULTURAL HOMESTEADS.] The assessed value of the homestead dwelling, and the first 320 acres is reduced by (1) 35 percent of

the assessed value of the first 320 acres less the value of the homestead dwelling, garage, and one acre on which the dwelling is situated, plus (2) the lesser of (i) 54 percent of the remaining assessed value of the first 320 acres including the value of the dwelling or (ii) \$9,200. The assessed value of the property in excess of 320 acres is reduced by 23 percent of its assessed value.

Subd. 4. [NONHOMESTEAD FARMS.] The assessed value of a non-homestead farm is reduced by 23 percent of the assessed value, excluding the value of any dwelling, garage, and one acre surrounding it. For purposes of this section, nonhomestead farms shall include timberlands.

Subd. 5. [SEASONAL RESIDENTIAL RECREATIONAL PROPERTY.] The assessed value of seasonal residential recreational property is reduced by 15 percent of the first \$32,500 of assessed value.

Subd. 6. [HOMESTEAD EXEMPTION BASE VALUE.] For purposes of this section, for taxes levied in 1985, the homestead exemption base value is \$68,000. For taxes levied in 1986 and subsequent years, the commissioner of revenue shall adjust the homestead exemption base value used for the preceding year by the estimated percentage increase in the statewide average assessors' estimated market value, as equalized by the state board of equalization, of a residential home for the current assessment over the previous assessment. The revised homestead exemption base value shall be rounded to the nearest \$500. The commissioner shall determine and announce the revised homestead base value on December 15 of each year preceding the assessment date.

Sec. 88. [275.082] [COMPUTATION OF TAX ON PARCELS.]

After the mill rate has been computed for a taxing jurisdiction, based on the reduced assessed value of homestead property determined under section 87, the tax on each homestead parcel shall be computed on the assessed value of the property determined under section 273.13, and without regard to any exemption provided in section 87. The tax so computed on the parcel shall be decreased by (1) the amount of credit that would have been paid on that parcel pursuant to Minnesota Statutes 1984, section 273.13, subdivision 6 or 7, provided that the credit amount shall be computed with respect to a nonagricultural homestead without regard to the \$650 maximum, and with respect to an agricultural homestead as if the \$650 maximum were replaced with a maximum equal to \$9,200 multiplied by the local mill rate; and (2) the amount of credit that would have been paid on that parcel pursuant to Minnesota Statutes 1984, section 124.2137, provided that the credit amount shall be computed as if the maximum assessed value subject to the credit was \$400,000.

Sec. 89. Minnesota Statutes 1984, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1983 payable in 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action

when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness or 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; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(g) fund the payments made to the Minnesota state armory building com-

mission 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 manufactured 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~~ 274.19, subdivision 3 8, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to *Minnesota Statutes 1969*, section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development

as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation;

(t) pay the costs of implementing section 18.023, including sanitation and reforestation; and

(u) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey.

Sec. 90. Minnesota Statutes 1984, section 275.51, subdivision 3i, is

amended to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by (a) the total amount of local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014; (b) taconite aids pursuant to sections 298.28 and 298.282 including any aid received in the levy year which was required to be placed in a special fund for expenditure in the next succeeding year; (c) state reimbursements for wetlands and native prairie property tax exemptions pursuant to sections 273.115, subdivision 3 and 273.116, subdivision 3; ~~and~~ (d) payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction certified to be paid in the calendar year in which property taxes are payable; (e) *homestead credit replacement aid paid under section 273.1393*; and (f) *agricultural credit aid paid under section 273.1393*. If the sum of the taconite aids deducted exceeds the adjusted levy limit base, the excess must be used to reduce the amounts levied as special levies pursuant to section 275.50, subdivisions 5 and 7. The commissioner of revenue shall notify a governmental subdivision of any excess taconite aids to be used to reduce special levies.

As provided in section 298.28, subdivision 1, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 91. Minnesota Statutes 1984, 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 from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in bold face print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT." The property tax statements for ~~class 2a~~ *manufactured homes and sectional structures taxed as personal 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~~ *manufactured homes and sectional structures taxed as personal 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. The taxpayer is defined as the owner who is responsible for the payment of the tax. 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 show the amount attributable to *the decrease in tax under Minnesota Statutes 1984, section 124.2137 as "state paid agricultural credit" amount* and the amount attributable to *Minnesota Statutes 1984, section 273.13, subdivisions 6 and 7 as "state paid homestead credit amount."* ~~The statement shall show the reduction attributable to the aid given pursuant to section 273.139 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. Failure to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.

Sec. 92. Minnesota Statutes 1984, section 278.01, subdivision 2, is amended to read:

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions ~~6, 6a, 7, 7b, 10 or 12~~ *22 or 23*, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court before the 16th day of May of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 93. Minnesota Statutes 1984, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section

273.13, subdivisions ~~6, 6a, 7, 7b, 10 or 12~~ 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 94. Minnesota Statutes 1984, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class ~~3 or 3a 1c, 2c, or 7e,~~ and on other commercial use real property classified as class ~~4e 3a,~~ provided that over 60 percent of the gross income earned by the enterprise on the class ~~4e 3a~~ property is earned during the months of May, June, July, and August. Any property owner of such class ~~4e 3a~~ property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$10, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and there-

upon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed \$40, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 95. Minnesota Statutes 1984, section 279.06, is amended to read:

279.06 [COPY OF LIST AND NOTICE.]

Within five days after the filing of such list, the clerk shall return a copy thereof to the county auditor, with a notice prepared and signed by him, and attached thereto, which may be substantially in the following form:

State of Minnesota)
) ss.
 County of _____)
 _____ District Court
 _____ Judicial District.

The state of Minnesota, to all persons, companies, or corporations who have or claim any estate, right, title, or interest in, claim to, or lien upon, any of the several parcels of land described in the list hereto attached:

The list of taxes and penalties on real property for the county of _____ remaining delinquent on the first Monday in January, 19_____, has been filed in the office of the clerk of the district court of said county, of which that hereto attached is a copy. Therefore, you, and each of you, are hereby required to file in the office of said clerk, on or before the 20th day after the publication of this notice and list, your answer, in writing, setting forth any objection or defense you may have to the taxes, or any part thereof, upon any parcel of land described in the list, in, to, or on which you have or claim any estate, right, title, interest, claim, or lien, and, in default thereof, judgment will be entered against such parcel of land for the taxes on such list appearing against it, and for all penalties, interest, and costs. Based upon said judgment, the land shall be sold to the state of Minnesota on the second Monday in May, 19_____. The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) homesteaded land as defined in section 273.13, subdivision 7 22; (b) *homesteaded* agricultural land as defined in section 273.13, subdivision 6 23, *paragraph (a)*; or (c) seasonal recreational land as defined in section 273.13, subdivision 4 22, *paragraph (c) or subdivision 28, paragraph (e)*, in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Inquiries as to the proceedings set forth above can be made to the county auditor of _____ county whose address is _____.

(Signed) _____,

Clerk of the District Court of the County

of _____

(Here insert list.)

The list referred to in the notice shall be substantially in the following form:

List of real property for the county of _____, on which taxes remain delinquent on the first Monday in January, 19_____:

Town of (Fairfield),

Township (40), Range (20),

Names (and Current Filed Addresses) for the Taxpayers and Fee Owners and in Addition Those Parties Who Have Filed Their Addresses Pursuant to section 276.041

	Subdivision of Section	Section	Tax Parcel Number	Total Tax and Penalty \$ cts.	
John Jones (825 Fremont Fairfield, MN 55000)	S.E. 1/4 of S.W. 1/4	10	23101	2.20	
Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)	That part of N.E. 1/4 of S.W. 1/4 desc. as follows: Beg. at the S.E. corner of said N.E. 1/4 of S.W. 1/4; thence N. along the E. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence W. parallel with the S. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence S. parallel with said E. line a distance of 600 ft. to S. line of said N.E. 1/4 of S.W. 1/4; thence E. along said S. line a distance of 600 ft. to the point of beg. _____		21	33211	3.15

As to platted property, the form of heading shall conform to circumstances

and be substantially in the following form:

City of (Smithtown)
Brown's Addition, or Subdivision

Names (and Current Filed Addresses) for the Taxpayers and Fee Owners and in Addition Those Parties Who have Filed Their Addresses Pursuant to section 276.041	Lot	Block	Tax Parcel Number	Total Tax and Penalty \$ cts
John Jones (825 Fremont Fairfield, MN 55000)	15	9	58243	2.20
Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)	16	9	58244	3.15

The names, descriptions, and figures employed in parentheses in the above forms are merely for purposes of illustration.

The name of the town, township, range or city, and addition or subdivision, as the case may be, shall be repeated at the head of each column of the printed lists as brought forward from the preceding column.

Errors in the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Sec. 96. Minnesota Statutes 1984, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) homesteaded land as defined in section 273.13, subdivision 7 22, (b) agricultural land as defined in section 273.13, subdivision 6 22, *paragraph (c) or subdivision 23, paragraph (a)*, or (c) seasonal recreational land as defined in section 273.13, subdivision 4 28, *paragraph (e)*, in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 97. Minnesota Statutes 1984, section 290A.03, subdivision 6, is

amended to read:

Subd. 6. [HOMESTEAD.] "Homestead" means the dwelling occupied by a claimant as his principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 7 22, except for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 6 23, "homestead" is limited to 320 acres or, where the farm homestead is rented, one acre. The homestead may be owned or rented and may be a part of a multi-dwelling or multi-purpose building and the land on which it is built. A manufactured home, as defined in section 168.011, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

Sec. 98. Minnesota Statutes 1984, section 290A.03, subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 275.082 attributable to Minnesota Statutes 1984, section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 275.082 attributable to Minnesota Statutes 1984, section 124.2137, 273.115, 273.116, 273.135, ~~273.139~~, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include the amount of the gross rent paid in the preceding year for the site on which the homestead is located, which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, ~~subdivisions 6, 7, or 14a subdivisions 22 or 23~~ on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to October 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 99. Minnesota Statutes 1984, section 290A.03, subdivision 14, is

amended to read:

Subd. 14. [NET TAX.] "Net tax" means

(a) the property tax, exclusive of special assessments, interest, and penalties, and after reduction for any state paid property tax credits as required in subdivision 13 except for the reduction pursuant to *section 275.082, attributable to Minnesota Statutes 1984*, section 273.13, subdivisions 6, 7, and 14a, or

(b) the payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes,

for the calendar year in which the rent was paid. If a portion of the property is occupied as a homestead or is used for other than rental purposes, the net tax shall be the amount of tax reduced by the percentage that the nonrental use comprises of the total square footage of the building. If a portion of the property is used for purposes other than for residential rental and none of the property is occupied as a homestead, the net tax shall be the amount of the tax of the parcel multiplied by a fraction, the numerator of which is the assessed value of the residential rental portion and the denominator of which is the total assessed value of the parcel. If a portion of the property is used for other than rental residential purposes, the county treasurer shall list on the property tax statement the amount of net tax pertaining to the rental residential portion of the property.

The amount of the net tax shall not be reduced by an abatement or a court ordered reduction in the property tax on the property made after the certificate of rent constituting property tax has been provided to the renter.

Sec. 100. Minnesota Statutes 1984, section 290A.04, subdivision 2, is amended to read:

Subd. 2. A claimant whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level and the state refund will be equal to an amount up to the state refund amount shown below.

Household Income	Percent of Income	State Refund
Net loss and up to \$2,999	0.5 percent	\$13
3,000 to 3,499	0.6 percent	\$15
3,500 to 3,999	0.6 percent	\$18
4,000 to 4,499	0.7 percent	\$20
4,500 to 4,999	0.7 percent	\$23
5,000 to 5,999	0.8 percent	\$40
6,000 to 6,999	0.9 percent	\$54
7,000 to 7,999	1.0 percent	\$70
8,000 to 8,999	1.1 percent	\$88
9,000 to 9,999	1.2 percent	\$108
10,000 to 10,999	1.3 percent	\$130
11,000 to 11,999	1.4 percent	\$154
12,000 to 12,999	1.5 percent	\$180
13,000 to 13,999	1.5 percent	\$195
14,000 to 14,999	1.5 percent	\$210
15,000 to 15,999	1.5 percent	\$225
16,000 to 16,999	1.5 percent	\$240

17,000 to 17,999	1.5 percent	\$255
18,000 to 18,999	1.5 percent	\$270
19,000 to 19,999	1.5 percent	\$285
20,000 to 20,999	1.6 percent	\$320
21,000 to 21,999	1.6 percent	\$336
22,000 to 22,999	1.6 percent	\$352
23,000 to 23,999	1.8 percent	\$414
24,000 to 24,999	1.8 percent	\$432
25,000 to 25,999	1.8 percent	\$450
26,000 to 26,499	2.0 percent	\$520
26,500 to 26,999	2.0 percent	\$530
27,000 to 27,499	2.0 percent	\$540
27,500 to 27,999	2.0 percent	\$550
28,000 to 28,499	2.0 percent	\$560
28,500 to 28,999	2.0 percent	\$570
29,000 to 29,499	2.0 percent	\$580
29,500 to 29,999	2.0 percent	\$590
30,000 to 30,499	2.0 percent	\$600
30,500 to 30,999	2.0 percent	\$610
31,000 to 31,499	2.2 percent	\$620
31,500 to 31,999	2.2 percent	\$630
32,000 to 32,499	2.2 percent	\$640
32,500 to 32,999	2.2 percent	\$650
33,000 to 33,999	2.2 percent	\$700
34,000 to 34,999	2.2 percent	\$600
35,000 to 35,999	2.2 percent	\$500
36,000 to 36,999	2.4 percent	\$400
37,000 to 37,999	2.4 percent	\$300
38,000 to 38,999	2.4 percent	\$200
39,000 to 39,999	2.4 percent	\$100

The payment made to a claimant shall be the amount of the state refund calculated pursuant to this subdivision, less the homestead credit ~~given~~ amount deducted pursuant to section 275.082, attributable to Minnesota Statutes 1984, section 273.13, subdivisions 6, 7 and 14a.

Sec. 101. Minnesota Statutes 1984, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. A claimant whose property taxes payable or rent constituting property taxes are in excess of the sum of the amounts in subdivision 2 paid by the claimant and the state for the specified household income level shall be allowed an additional refund. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit ~~given~~ amount deducted pursuant to section 275.082, attributable to Minnesota Statutes 1984, section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

Household Income	Percent Paid by Claimant	Maximum State Refund
Net loss and up to \$2,999	5 percent	\$1,125
3,000 to 3,499	6 percent	\$1,125

3,500 to 3,999	7 percent	\$1,125
4,000 to 4,499	8 percent	\$1,125
4,500 to 4,999	9 percent	\$1,125
5,000 to 5,999	10 percent	\$1,125
6,000 to 6,999	11 percent	\$1,125
7,000 to 7,999	12 percent	\$1,125
8,000 to 8,999	13 percent	\$1,125
9,000 to 9,999	14 percent	\$1,125
10,000 to 10,999	15 percent	\$1,125
11,000 to 11,999	16 percent	\$1,125
12,000 to 12,999	17 percent	\$1,125
13,000 to 13,999	18 percent	\$1,125
14,000 to 14,999	19 percent	\$1,125
15,000 to 15,999	20 percent	\$1,125
16,000 to 16,999	21 percent	\$1,125
17,000 to 17,999	22 percent	\$1,125
18,000 to 18,999	23 percent	\$1,125
19,000 to 19,999	24 percent	\$1,125
20,000 to 20,999	25 percent	\$1,125
21,000 to 21,999	27 percent	\$1,125
22,000 to 22,999	29 percent	\$1,125
23,000 to 23,999	31 percent	\$1,125
24,000 to 24,999	33 percent	\$1,105
25,000 to 25,999	35 percent	\$1,080
26,000 to 26,999	38 percent	\$1,050
27,000 to 27,999	41 percent	\$1,020
28,000 to 28,999	44 percent	\$990
29,000 to 29,999	47 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		-0-

No credit or payment will be allowed pursuant to subdivision 2 or 2a if the claimant's household income is \$40,000 or more. This subdivision shall not apply to a claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes are payable.

Sec. 102. Minnesota Statutes 1984, section 290A.04, subdivision 2b, is amended to read:

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable, if the claimant's property taxes payable or rent constituting property taxes exceed the total amount in subdivision 2 to be paid by the claimant and by the state for the claimant's household income. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the home-

stead credit given amount deducted pursuant to section 275.082, attributable to Minnesota Statutes 1984, section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

Household Income	Maximum Percent Paid by Claimant	State Refund
Net loss and up to \$2,999	5 percent	\$1,125
3,000 to 3,499	5 percent	\$1,125
3,500 to 3,999	5 percent	\$1,125
4,000 to 4,499	5 percent	\$1,125
4,500 to 4,999	5 percent	\$1,125
5,000 to 5,999	5 percent	\$1,125
6,000 to 6,999	5 percent	\$1,125
7,000 to 7,999	5 percent	\$1,125
8,000 to 8,999	5 percent	\$1,125
9,000 to 9,999	5 percent	\$1,125
10,000 to 10,999	6 percent	\$1,125
11,000 to 11,999	7 percent	\$1,125
12,000 to 12,999	8 percent	\$1,125
13,000 to 13,999	9 percent	\$1,125
14,000 to 14,999	10 percent	\$1,125
15,000 to 15,999	10 percent	\$1,125
16,000 to 16,999	11 percent	\$1,125
17,000 to 17,999	11 percent	\$1,125
18,000 to 18,999	12 percent	\$1,125
19,000 to 19,999	12 percent	\$1,125
20,000 to 20,999	13 percent	\$1,125
21,000 to 21,999	15 percent	\$1,125
22,000 to 22,999	18 percent	\$1,125
23,000 to 23,999	21 percent	\$1,125
24,000 to 24,999	24 percent	\$1,105
25,000 to 25,999	27 percent	\$1,080
26,000 to 26,999	30 percent	\$1,050
27,000 to 27,999	35 percent	\$1,020
28,000 to 28,999	40 percent	\$990
29,000 to 29,999	45 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over	-0-	

No credit or payment will be allowed pursuant to subdivision 2 or 2b if the claimant's household income is \$40,000 or more.

Sec. 103. Minnesota Statutes 1984, section 297A.01, subdivision 14, is amended to read:

Subd. 14. "Handicapped" means a permanent and total disability as de-

fined in section 273.13, subdivision 7 22.

Sec. 104. Minnesota Statutes 1984, section 360.301, subdivision 1, is amended to read:

Subdivision 1. The commissioner of finance shall maintain in the state bond fund a separate account, designated as the Minnesota aeronautics bond account, showing all taxes levied for such fund pursuant to this section and all moneys transferred to the fund pursuant to section 360.306 for the payment of Minnesota aeronautics bonds issued under section 360.302. The auditor shall levy each year on all taxable property within the state a tax sufficient, with all moneys then and theretofore transferred under section 360.306, to pay all such bonds and interest thereon which are due and to become due within the then ensuing year and to and including July 1 in the second ensuing year. Such 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 and remain subject to no limitation of rate or amount until all such bonds and all interest thereon are fully paid. All proceeds of such taxes are appropriated and shall be credited to the state bond fund, and the principal and interest of state bonds shall be payable from the proceeds of such taxes, and so much thereof as may be necessary is hereby appropriated for such payments; provided that such principal and interest, if any, as may become due at any time when there is not on hand a sufficient amount from the proceeds of such taxes to pay the same, shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated, to be reimbursed from the proceeds of such taxes when received.

Sec. 105. Minnesota Statutes 1984, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) An amount up to two mills times the assessed value of all such property, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; and

(c) An additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued or to be 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.

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within cities or towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be pro-

duced by applying a rate of 0.5 mills on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within cities or towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.75 mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.13, subdivision 15a, clause (3) 273.1393. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1987 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period service plus weekday midday service with a frequency of more than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period service only.

Sec. 106. Minnesota Statutes 1984, section 473F.02, subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property ~~(a)~~ (1) which may, by law, constitute the tax base for a tax increment pledged pursuant to section 462.585 or 474.10, certification of which was requested prior to August 1, 1979, to the extent and while such tax increment is so pledged; ~~(b)~~ (2) which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, chapter 881, as amended, to the extent that such revenues are so treated in any year; or ~~(c)~~ (3) which is exempt from taxation pursuant to section 272.02:

(a) That portion of class 3 property defined in Minnesota Statutes 1971, section 273.13, consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

~~(b) Class 3h property.~~

~~(c) Class 3j property.~~

~~(d)~~ That portion of class 4 property defined in Minnesota Statutes 1971, section 273.13, which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

Sec. 107. Minnesota Statutes 1984, section 473F.02, subdivision 4, is amended to read:

Subd. 4. "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of such property exempt from taxation pursuant to section 272.02:

(a) Class ~~3b~~ 1a, 1b, 2a, 4a, 5a, 5b, 7a, 7b, 7c, and 7d property

(b) Class 3e property

(c) Class 3ee property

(d) Class 3f property

(e) And that portion of class 4 3a, 3b, and 10 property used exclusively for residential occupancy.

~~(f) That property valued and assessed under section 273.13, subdivision 17.~~

Sec. 108. Minnesota Statutes 1984, section 473F.02, subdivision 17, is amended to read:

Subd. 17. "Public grants" means (1) the sum of all moneys received by a municipality pursuant to ~~sections 273.13, subdivisions 3 and 15(4), 290.361, subdivision 4, 297.13, and 340.60~~ section 74; and (2) one-tenth of all other moneys received by a municipality from the federal and state governments, and their agencies and political subdivisions, under programs of intergovernmental aids and grants distributed by formula or upon application. The state auditor shall certify the public grants of each municipality for each year to the commissioner of finance not later than September 1 of the subsequent year.

Sec. 109. Minnesota Statutes 1984, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the commissioner of education who shall compute the reduced tax levy, after adjustment for the homestead credit replacement aid paid pursuant to section 74 and the agricultural credit replacement aid paid pursuant to section 75. The commissioner of education shall certify the adjusted reduced tax levy to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the

amount that it, together with the levy required by subdivision 1, will exceed 106 percent of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 110. Minnesota Statutes 1984, section 475.754, is amended to read:

475.754 [DISASTERS OR PUBLIC EMERGENCIES, CERTIFICATES OF INDEBTEDNESS.]

If in any fiscal year the receipts from taxes or other sources are insufficient to meet the expenses incurred or to be incurred in said year by any city however organized, county or town by reason of any natural disaster or other public emergency requiring the making of extraordinary expenditures, the governing body of any such city, county or town may authorize the sale of certificates of indebtedness to mature within three years and to bear interest at a rate not to exceed the amount prescribed in this chapter. The certificates may be issued with or without advertising for bids on such terms and conditions as the governing body may determine and shall be in such form as the state auditor in cooperation with the commissioner of commerce shall prescribe. All certificates and interest thereon shall be payable from taxes levied within existing limitations or from other available revenue. Certificates of indebtedness issued under the provisions of this section shall not be considered bonded indebtedness for the purposes of sections 273.13, subdivisions 6 and 7; and section 275.50, subdivision 5, clause (h). The certificates shall not be included in the net debt of the issuing city, county or town.

Sec. 111. Minnesota Statutes 1984, section 475A.06, subdivision 6, is amended to read:

Subd. 6. 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 state municipal aid 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 state municipal aid 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 such 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 such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota state municipal aid bonds, such principal and interest

shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Sec. 112. Minnesota Statutes 1984, section 514.03, subdivision 3, is amended to read:

Subd. 3. The lien shall extend to all the interest and title of the owner in and to the premises improved, not exceeding 80 acres, except in the case of *homesteaded* agricultural land as used in section 273.13, subdivision 6 23, where the lien shall be limited to 40 acres.

Sec. 113. Minnesota Statutes 1984, section 583.02, is amended to read:

583.02 [DEFINITIONS.]

As used in sections 583.01 to 583.12, the term "homestead" means residential or agricultural real estate, a portion or all of which is entitled to receive homestead ~~credit~~ classification under section 273.13, subdivision 15a 25.

Sec. 114. [1985 ASSESSMENT ADJUSTMENT BASED ON REAL ESTATE SALES ANALYSIS.]

Notwithstanding the provisions of Minnesota Statutes, section 270.12, subdivision 2, for property tax assessments made in 1985 only, the commissioner of revenue, acting as the state board of equalization, shall adjust the aggregate value of any class of real property in any county to reflect a decline in market values of greater than five percent in that class of property subsequent to the January 2, 1985, assessment. To determine changes in market values, the commissioner shall analyze real estate sales in the county from July 1, 1984, to June 30, 1985. If the commissioner determines that there are not a sufficient number of sales within the period indicated, the commissioner may extend the time period for which sales are analyzed.

Sec. 115. [REPEALER.]

(a) Minnesota Statutes 1984, sections 124.2131, subdivision 4; 124.2137; 124A.031, subdivision 4; 273.112, subdivision 9;

(b) 273.1105; 273.13, subdivisions 2, 2a, 3, 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 10, 11, 12, 14a, 15a, 16, 17, 17a, 17b, 17c, 17d, 19, 20, and 21; 273.133; and 273.15, are repealed.

Sec. 116. [EFFECTIVE DATE.]

Sections 2, 4 to 8, 13, 14, 17, 19, 21 to 23, 25 to 29, 31, the amendment to clause 15(a) of 32, 36, 37, 40 to 43, 45, 48, 49, the third paragraph of 52, 62, 68, 69, 71 to 76, 86 to 88, 90, 91, and 115, clause (a), are effective for taxes levied in 1985, payable in 1986 and thereafter.

Sections 99 to 102 are effective for claims based on rent paid in 1985 and property taxes payable in 1986 and thereafter. The remainder of the article is effective for taxes levied in 1986, payable in 1987 and thereafter.

ARTICLE 3

LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1984, section 477A.011, subdivision 7a, is amended to read:

Subd. 7a. [ADJUSTED LOCAL REVENUE BASE.] Adjusted local revenue base means the local revenue base increased by:

- (a) a percentage equal to the implicit price deflator increase; and
- (b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any, or a percentage equal to the percentage increase in number of households over that used to compute the previous year aid distribution, if any, whichever is higher.

~~For the purposes of the 1984 aid distribution, the 1981 estimates of population and number of households shall be considered as the estimates used in the previous year aid distribution.~~

~~For the 1984 and 1985 aid distributions,~~ The adjusted local revenue base of a city that issued general obligation bonds in 1982 to pay for the construction or reconstruction of water wells which replaced a municipal water supply found to be an environmental health hazard by the state department of health shall be increased by one-fourth of the amount of the bonds issued. This increase shall be disregarded in computing the local revenue base for the succeeding year aid distribution.

Sec. 2. Minnesota Statutes 1984, section 477A.011, subdivision 10, is amended to read:

Subd. 10. [MAXIMUM AID AMOUNT.] ~~For the 1984 aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount it was certified to receive in 1983 pursuant to sections 477A.011 to 477A.03, plus any amounts certified in 1983 pursuant to Minnesota Statutes 1982, sections 273.138 and 273.139, including any amount certified by a district as defined by section 273.73, subdivision 9, or which qualifies for exemption pursuant to section 273.78, which lies totally within the municipality, and including any amount which would have been received in 1983 pursuant to section 273.139 by a district as defined by section 273.73, subdivision 9, lying totally within the municipality, for a project approved by the Minnesota housing finance agency or the United States department of housing and urban development prior to March 1, 1983, had the project been completed and subject to taxation based upon full market value for taxes payable in 1983.~~

For the 1986 distribution, a municipality's maximum aid amount shall be 104.5 percent of the amount received in the previous year pursuant to sections 477A.011 to 477A.03.

For any subsequent calendar year aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount received in the previous year pursuant to sections 477A.011 to 477A.03.

Sec. 3. Minnesota Statutes 1984, section 477A.0131, subdivision 1, is amended to read:

Subdivision 1. (a) No home rule charter or statutory city shall receive a distribution in calendar year 1985 pursuant to sections 477A.011 to 477A.03 that is less than the amount certified in the previous calendar year pursuant to sections 477A.011 to 477A.03.

(b) No home rule charter or statutory city shall receive a distribution in calendar year 1986 or any subsequent calendar year pursuant to sections

477A.011 to 477A.03 that is less than the amount certified in the previous calendar year pursuant to sections 477A.011 to 477A.03 by more than an amount equal to three fourths of one mill times the city's equalized assessed value.

Sec. 4. Minnesota Statutes 1984, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

Subdivision 1. Except as provided in subdivision 2, the commissioner of revenue shall make the payments of local government aid to affected taxing authorities in six installments on July 15, August 15, September 15, October 15, November 15, and December 15 annually.

~~For calendar year 1981 only, the commissioner shall make the payments in seven installments computed as follows: one-fourth of the calendar year 1981 aid shall be paid on March 15; the remaining amounts shall be divided into six equal payments to be made on July 15, August 15, September 15, October 15, November 15, and December 15.~~

Subd. 2. [EXCEPTION TO PAYMENT DATES.] For payments made in 1985 only, any city that meets the following qualifications may apply to the commissioner of revenue to have its entire local government aid paid on July 15 instead of according to the payment schedule provided in subdivision 1:

(1) if it is a city 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 as well as a qualifying municipality as defined by section 273.134, 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 as defined by section 273.134; and

(2) if its local government aid for 1985 is equal to 60 percent or more of the city's property tax levy payable in 1985.

Applications pursuant to this subdivision shall be in the form and accompanied by the data required by the commissioner. Applications must be received by the commissioner no earlier than January 1 and no later than June 1 of the aid payment year. A new application shall be required for each aid payment year.

Sec. 5. Minnesota Statutes 1984, section 477A.03, is amended by adding a subdivision to read:

Subd. 3. [APPROPRIATION LIMITATION.] Of the amount appropriated under subdivision 1 in 1986 the portion available for distribution to cities shall be limited to \$276,662,000. If the appropriation is insufficient to fully fund the distributions to cities calculated pursuant to section 477A.013, the distributions shall be adjusted by proportionately reducing the amount by which each city's distribution exceeds its distribution for the previous year pursuant to sections 477A.011 to 477A.03. Of the amount appropriated under subdivision 1 in 1986, the portion available for distribution to towns shall be limited to \$9,531,000. If the appropriation is insufficient to fund the distributions to towns calculated pursuant to section 477A.013, the distributions shall be adjusted by proportionately reducing the amount by which each town's distribution exceeds its distribution for the previous year pur-

suant to sections 477A.011 to 477A.03.

ARTICLE 4

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1984, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1983 / 1984; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, section 290.01, subdivision 20a, clauses (1), (2), (4), (9), (10), and (14);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback; and

(xii) contributions to an individual retirement account, including a qualified voluntary employee contribution, simplified employee pension plan, or self-employed retirement plan.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter;

(e) child support payments received under a temporary or final decree of dissolution or legal separation; or

(f) federal adjusted gross income shall be reduced by wage or salary expense which is not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954.

Sec. 2. Minnesota Statutes 1984, section 290A.04, subdivision 2, is amended to read:

Subd. 2. A claimant whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level and the state refund will be equal to an amount up to the state refund amount shown below.

Household Income	Percent of Income	State Refund
Net loss and up to \$2,999	0.5 1.0 percent	\$13
3,000 to 3,499	0.6 1.0 percent	\$15
3,500 to 3,999	0.6 1.0 percent	\$18
4,000 to 4,499	0.7 1.0 percent	\$20
4,500 to 4,999	0.7 1.0 percent	\$23
5,000 to 5,999	0.8 1.0 percent	\$40
6,000 to 6,999	0.9 1.0 percent	\$54
7,000 to 7,999	1.0 percent	\$70 \$45
8,000 to 8,999	1.1 percent	\$88 \$63
9,000 to 9,999	1.2 percent	\$108 \$83
10,000 to 10,999	1.3 percent	\$130 \$105
11,000 to 11,999	1.4 percent	\$154 \$129
12,000 to 12,999	1.5 percent	\$180 \$155
13,000 to 13,999	1.5 percent	\$195 \$170
14,000 to 14,999	1.5 percent	\$210 \$185
15,000 to 15,999	1.5 percent	\$225 \$200
16,000 to 16,999	1.5 percent	\$240 \$215
17,000 to 17,999	1.5 percent	\$255 \$230
18,000 to 18,999	1.5 percent	\$270 \$245
19,000 to 19,999	1.5 percent	\$285 \$260
20,000 to 20,999	1.6 percent	\$320 \$295
21,000 to 21,999	1.6 percent	\$336 \$311
22,000 to 22,999	1.6 percent	\$352 \$327
23,000 to 23,999	1.8 percent	\$414 \$389
24,000 to 24,999	1.8 percent	\$432 \$407
25,000 to 25,999	1.8 percent	\$450 \$425
26,000 to 26,499	2.0 percent	\$520 \$495
26,500 to 26,999	2.0 percent	\$530 \$505
27,000 to 27,499	2.0 percent	\$540 \$515
27,500 to 27,999	2.0 percent	\$550 \$525
28,000 to 28,499	2.0 percent	\$560 \$535

28,500 to 28,999	2.0 percent	\$570 \$545
29,000 to 29,499	2.0 percent	\$580 \$555
29,500 to 29,999	2.0 percent	\$590 \$565
30,000 to 30,499	2.0 percent	\$600 \$500
30,500 to 30,999	2.0 percent	\$610 \$510
31,000 to 31,499	2.2 percent	\$620 \$520
31,500 to 31,999	2.2 percent	\$630 \$530
32,000 to 32,499	2.2 percent	\$640 \$540
32,500 to 32,999	2.2 percent	\$650 \$550
33,000 to 33,999	2.2 percent	\$700 \$600
34,000 to 34,999	2.2 percent	\$600 \$500
35,000 to 35,999	2.2 percent	\$500 \$400
36,000 to 36,999	2.4 percent	\$400 \$300
37,000 to 37,999	2.4 percent	\$300 \$200
38,000 to 38,999	2.4 percent	\$200 \$100
39,000 to 39,999	2.4 percent	\$100 \$50

The payment made to a claimant shall be the amount of the state refund calculated pursuant to this subdivision, less the homestead credit given pursuant to section 273.13, subdivisions 6, 7 and 14a.

Sec. 3. Minnesota Statutes 1984, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. A claimant whose property taxes payable or rent constituting property taxes are in excess of the sum of the amounts in subdivision 2 paid by the claimant and the state for the specified household income level shall be allowed an additional refund. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

Household Income	Percent Paid by Claimant	Maximum State Refund
Net loss and up to \$2,999	5 5.5 percent	\$1,125
3,000 to 3,499	6 6.5 percent	\$1,125
3,500 to 3,999	7 7.5 percent	\$1,125
4,000 to 4,499	8 8.5 percent	\$1,125
4,500 to 4,999	9 9.5 percent	\$1,125
5,000 to 5,999	10 10.5 percent	\$1,125
6,000 to 6,999	11 12 percent	\$1,125
7,000 to 7,999	12 13 percent	\$1,125
8,000 to 8,999	13 14 percent	\$1,125
9,000 to 9,999	14 15 percent	\$1,125
10,000 to 10,999	15 16 percent	\$1,125
11,000 to 11,999	16 17 percent	\$1,125
12,000 to 12,999	17 18 percent	\$1,125
13,000 to 13,999	18 19 percent	\$1,125
14,000 to 14,999	19 20 percent	\$1,125
15,000 to 15,999	20 21 percent	\$1,125
16,000 to 16,999	21 22 percent	\$1,125
17,000 to 17,999	22 23 percent	\$1,125

18,000 to 18,999	23 24 percent	\$1,125
19,000 to 19,999	24 25 percent	\$1,125
20,000 to 20,999	25 27 percent	\$1,125
21,000 to 21,999	27 29 percent	\$1,125
22,000 to 22,999	29 31 percent	\$1,125
23,000 to 23,999	31 33 percent	\$1,125
24,000 to 24,999	33 35 percent	\$1,105
25,000 to 25,999	35 37 percent	\$1,080
26,000 to 26,999	38 40 percent	\$1,050
27,000 to 27,999	41 43 percent	\$1,020
28,000 to 28,999	44 46 percent	\$990
29,000 to 29,999	47 49 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		-0-

No credit or payment will be allowed pursuant to subdivision 2 or 2a if the claimant's household income is \$40,000 or more. This subdivision shall not apply to a claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes are payable.

Sec. 4. Minnesota Statutes 1984, section 290A.06, is amended to read:

290A.06 [FILING TIME LIMIT, LATE FILING.]

Any claim for property taxes payable shall be filed with the department of revenue on or before August 31 of the year in which the property taxes are due and payable. Any claim for rent constituting property taxes shall be filed with the department of revenue on or before August 31 of the year following the year in which the rent was paid. The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in his judgment other good cause exists:

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent which may be cancelled or reduced by the commissioner in the case of sickness, absence, or other disability, or when in his judgment other good cause exists. In any event no claim shall be allowed if the initial claim is filed two years after the original due date for filing the claim.

The time limit on redetermination of claims for refund and examination of records shall be governed by sections 290.49, 290.50, and 290.56 and for purposes of computing the time limit as provided in these sections the due date of the property tax refund return shall be the same as the due date contained in section 290.42 for an income tax return covering the year in which the rent was paid or the year preceding the year in which the property taxes are payable.

Sec. 5. Minnesota Statutes 1984, section 290A.07, is amended by adding a subdivision to read:

Subd. 5. If the commissioner of finance determines that the forecasts of general fund revenues and expenditures prepared pursuant to chapter 16A prior to December 1, 1986, indicate a projected general fund balance for the biennium ending June 30, 1987, that exceeds 50 percent of the estimated amount of payments that will be made to claimants who had attained the age of 65 or had been disabled prior to June 1 of the year following the year for which taxes were levied or in which the rent was paid, those claimants shall receive payment in 1986 of one-half of the refund by May 1, 1986, and the second half by September 30, 1986. If the commissioner of finance determines that the forecasts indicate a projected general fund balance that exceeds 100 percent of the estimated amount of those payments, the full payment will be made to those claimants by May 1.

Sec. 6. Minnesota Statutes 1984, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent constituting property tax to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent shall at his option either provide the certificate to the renter at the time he moves, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

(b) If the owner or managing agent elects to provide the renter with the certificate at the time he moves, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:

(i) The net tax shall be reduced by 1/12th for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(c) The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.

(d) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

(e) Effective January 1, 1986, the commissioner shall provide to the com-

missioner of energy and economic development a copy of all certificates of rent constituting property taxes that have been filed with the department. The copies of the certificates shall be provided by June 1 of each year.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 5 are effective for claims based on rent paid in 1985 and taxes levied in 1985, payable in 1986 and thereafter.

ARTICLE 5
SALES TAX

Section 1. Minnesota Statutes 1984, section 297A.01, subdivision 15, is amended to read:

Subd. 15. "Farm machinery" means new or used machinery, equipment, implements, accessories and contrivances 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" shall include 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. 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, shall be included in the definition of farm machinery. Logging equipment, ~~except~~ *including* chain saws used for logging only if the engine displacement equals or exceeds five cubic inches, shall be included in the definition of farm machinery. Repair or replacement parts for farm machinery shall not be included in the definition of farm machinery.

Tools, shop equipment, grain bins, feed bunks, fencing material, communication equipment and other farm supplies shall not be considered to be farm machinery. "Farm machinery" does not include motor vehicles taxed 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.

Sec. 2. Minnesota Statutes 1984, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [FARM MACHINERY PARTS.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax on repair and replacement parts for farm machinery is four percent for sales made after May 31, 1985, and before July 1, 1986, and two percent for sales made after June 30, 1986, and before July 1, 1987.

Sec. 3. Minnesota Statutes 1984, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices

and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products, except when sold for fundraising purposes by a nonprofit organization that provides educational and social activities for young people primarily aged 18 and under;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(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 by the purchaser 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); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; 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 publi-

cation. 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. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(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. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

(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 airlift 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, "airlift equipment" includes airplanes and parts necessary for the repair and maintenance of such airlift 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. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, section 1901, as amended;

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect;

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall

not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph;

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25;

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota;

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, hot water, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i);

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1982; and

(ii) the tangible personal property which is sold to or stored, used or con-

sumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses;

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene;

(aa) The gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, to be used by the purchaser for residential purposes, unless the sale is the first retail sale of the manufactured home in this state;

(bb) The gross receipts from the sale of equipment used for processing solid or hazardous waste at a resource recovery facility, as defined in section 115A.03, subdivision 28.

(cc) The gross receipts from the sales of tangible personal property at, admission charges for, and sales of food, meals, or drinks at fund-raising events sponsored by a nonprofit organization when the entire proceeds, except for the necessary expenses connected therewith, will be used solely and exclusively for charitable, religious, or educational purposes. This exemption does not apply to sales of tangible personal property used in a trade or business or to admission charges for events involving bingo or other gambling activities or to charges for use of amusement devices involving bingo or other gambling activities. For purposes of this clause, a "nonprofit organization" means any unit of government, corporation, society, association, foundation, or institution organized and operated for charitable, religious, educational, civic, or fraternal purposes, no part of the net earnings of which inures to the benefit of a private individual. Nonprofit organization also includes organizations of military service veterans and auxiliary units of organizations of military service veterans if 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 of 1954, as amended through December 31, 1984.

If the profits are not used solely and exclusively for charitable, religious, or educational purposes, the entire gross receipts are subject to tax.

Each nonprofit organization shall keep records of its gross receipts and profits from each fund-raising event. The fund-raising receipts must be segregated from other revenues of the nonprofit organization and placed in a separate account. All deductions from gross receipts must be documented with receipts and other records. If records are not maintained as required, the entire gross receipts are subject to tax.

The exemption provided by this clause does not apply to any event where the event yields a profit to the promoter or to any individual contracted to provide services or equipment, or both, for the event.

(dd) The gross receipts from the sales of and the storage, use or other consumption of repair or replacement parts for farm machinery after June 30, 1987.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective for all events occurring after June 30, 1985. Tickets shall be deemed sold and admissions shall be deemed charged at the time of

performance.

ARTICLE 6

ESTATE TAX

Section 1. Minnesota Statutes 1984, section 290.01, subdivision 20e, is amended to read:

Subd. 20e. [MODIFICATION IN COMPUTING TAXABLE INCOME OF THE ESTATE OF A DECEDENT.] Amounts allowable under section 291.07, subdivision 1, clause (2) 2053 or 2054 of the Internal Revenue Code of 1954 in computing Minnesota inheritance or federal estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents) an election is made for federal income tax purposes under section 642(g) of the Internal Revenue Code of 1954. The election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 is binding for Minnesota tax purposes.

Sec. 2. Minnesota Statutes 1984, section 291.005, subdivision 1, is amended to read:

Subdivision 1. Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities. The Minnesota gross estate shall be valued pursuant to the provisions of section 291.215, subdivision 1.

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of his death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the

time of his death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 as amended through ~~March 12, 1983~~ *December 31, 1984*.

Sec. 3. Minnesota Statutes 1984, section 291.03, subdivision 1, is amended to read:

Subdivision 1. [~~GENERALLY TAX AMOUNT.~~] The tax imposed shall be an amount equal to the greater of:

(1) A tax computed by applying to the Minnesota taxable estate the following prescribed rates:

10 percent on the first \$100,000,

11 percent on the next \$500,000 or part thereof,

12 percent on the excess, or

(2) A tax equal to the same proportion of the maximum credit allowable under section 2011 of the Internal Revenue Code for state death taxes described herein as the Minnesota gross estate bears to the value of the federal gross estate. The tax determined under this paragraph shall not be greater than the maximum credit allowable under section 2011 of the Internal Revenue Code.

Sec. 4. Minnesota Statutes 1984, section 291.075, is amended to read:

291.075 [SPECIAL USE VALUATION OF QUALIFIED PROPERTY.]

When property subject to the tax imposed by this chapter qualifies for valuation based on its use pursuant to section 2032A of the Internal Revenue Code, it shall have the same value for Minnesota estate tax purposes as it has for federal estate tax purposes. If, after the final determination of the tax imposed by this chapter, the property valued pursuant to section 2032A of the Internal Revenue Code is disposed of or fails to qualify and an additional tax is imposed pursuant to section 2032A(c), 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). ~~No additional Minnesota estate tax computed in accordance with section 291.03, subdivision 1, clause (1) will be imposed nor will an additional deduction for federal estate taxes paid be allowed under section 291.07 or 291.08.~~

Sec. 5. Minnesota Statutes 1984, section 291.09, subdivision 1a, is amended to read:

Subd. 1a. In all instances in which a decedent dies after December 31,

1979 and before January 1, 1981 leaving a federal gross estate in excess of \$161,000 and in all instances in which a decedent dies after December 31, 1980 and before January 1, 1982 leaving a federal gross estate in excess of \$175,000, and the decedent has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return.

In the case of a decedent dying after December 31, 1984 1985, who has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return in the following all instances:

In the case of a decedent dying in	A Minnesota estate tax return shall be filed if the federal gross estate equals or exceeds
1982	\$225,000
1983	275,000
1984	325,000
1985	400,000
1986	500,000
1987 and thereafter	600,000

in which a federal estate tax return is required to be filed.

The return shall be accompanied by a federal estate tax return, a schedule of all assets in the estate at their date of death values, and shall contain a computation of the Minnesota estate tax due. The return shall be signed by the personal representative.

Sec. 6. Minnesota Statutes 1984, section 291.09, subdivision 2a, is amended to read:

Subd. 2a. The commissioner may designate on the return the documents that are required to be filed together with the return in order to determine the proper valuation of assets and computation of tax. The commissioner shall not be bound by any item on the return unless he has received all required documents and unless all items of information on the return have been completed.

Sec. 7. Minnesota Statutes 1984, section 291.09, subdivision 3a, is amended to read:

Subd. 3a. (1) The commissioner may challenge matters of valuation or taxability of any assets reported on the return, or any deductions claimed, or the computation of tax, only if within 180 days from the due date of the return or the receipt of the return and all documents required to be filed with the return, whichever is later, the commissioner mails or delivers a written notice to the personal representative objecting to the return as filed and specifying the reasons for the objection.

(2) If the personal representative disagrees with the objection or does not wish to fully comply with the objection, he may request that the commis-

sioner hold a hearing on the objection. Within 30 days of receipt of a request, the commissioner shall set a time and place for hearing. Unless otherwise agreed upon, the hearing date shall not be earlier than 30 days nor later than 60 days from the date of the notice setting the hearing. The notice of hearing shall set forth the rights available to the personal representative under chapter 14. Not later than 30 days after the commissioner receives the report and recommendation of the administrative law judge, or a written waiver of his hearing rights by the personal representative, the commissioner shall issue an order determining the tax. Any such determination made by the commissioner may be appealed to the tax court as provided in section 271.09.

(3) At any time together with or after the objection, the commissioner, on his own initiative, may set a time and place for a hearing in accordance with (2) above.

(4) In his objection, or at any time thereafter, the commissioner may assess any additional tax as the facts may warrant, subject to the right of the personal representative to demand a hearing under chapter 15. If the personal representative does not demand a hearing within 90 days of the date of the assessment, the tax so assessed shall be legally due and the commissioner may proceed to collect *any the* unpaid tax ~~after one year from the date of death~~. If the commissioner later finds the tax assessment to be erroneous, he may adjust the assessment prior to collection.

(5) The commissioner shall not be required to object to any subsequent original, amended or supplemental return in order to preserve his rights. The commissioner shall not be precluded from objecting to a subsequent original, amended or supplemental return even though an original return was accepted as filed. If the commissioner had accepted an original return showing no tax due and a subsequent original, amended or supplemental return discloses additional assets not disclosed on the original return, the commissioner may object to any matter of ~~valuation, taxability, deduction~~ or computation of tax on the original return within 180 days of receipt of the subsequent original, amended or supplemental return.

(6) Subject to the provisions of sections 291.11 and 291.215, the Minnesota estate tax liability shall be considered as finally determined on the date notification of acceptance is issued to the personal representative or, if no objection is filed, on the day following 180 days from the due date of the return or the receipt of the return, together with all other documents required to be filed with the return, whichever is later.

(7) Subject to the time limits imposed elsewhere in this chapter, the commissioner may refund an overpayment of tax, penalty or interest even though the personal representative has not made an application for refund.

Sec. 8. Minnesota Statutes 1984, section 291.09, subdivision 5, is amended to read:

Subd. 5. ~~Notwithstanding other provisions of this chapter, when agreed in writing between the commissioner and the representative,~~ Values for purposes of the estate tax on both probate and non probate assets shall be the same as those finally determined for purposes of the federal estate tax on a decedent's estate.

Sec. 9. Minnesota Statutes 1984, section 291.11, subdivision 1, is

amended to read:

Subdivision 1. (1) 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 and who, under section 6161 or 6166 of the Internal Revenue Code, has been granted an extension for payment of the tax shown on the return, may elect to pay the commissioner the amount of tax due in equal amounts at the same time as required for federal purposes.~~ 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.

(2) (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.

(3) 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.

Sec. 10. Minnesota Statutes 1984, section 291.15, subdivision 3, is amended to read:

Subd. 3. Interest shall be paid on installment payments of the tax authorized under section 291.11, subdivision 1, ~~or 291.132, subdivision 2,~~ at the rate of interest in effect pursuant to section 270.75 nine months following the date of death.

Sec. 11. Minnesota Statutes 1984, section 291.215, subdivision 1, is amended to read:

Subdivision 1. All property includable in the Minnesota gross estate of a

decedent shall be valued in accordance with the provisions of sections 2031 or 2032 and, if applicable, 2032A, of the Internal Revenue Code and any elections made in valuing the federal gross estate shall be applicable in valuing the Minnesota gross estate. ~~Except as otherwise provided in section 291.075, the value of all property includable in the Minnesota gross estate of a decedent may be independently determined under said sections for Minnesota estate tax purposes.~~

Sec. 12. Minnesota Statutes 1984, section 524.3-1202, is amended to read:

524.3-1202 [EFFECT OF AFFIDAVIT.]

The person paying, delivering, transferring, or issuing personal property or the evidence thereof pursuant to affidavit ~~shall submit a copy of the affidavit to the commissioner of revenue within five days of its receipt and then~~ is discharged and released to the same extent as if he dealt with a personal representative of the decedent. He is not required to see to the application of the personal property or evidence thereof or to inquire into the truth of any statement in the affidavit. If any person to whom an affidavit is delivered refuses to pay, deliver, transfer, or issue any personal property or evidence thereof, it may be recovered or its payment, delivery, transfer, or issuance compelled upon proof of their right in a proceeding brought for the purpose by or on behalf of the persons entitled thereto. Any person to whom payment, delivery, transfer or issuance is made is answerable and accountable therefor to any personal representative of the estate or to any other person having a superior right.

Sec. 13. [REPEALER.]

(a) Minnesota Statutes 1984, sections 55.10, subdivision 2; 270.75, subdivision 7; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.111; 291.132; 291.20; and 385.36 are repealed.

(b) Minnesota Statutes 1984, sections 291.131, subdivision 5; and 291.29, subdivision 5 are repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 11 and 13, paragraph (a), are effective for estates of persons dying after December 31, 1985. Sections 12 and 13, paragraph (b), are effective the day after final enactment.

ARTICLE 7

ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 1984, section 15A.081, subdivision 8, is amended to read:

Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed in subdivision 1, constitutional officers, the president of each community college, *the commissioner of the iron range resources and rehabilitation board*, and the director of vocational-technical education are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. However, expense allowances for the

chancellor of the state university system and the president of each state university shall be governed only by section 136.063. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and post-audit. The commissioner of finance may promulgate rules to assure the proper expenditure of these funds, and to provide for reimbursement.

Sec. 2. Minnesota Statutes 1984, section 16A.128, subdivision 2, is amended to read:

Subd. 2. [NO RULEMAKING.] The kinds of fees that need not be fixed by rule unless specifically required by law are:

- (1) fees based on actual direct costs of a service;
- (2) one-time fees;
- (3) fees that produce insignificant revenues;
- (4) fees billed within or between state agencies; or
- (5) fees exempt from commissioner approval; or

(6) fees for admissions to or use of facilities operated by the iron range resources and rehabilitation board, if the fees are set according to prevailing market conditions to recover operating costs.

Sec. 3. Minnesota Statutes 1984, section 116J.58, subdivision 4, is amended to read:

Subd. 4. [FEDERAL LIMITATION ACT ALLOCATION.] The commissioner shall:

(1) in accordance with sections 474.16 to 474.23, review applications for and grant allocations of authority to issue bonds or other obligations subject to a federal limitation act; and

(2) adopt rules, including emergency rules under sections 14.29 to 14.36, to provide for the allocation of the amount of issuance authority allocated pursuant to section ~~462.556~~ 474.17, subdivision 3. The rules shall contain criteria and procedures for allocation of authority for use by the department, and to other state agencies, political subdivisions, or other authorities authorized by other law to issue bonds subject to a federal limitation act.

For the purposes of this subdivision, a "federal limitation act" is an act of congress defined in section 474.16, subdivision 5.

Sec. 4. Minnesota Statutes 1984, section 116M.07, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The authority may make or purchase or participate with financial institutions in making or purchasing business loans, small business loans, energy loans, pollution control loans, *health care equipment loans*, and farm loans upon the conditions described in this section, and may enter into commitments therefor. In addition, the authority may engage in loans-to-lenders programs with respect to farm loans to the extent set forth in this section.

Sec. 5. Minnesota Statutes 1984, section 116M.07, is amended by adding a subdivision to read:

Subd. 7a. [HEALTH CARE EQUIPMENT LOANS; AUTHORITY.] The authority may make or participate in making health care equipment loans in any amount and may enter into commitments therefor. The loans may be made only from the proceeds of bonds or notes issued pursuant to subdivision 7b. Before making a commitment for a loan, the authority shall forward the application to the commissioner of health for review under subdivision 7c. The authority must not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.

Sec. 6. Minnesota Statutes 1984, section 116M.07, is amended by adding a subdivision to read:

Subd. 7b. [HEALTH CARE EQUIPMENT LOANS; BONDS AND NOTES.] The authority may issue its bonds and notes to provide money for the purposes specified in subdivision 7a. For this purpose, the authority may exercise all of the powers conferred on it by sections 116M.03 and 116M.06 to 116M.08 with respect to business loans, except as limited by subdivisions 7a to 7c. The principal amount of bonds and notes issued and outstanding under this subdivision at any time, computed as specified in section 116M.08, subdivision 11, may not exceed \$95,000,000. This authorization is in addition to the authorization contained in section 116M.08, subdivision 11. The bonds and notes issued to make the loans may not be insured by the authority but shall be insured by a letter of credit or bond insurance issued by a private insurer.

Sec. 7. Minnesota Statutes 1984, section 116M.07, is amended by adding a subdivision to read:

Subd. 7c. [HEALTH CARE EQUIPMENT LOANS; ADMINISTRATION.] (a) The commissioner of health shall review each loan application received from the authority to determine whether the application is an approvable application. An application is approvable if the following criteria are satisfied:

(1) the hospital is owned and operated by a county, district, municipality or nonprofit corporation;

(2) the loan would not be used to refinance existing debt;

(3) the hospital was unable to obtain suitable financing from other sources;

(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from that facility; and

(5) the project to be financed by the loan is cost-effective and efficient.

(b) The commissioner shall determine whether the allocation available for the health care equipment loan program for a period of time specified in a rule is sufficient for all approvable applications received during the period of time. If the allocations are sufficient, the commissioner shall approve all approvable applications. If the allocations are not sufficient, the commissioner shall compare the relative merits of the approvable applications in relation to the criteria in clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.

(c) The commissioner of energy and economic development may charge a reasonable fee under section 16A.128 to an applicant for the costs of the departments of health and energy and economic development in the review of the application. The commissioner of energy and economic development shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications effective July 1, 1985. The commissioner of health may adopt emergency and permanent rules to implement subdivisions 7a to 7c of this section. Notwithstanding section 14.25, emergency rules adopted under this section are effective until December 31, 1986. The commissioner of energy and economic development may adopt emergency rules under section 14.29, subdivision 3, and permanent rules to implement subdivisions 7a to 7c.

Sec. 8. Minnesota Statutes 1984, section 116M.08, subdivision 4, is amended to read:

Subd. 4. It may adopt, amend, and repeal rules, including emergency rules, not inconsistent with the provisions of this chapter and chapters 472 and 474 as necessary to effectuate its purposes. The authority to adopt emergency rules ~~expires June 30, 1985~~ is subject to section 14.29, subdivision 3.

Sec. 9. Minnesota Statutes 1984, section 273.1314, subdivision 8, is amended to read:

Subd. 8. [FUNDING LIMITATIONS.] The maximum amount of the tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312 and this section is limited to ~~\$35,600,000~~ \$36,400,000. The maximum amount of this total which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985 is limited to \$9,000,000. Of the total limitation and the 1984-1985 biennial limitation the commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3), an amount equal to \$16,610,940 and \$5,000,000 respectively. These funds shall be allocated among such zones on a per capita basis except that the maximum allocation to any one city is \$6,610,940 and no city's allocation shall exceed \$210 on a per capita basis. An amount sufficient to fund the state funded property tax credits, the refundable income tax credits, and the sales tax exemption, as authorized pursuant to this section is appropriated to the commissioner of revenue. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified for the zone, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified for the zone. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as

necessary. *Of the \$36,400,000 in tax reductions authorized under this subdivision, an additional \$800,000 in tax reductions may be authorized within an enterprise zone located within five municipalities which was designated by the commissioner in 1984.*

Sec. 10. Minnesota Statutes 1984, section 273.1314, subdivision 16a, is amended to read:

Subd. 16a. [ZONE BOUNDARY REALIGNMENT.] The commissioner may approve specific applications by a municipality to amend the boundaries of a zone or of an area or areas designated pursuant to section 273.1314, subdivision 9, paragraph (e) at any time. Boundaries of a zone may not be amended to create noncontiguous subdivisions. If the commissioner approves the amended boundaries, the change is effective on the date of approval. *Notwithstanding the area limitation under section 273.1312, subdivision 4, paragraph (b), the commissioner may approve a specific application to amend the boundaries of an enterprise zone which is located within five municipalities and was designated in 1984, to increase its area to not more than 800 acres.*

Sec. 11. [273.1316] [ECONOMIC DIVERSIFICATION INCENTIVES PROGRAM.]

Subdivision 1. [LEGISLATIVE FINDINGS AND PURPOSE.] The legislature finds that it is in the best interest of the state of Minnesota to facilitate the diversification of its economy and to encourage the development of new technologies which will result in long-term growth and expansion in state employment. The legislature also finds that the economic growth of the state is occurring unevenly, and that a significant area of the state has not participated in this general economic growth. Accordingly, the legislature hereby establishes a state economic diversification incentives program for the purpose of ensuring long-term growth and stability in the state's economy which will be beneficial to all areas of the state.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given.

(a) "Commissioner" means the commissioner of energy and economic development.

(b) "Manufacturing" means a business that uses properties, real or personal, in connection with a revenue-producing enterprise engaged or to be engaged in assembling, fabricating, manufacturing, mixing, or processing any products of agriculture, forestry, mining, or manufacture. Properties used for storing, warehousing, or distributing qualify under this definition if they are used as part of or in connection with an assembly, fabricating, manufacturing, mixing, or processing facility. Manufacturing includes properties, real or personal, used in connection with research and development activity to develop or improve products, production processes, or materials. For purposes of this paragraph, "a product of manufacture" includes information and directions which dictate the functions to be performed by data processing equipment, commonly called computer software, regardless of whether they are embodied in or recorded on tangible personal property.

(c) "Project costs" means the cost of acquiring, installing, rehabilitating,

or constructing land, buildings, capital improvements, or equipment used in the operation of the business. Project costs include investments made in the public infrastructure which is needed to construct a new facility or expand an existing facility.

Subd. 3. [ECONOMICALLY DISTRESSED AREAS.] (a) The commissioner shall designate a county as economically distressed if:

(1) the unemployment rate for the entire county, as determined by the commissioner of economic security, was ten percent or more for at least six of the last 12 months ending the previous March 30; or

(2) the unemployment rate for the entire county was greater than 110 percent of the state average for the 12-month period ending the previous March 30, and 20 percent or more of the county's economy, as determined by the commissioner of economic security, is dependent upon agriculture.

(b) The commissioner may designate a portion of a county as an economically distressed area if:

(1) that portion of the county has an unemployment rate of at least ten percent for at least six of the last 12 months ending the previous March 30; and

(2) that portion of the county has a population of at least 50,000 as determined by the most recent federal decennial census.

Subd. 4. [DESIGNATION.] The commissioner may designate a business or businesses as eligible for an economic diversification allocation under this section if the applicant meets the eligibility requirements under subdivision 5, the allocation is within the funding limitations under subdivisions 7 and 10, and the local unit of government has made a qualifying contribution under subdivision 9.

Subd. 5. [ELIGIBILITY REQUIREMENTS.] (a) A business located outside an economically distressed area is eligible for an allocation under this section if:

(1) the business is principally engaged in manufacturing, as defined under subdivision 2;

(2) the primary market for the business' product is national or international in scope;

(3) the business would not locate or expand in this state if an allocation under this section was not approved;

(4) the approval of the allocation to the business would result in the addition of at least 50 permanent employees;

(5) the approval of the allocation to the business would result in the diversification of the state's economy through the potential for establishing new markets for Minnesota products or new technologies; and

(6) the approval of the allocation would not directly result in a reduction in the employment of other Minnesota businesses.

(b) A business located within an economically distressed area is eligible for an allocation if:

(1) the business is not principally engaged in the business of selling goods and services at retail unless the principal market for its products is outside of the development region designated under section 462.385 where the business will be located;

(2) the business would not locate or expand within the economically distressed area or within an adjacent county if an allocation under this section was not approved; and

(3) the business will employ at least 50 persons or increase employment by at least 50 permanent positions.

(c) A business that has received an allocation under this section is ineligible to receive any additional allocations under this section.

(d) A business located within an area designated as an enterprise zone under section 273.1312 is eligible to receive an allocation under this section provided that the business has applied for tax reductions under sections 273.1312 to 273.1314 and the total benefits to be received by a business under this section and sections 273.1312 to 273.1314 will not exceed 30 percent of the total cost of the project.

(e) A business located within an economically distressed area is eligible for a sales tax abatement for capital equipment if the business' capital investment is at least \$250,000,000.

Subd. 6. [DURATION.] An allocation to a business may not exceed 20 years in duration.

Subd. 7. [FUNDING LIMITATION.] (a) The maximum amount of allocations which the commissioner may approve to businesses located outside an economically distressed area under this section is limited to \$12,500,000, provided that during the 1986-1987 biennium the allocations made shall not reduce the state's revenue by more than \$5,000,000 as determined by the commissioner of revenue.

(b) The maximum amount of allocations which the commissioner may approve to businesses located within an economically distressed area under this section is limited to \$25,000,000, provided that during the 1986-1987 biennium the allocations made shall not reduce the state's revenue by more than \$10,000,000 as determined by the commissioner of revenue.

Subd. 8. [AUTHORIZED ALLOCATIONS.] The commissioner may approve an allocation to a business designated under subdivision 4 which will annually reimburse the business for expenses incurred which are directly attributable to increased employment within Minnesota. Expenses which may be reimbursed under this section are limited to:

(1) sales tax paid on capital equipment;

(2) income tax liability resulting from a new facility or an expansion of a new facility as determined by dividing the number of employees due to the new or expanded operations by the business' total number of employees in the state on December 31 of the tax year times the business' total state income tax liability under chapter 290;

(3) sales tax paid on construction materials;

(4) property taxes paid; and

(5) the cost to reduce the interest rate on a loan used to construct a new facility as provided under section 462.445.

Subd. 9. [LOCAL CONTRIBUTION.] The commissioner shall not approve an allocation under this section unless the local unit of government agrees to make a qualifying local contribution as provided under section 273.1314, subdivision 6. Allocations made under this section to fund needed infrastructure may not be considered qualifying local contributions under this subdivision.

Subd. 10. [ALLOCATION LIMITATION.] (a) No allocation may be approved by the commissioner under this section after June 30, 1990.

(b) An allocation under this section may not be approved for an amount greater than \$20,000 for each permanent job to be created by the project, except for a sales tax abatement for an eligible business under subdivision 5, paragraph (e), provided that the allocation may not exceed 25 percent of the total cost of the project, and the total allocation does not exceed \$5,000,000.

Subd. 11. [APPLICATIONS.] Applications for allocations under this section must contain the information as required under section 273.1314, subdivision 3, and any other information the commissioner considers relevant in designating a business to receive an allocation under this section.

Subd. 12. [ALLOCATION EVALUATION.] The commissioner shall review and evaluate applications for allocations under this section to determine whether the allocation should be approved. In determining whether to approve the allocation the commissioner shall consider the number of new jobs that the project will create, the investment to be made in the project, and the relative economic hardship of the area where the project is to be located.

Subd. 13. [LAC RECOMMENDATION.] Before the commissioner approves an allocation under this section it must be submitted to the legislative advisory commission for its recommendation.

Subd. 14. [ADMINISTRATIVE PROCEDURE ACT.] The provisions of chapter 14 do not apply to the designating of economically distressed areas or to the approval of any allocation under this section.

Sec. 12. [298.2212] [INVESTMENT OF FUNDS.]

All funds credited to the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22 must be invested pursuant to law and the net interest and dividends from the investments are included and become part of the funds available for purposes of section 298.22.

Sec. 13. Minnesota Statutes 1984, section 298.292, is amended to read:

298.292 [POLICY.]

The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The northeast Minnesota economic protection trust fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the northeast Minnesota eco-

conomic protection trust fund for the following purposes:

(a) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;

(b) projects and programs to encourage diversification of the economy and to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism;

(c) projects and programs for which technological and economic feasibility have been demonstrated;

(d) loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan shall be no less than eight percent; and

(e) funding reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

(f) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources.

Money from the trust fund shall be expended only in or for the benefit of the tax relief area defined in section 273.134.

Sec. 14. [458.1951] [BOND ISSUANCE FOR WAREHOUSE PROJECT PROHIBITED.]

Subdivision 1. Notwithstanding any provision of this chapter or sections 474.16 to 474.23, bonds issued pursuant to this chapter or those sections may not be used for the financing of a warehouse project. For the purposes of this section, "warehouse project" means any building or structure that is used primarily for the self storage by an individual of goods, wares, or merchandise for compensation. "Warehouse project" does not include a safe deposit box or a storage area on the grounds of, and maintained primarily for the convenience of the occupants of, residential housing structures.

Subd. 2. For the purposes of subdivision 1, "warehouse project" includes facilities used for storing or warehousing, unless the facility (a) is used as a part of or in connection with an assembly, fabricating, manufacturing, mining, distributing, or processing facility, or (b) is used for the storing of agricultural products and is located outside of the metropolitan area, as defined in section 473.121, subdivision 2.

Sec. 15. Minnesota Statutes 1984, section 474.16, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 474.16 to ~~474.23~~ 474.25, the terms defined in this section have the meaning given them.

Sec. 16. Minnesota Statutes 1984, section 474.16, subdivision 4, is amended to read:

Subd. 4. "Previous use" means the principal amount of obligations of a

type subject to limitation under the terms of a federal limitation act issued by a local issuer during a specified period and the principal amount of obligations issued during calendar year 1984 which would have been subject to limitation under the terms of the federal limitations, except for the exception for obligations subject to a preliminary resolution adopted on or before June 19, 1984. Prior to enactment by Congress of the United States of America of a federal limitation act, "previous use" means the principal amount of obligations of a type subject to limitation under the terms of section 721 of the Tax Reform Bill of 1984, H.R. 4170, as reported by the Ways and Means Committee of the United States House of Representatives on March 5, 1984, issued by a local issuer during a specified period.

For the purposes of calculating entitlement allocations for calendar year 1986 and thereafter the following limitations shall apply. In the case of obligations issued by a local issuer in a principal amount in excess of \$15,000,000 which qualify for an exemption from federal income taxation pursuant to section 103(b)(4)(F) of the Internal Revenue Code of 1954, as amended, the principal amount of such obligations shall not be counted as "previous use." In the case where an entitlement issuer's previous use calculation for 1984 and 1985 included bonds described in the previous sentence, "previous use" does not include obligations issued by an issuer other than the entitlement issuer pursuant to a transfer of the entitlement issuer's allocation in excess of \$10,000,000. "Previous use" does not include obligations issued prior to June 1, 1984, for the purpose of refunding or refinancing obligations issued by a local issuer which qualify for an exemption from federal income taxation pursuant to section 103(b) of the Internal Revenue Code of 1954, as amended.

Sec. 17. Minnesota Statutes 1984, section 474.16, subdivision 5, is amended to read:

Subd. 5. "Federal limitation act" means an act of Congress of the United States of America other than the Mortgage Subsidy Bond Tax Act of 1980, Public Law Number 96-499, section 1102(a) and amendments to it, amending the Internal Revenue Code of 1954, to limit the aggregate amount of obligations of a specified type or types which may be issued by an issuing authority during any calendar year whose interest is exempt from inclusion in gross income for purposes of federal income taxation pursuant to section 103(a) 103(n) of the Internal Revenue Code of 1954, as amended, and providing for an allocation of issuing authority by the legislature of a state as of January 1, 1985.

Sec. 18. Minnesota Statutes 1984, section 474.16, is amended by adding a subdivision to read:

Subd. 6. "Preliminary resolution" means a resolution of the local issuer for a specific project that expresses a preliminary intention to issue obligations and that identifies the proposed project, the site for the project, and the proposed amount of the obligations to be issued. A preliminary resolution for a project which is authorized by chapter 115A, chapter 400, or sections 473.801 to 473.834 need not include the site for the project, provided that the resolution identifies a specific process and a deadline for site selection.

Sec. 19. Minnesota Statutes 1984, section 474.16, is amended by adding a subdivision to read:

Subd. 7. [DEPARTMENT.] "Department" means the department of energy and economic development.

Sec. 20. Minnesota Statutes 1984, section 474.17, subdivision 1, is amended to read:

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD ALLOCATION.] \$30,000,000 for calendar year 1984 and \$10,000,000 for calendar year 1985 of the aggregate limit of bond issuance authority allocated to the state pursuant to a federal limitation act is allocated to the higher education coordinating board for the issuance of obligations pursuant to chapter 136A. On September 1, 1985, any unused portion of the bonding authority allocated to the higher education coordinating board shall be canceled and the authority shall be allocated pursuant to section 474.19. If the ~~energy and economic development authority department~~ determines that pursuant to a federal limitation act, the higher education coordinating board cannot issue obligations whose interest is exempt from inclusion in gross income for purposes of federal income taxation pursuant to section 103(a) of the Internal Revenue Code of 1954, as amended, this allocation shall cancel and the allocation provided in subdivision 3 shall be increased to \$55,000,000 for calendar year 1984 and to \$65,000,000 for calendar year 1985.

Sec. 21. Minnesota Statutes 1984, section 474.17, subdivision 2, is amended to read:

Subd. 2. [IRON RANGE RESOURCES AND REHABILITATION ALLOCATION.] From January 1 to August 31 of each calendar year, \$25,000,000 of the aggregate limit of bond issuance authority allocated to the state for any calendar year pursuant to a federal limitation act is allocated to the iron range resources and rehabilitation commissioner. From September 1 to October 31 of each year, the iron range resources and rehabilitation commissioner may retain his allocation or a portion of it only if he has submitted to the ~~energy and economic development authority department~~ on or before September 1 a letter which states (a) his intent to issue obligations pursuant to his allocation or a portion of it before the end of the calendar year or within the time period permitted by a federal limitation act and (b) a description of the specific project or projects for which the obligations will be issued, together with an application deposit in the amount of one percent of the amount of the remaining unused allocation or the portion of it pursuant to which he intends to issue obligations. If the iron range resources and rehabilitation commissioner does not submit the required letter of intent and the application deposit, the amount originally allocated to the iron range resources and rehabilitation commissioner or the portion not already used not subject to a letter of intent shall be canceled and subject to reallocation in accordance with section 474.19. If the iron range resources and rehabilitation commissioner returns for reallocation all or any part of his allocation on or before October 31, that portion of his application deposit equal to one percent of the amount returned shall be refunded within 30 days. The iron range resources and rehabilitation commissioner may enter into a joint powers agreement with any other state or municipal entity which has authority to issue obligations subject to a federal limitation act whereby the other entity issues the bonds on behalf of the iron range resources and rehabilitation commissioner. *The iron range resources and rehabilitation commissioner shall give priority*

consideration to projects which are authorized by chapter 115A or chapter 400.

Sec. 22. Minnesota Statutes 1984, section 474.17, subdivision 3, is amended to read:

Subd. 3. [ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY ALLOCATION.] From January 1 to August 31 of calendar year 1984, ~~\$40,000,000 and for each calendar year 1985, \$60,000,000~~ of the aggregate limit of bond issuance authority allocated to the state pursuant to a federal limitation act is allocated to the ~~energy and economic development authority department~~ for use or allocation pursuant to section 116J.58, ~~clause (2) subdivision 4, except that priority must be given to the agricultural resource loan guaranty fund.~~ From September 1 to October 31 of each year, the energy and economic development authority or any entity which receives an allocation from the ~~energy and economic development authority department~~ pursuant to section 116J.58, ~~clause (2) subdivision 4,~~ may retain its allocation or a portion of it only if it has submitted to the division of the ~~energy and economic development authority department~~ responsible for administering Laws 1984, chapter 582, on or before September 1 a letter which states (a) its intent to issue obligations pursuant to its allocation or a portion of it before the end of the calendar year or within the time period permitted by a federal limitation act, and (b) a description of the specific project or projects for which the obligations will be issued, together with an application deposit in the amount of one percent of the amount of its remaining unused allocation or the portion of it pursuant to which it intends to issue obligations. If the energy and economic development authority or any entity which receives an allocation from the ~~energy and economic development authority department~~ pursuant to section 116J.58, ~~clause (2) subdivision 4,~~ does not submit the required letter of intent and the application deposit, the amount originally allocated to the energy and economic development authority or any entity which receives an allocation from the ~~energy and economic development authority department~~ pursuant to section 116J.58, ~~clause (2) subdivision 4,~~ or the portion not already used and not subject to a letter of intent shall be canceled and subject to reallocation in accordance with section 472.09, subdivision 8. If the energy and economic development authority or any entity which receives an allocation from the ~~energy and economic development authority department~~ pursuant to section 116J.58, ~~clause (2) subdivision 4,~~ returns for reallocation all or any part of its allocation on or before October 31, that portion of its application deposit equal to one percent of the amount returned shall be refunded within 30 days.

Sec. 23. Minnesota Statutes 1984, section 474.17, subdivision 4, is amended to read:

Subd. 4. [~~LOCAL ISSUER~~ POOL ALLOCATION.] Any amount of the aggregate limit of bond issuance authority allocated to the state for any calendar year pursuant to a federal limitation act which is not allocated pursuant to subdivisions 1 to 3 shall be allocated among ~~local~~ issuers pursuant to sections 474.18 to 474.23.

Sec. 24. Minnesota Statutes 1984, section 474.18, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION AMOUNTS.] From January 1 to August

31 of each calendar year, ~~80~~ 77-1/2 percent of the amount of authority determined pursuant to section 474.17 shall be available solely for issuance of obligations by entitlement issuers.

Sec. 25. Minnesota Statutes 1984, section 474.18, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION PROCEDURE.] To obtain an allocation pursuant to this section, an entitlement issuer shall within 30 days after April 27, 1984, and on or before January 15, 1986, and of each calendar year thereafter, submit to the ~~energy and economic development authority department~~ a certification as to previous use for the four preceding calendar years, and the average annual previous use for the highest three of the four preceding calendar years. Within 15 days thereafter, the ~~energy and economic development authority department~~ shall determine and publish the amount of issuance authority allocated to each entitlement issuer which submitted the information required above. The amount of authority for an issuer is the aggregate authority allocated to entitlement issuers pursuant to subdivision 1, multiplied by a fraction. The numerator of the fraction is the highest three-year previous use average as certified by the entitlement issuer. The denominator of the fraction is the combined highest three-year previous use average as certified by all entitlement issuers. Local issuers with boundaries which are coterminous shall be treated as a single issuer for purposes of determining their entitlement allocation, if any.

In such cases the amount of the issuance authority to be allocated to each issuer shall be determined by the city council in the case of a city or the county board in the case of a county. The entitlement issuer may allocate its entitlement allocation to any project for which obligations are issued or are to be issued after December 31, 1983, without regard to any preliminary resolutions which have been adopted for any project.

Within 15 days after the effective date of a federal limitation act, any issuer who submitted a certification in accordance with the first paragraph of this subdivision shall submit a new certification as to previous use as defined in accordance with the federal limitation act for the highest three of the four preceding calendar years. Within 15 days thereafter, the ~~energy and economic development authority department~~ shall determine and publish the revised amount of issuance authority allocated to each issuer that is an entitlement issuer that submitted the information required by this subdivision. Failure to submit the new certification required by this paragraph shall result in forfeiture of unused previously allocated issuance authority. The revised amount of issuance authority for each entitlement issuer shall be determined in accordance with the first paragraph of this subdivision, but shall be reduced by the principal amount of obligations issued by the entitlement issuer prior to the date of the determination. If the revised amount of issuance authority for any entitlement issuer is less than zero, the amount shall reduce the amount otherwise available for allocation pursuant to section 474.19, subdivision 1. The principal amount of any obligations issued by a local issuer that does not qualify as an entitlement issuer based on previous use determined in accordance with the federal limitation act, but issued pursuant to an allocation published in accordance with the first paragraph of this subdivision, shall reduce the amount otherwise available for allocation pursuant to section 474.19, subdivision 1.

Sec. 26. Minnesota Statutes 1984, section 474.18, subdivision 3, is amended to read:

Subd. 3. [LETTER OF INTENT.] From September 1 to October 31 of each year, an entitlement issuer may retain its allocation or a portion of it only if it has submitted to the ~~energy and economic development authority department~~ on or before September 1 a letter which states its intent to issue obligations pursuant to its allocation or a portion of it before the end of the calendar year or within the time period permitted by a federal limitation act, together with an application deposit in the amount of one percent of the amount of its remaining unused allocation or the portion of it pursuant to which it intends to issue obligations. If an entitlement issuer does not submit the required letter of intent and the application deposit, the amount originally allocated to the entitlement issuer or the portion not already used and not subject to a letter of intent shall be canceled and subject to reallocation in accordance with section 474.19. If an entitlement issuer returns for reallocation all or any part of its allocation on or before October 31, that portion of its application deposit equal to one percent of the amount returned shall be refunded within 30 days.

Sec. 27. Minnesota Statutes 1984, section 474.18, subdivision 4, is amended to read:

Subd. 4. [JOINT POWERS.] An entitlement issuer may enter an agreement with a local issuer or the iron range resources and rehabilitation commissioner or the ~~energy and economic development authority department~~ by which the local issuer or the iron range resources and rehabilitation commissioner or the ~~energy and economic development authority department~~ issues bonds pursuant to issuance authority allocated to the entitlement issuer pursuant to this section. *For obligations issued during calendar year 1985 and thereafter, one-half of the amount of the issuance shall be considered as issued by the issuer granting use of its allocation for purposes of previous use determination and one-half of the issuance shall be considered issued by the issuer issuing the bonds. The issuer transferring its authority may only recover from the transferee its costs involved in the transfer and any application deposit. Any application deposit deposited with respect to the transferred allocation shall be transferred by the department to the credit of the issuer receiving the transferred allocation.*

Sec. 28. Minnesota Statutes 1984, section 474.18, is amended by adding a subdivision to read:

Subd. 5. [ENTITLEMENT ISSUER WITHDRAWAL.] *A local issuer designated as an entitlement issuer may reject the designation as an entitlement issuer for the years subsequent to the designation by notifying the department, on or before December 31 of any year, that it rejects its designation as an entitlement issuer. The rejection is effective the year following the year in which the rejection is filed with the department.*

Sec. 29. Minnesota Statutes 1984, section 474.19, subdivision 1, is amended to read:

Subdivision 1. [POOL AMOUNT.] *For calendar year 1986 and each year thereafter, from January 1 to ~~August~~ July 31 of each year, 20 22-1/2 percent of the amount determined pursuant to section 474.17 shall be available solely*

for local issuers that do not qualify as entitlement issuers and shall be allocated as provided in this section. *After July 31, an allocation may be made for an application submitted by an entitlement issuer.* From September 1 to October 31 of any calendar year, any amounts remaining available for allocation or reallocation pursuant to section 474.18 or this section shall be allocated among all local issuers and the ~~energy and economic development authority~~ department and the iron range resources and rehabilitation commissioner, pursuant to this section. An entitlement issuer, the ~~energy and economic development authority~~ department or the iron range resources and rehabilitation commissioner may apply for an allocation pursuant to this section only if the applicant has issued bonds equal to any allocation received pursuant to section 474.17 or 474.18 or has returned any remaining allocation for reallocation pursuant to this section. *After July 31, 1985, a county may apply for an allocation for an amount in excess of the amount reserved by section 474.19, subdivision 4, for projects authorized by chapter 115A, chapter 400 or sections 473.801 to 473.834 for such a project provided that allocations for all projects authorized by chapter 115A, chapter 400 or sections 473.801 to 473.834 shall not exceed 49 percent of the total amount available for allocation pursuant to section 474.19. Applications submitted pursuant to the prior sentence shall be considered on the same basis as other applications submitted pursuant to section 474.19.*

Sec. 30. Minnesota Statutes 1984, section 474.19, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] A local issuer that is not an entitlement issuer may apply for an allocation of bond issuance authority pursuant to this section by submitting to the ~~energy and economic development authority~~ department on or before the ~~20th~~ 25th day of any month from December to September an application on forms provided by the ~~energy and economic development authority~~ department, accompanied by (i) a preliminary resolution of the local issuer expressing a preliminary intention to issue obligations adopted in accordance with section 474.01, subdivision 7b, if applicable, which identifies the proposed project and the proposed amount of the obligations to be issued; and (ii) an application deposit in the amount of one percent of the requested allocation. A local issuer may enter into a joint powers agreement with any other state or municipal entity which has authority to issue obligations subject to a federal limitation act whereby the other entity issues the bonds on behalf of the local issuer for the project for which an allocation was received by the local issuer. A local issuer may request an allocation for obligations issued prior to the effective date of this subdivision. A local issuer may elect not to submit an application for an allocation of bond issuance authority for a project for which the local issuer previously adopted a preliminary resolution.

After ~~July 31~~ June 30 of any year, an entitlement issuer may also apply for an allocation under this section. Its application need not comply with clause (i).

Sec. 31. Minnesota Statutes 1984, section 474.19, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION CRITERIA.] The ~~energy and economic development authority~~ department shall rank each application on the basis of the

number of points awarded to it, with one point being awarded for each of the following criteria satisfied:

(1) The current rate of unemployment for the applicant is at or above 110 percent of the statewide average unemployment rate for the previous year, as determined by the department of economic security. The unemployment rate for the applicant shall be the greater of (i) the most recent estimate available for the smallest jurisdiction which wholly includes the jurisdiction of the applicant, as reported by the department of economic security, or (ii) another estimate supplied by the applicant with respect to its jurisdiction, which is documented by the applicant.

(2) The number of individuals employed in the applicant's jurisdiction declined from the second calendar year before the application, to the first calendar year before the application. The estimate of the number of individuals employed for each year shall be based on the same source, and shall be (i) the most recent estimate available for the smallest jurisdiction which wholly includes the applicant, as reported by the department of economic security, or (ii) another estimate supplied by the applicant with respect to its jurisdiction, which is documented by the applicant.

(3) The number of *permanent* jobs to be created by the project described in the application is at least 1/10 of one percent of the number of individuals employed in the applicant's jurisdiction in the first calendar year before the application as determined in the manner provided in clause (2).

(4) The number of *permanent* jobs to be created by the project described in the application is at least ~~two~~ five jobs for each \$100,000 of issuance authority requested for the project.

(5) As of the date of application the total market value of all taxable property in the applicant's jurisdiction, as based on the most recent certification of assessed value to the commissioner of revenue, has either (i) declined in relation to the first calendar year before the certification, or (ii) increased in relation to the first calendar year before the certification at a rate which is not in excess of 90 percent of the rate of increase of the state average market value over the same period.

(6) The estimated market value of the project described in the application is at least one-half of one percent of the total market value of all taxable property in the applicant's jurisdiction as based on the most recent certification of assessed value to the commissioner of revenue.

(7) The project is wholly located in an enterprise zone designated pursuant to section 273.1312.

(8) The project site meets the criteria necessary to qualify as a tax increment redevelopment district as defined in section 273.73, subdivision 10. To qualify under this clause the project need not be included in a tax increment financing district.

(9) The project meets one of the following energy conservation criteria: (i) the project is eligible for the additional federal investment tax credits for energy property, (ii) the project involves construction or expansion of a district heating system as defined in section 116J.36, or (iii) the project involves construction of an alternative energy source as described in section 116J.26,

clause (a), (b), or (d), or 116J.922, subdivision 6 or 7.

(10) Ninety percent or more of the proceeds of the proposed obligations will be used for construction, installation, or addition of equipment used primarily to abate or control pollutants to meet or exceed state laws, rules, or standards.

(11) The project consists of the renovation, rehabilitation, or reconstruction of an existing building which is (i) located in a historic district designated under section 138.73, or on a site listed in the state registry of historical sites under sections 138.53 to 138.5819; or (ii) designated in the National Register pursuant to United States Code, title 16, section 470a; or (iii) designated as a state historic site pursuant to sections 138.51 to 138.581.

~~(12) Ninety percent or more of the proceeds of the proposed obligations will be used to finance facilities for waste management as defined in section 115A.03, subdivision 36, or solid waste as defined in section 116.06, subdivision 10.~~

~~(13) (12) Service connections to sewer and water systems are available to the project at the time the application is submitted.~~

(14) (13) The minority population in the applicant's jurisdiction is at least 110 percent of the statewide average as determined by the affirmative action division of the department of economic security according to the most recent census data.

~~(15) (14) When the application is submitted either (a) neither the anticipated owner of the project, nor any party of which the owner was a controlling partner or shareholder, or which was a controlling shareholder or partner of the owner; owned or operated a substantially similar business within the state or; (b) the project is an expansion of the operations of an existing business which is not likely to have the effect of transferring existing employment from one or more other municipalities within the state to the municipality in which the project is located; or (c) the applicant reasonably expects that without construction of the project, the anticipated owner of the project will either cease operations within the state, or reduce its work force in the state by the number of persons to be employed by the project.~~

(16) (15) A controlling interest in the project will be owned by one or more women or minority persons.

~~(17) ~~Seventy five~~ (16) Fifty percent or more of the proceeds of the proposed issue will be used to rehabilitate an existing structure.~~

(18) (17) At the time of application, the property on which the project is to be located is properly zoned for the proposed use.

(19) (18) The bond issue involves a credit enhancement device providing additional security for bondholders involving commitments or fees to be paid by the issuer other than from bond proceeds or the issuer provides other financial assistance to the project. No points shall be awarded for credit enhancement devices or financial assistance provided or financed directly or indirectly by a private, for-profit party which has a financial interest in or is related to any party which has a financial interest in the project.

(19) The project is comprised of properties, real or personal, used or

useful in connection with a revenue producing enterprise engaged or to be engaged in assembling, fabricating, manufacturing, mixing, processing, or distributing any products of agriculture, forestry, mining, or manufacture, and properties, real or personal, used or useful in connection with research and development activity to develop or improve products, production processes, or materials. For purposes of this clause, "a product of manufacture" includes information and directions which dictate the functions to be performed by data processing equipment, commonly called computer software, regardless of whether they are embodied in or recorded on tangible personal property. A project qualifies under this clause only if 75 percent of the proceeds of the proposed obligations will be used for construction, acquisition, installation, or addition of properties described in this subdivision.

Sec. 32. Minnesota Statutes 1984, section 474.19, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION PROCEDURE.] The ~~energy and economic development authority~~ *department* shall allocate available issuance authority to applications by the fifth day of the month succeeding each application deadline specified in subdivision 2 on the basis of the numerical rank determined pursuant to this section, but (i) no allocation shall be awarded to an application demonstrating less than four points, (ii) any project which is authorized by chapter 115A, chapter 400, or sections 473.801 to 473.834, shall receive an allocation of issuance authority without regard to its numerical rank to the extent that the amount of issuance authority allocated to the project when added to the issuance authority previously allocated during the calendar year pursuant to this clause does not exceed 49 percent of the amount ~~provided in~~ *available pursuant to* subdivision 1 *between January 2 and August 31 of the year in which the allocation is to be made*, provided that if obligations for any project described in this clause are not subject to a federal limitation act, no allocation shall be made pursuant to this clause, (iii) if on or before September 1, the ~~energy and economic development authority~~ *department* returns a portion of its allocation for reallocation pursuant to this section, and the iron range resources and rehabilitation commissioner has issued obligations in an amount equal to its allocation or has submitted a letter of intent for any amount not issued, applications from the iron range resources and rehabilitation commissioner which demonstrate four or more points shall receive an allocation up to an amount equal to \$10,000,000 or the amount returned for reallocation by the ~~energy and economic development authority~~ *department* or the amount remaining to be allocated, whichever is less, (iv) if on or before September 1, the iron range resources and rehabilitation commissioner returns a portion of his allocation for reallocation pursuant to this section, and the ~~energy and economic development authority~~ *department* has issued obligations in an amount equal to its allocation or has submitted a letter of intent for any amount not issued, applications from the ~~energy and economic development authority~~ *department* which demonstrate four or more points shall receive an allocation up to an amount equal to \$10,000,000 or the amount returned for reallocation by the iron range resources and rehabilitation commissioner or the amount remaining to be allocated, whichever is less, and (v) if two or more applications have the same numerical rank, the allocation of issuance authority as between the applications shall be by lot unless otherwise agreed by the respective local issuers. If an application is rejected, the ~~energy and economic development authority~~ *department* shall return the application deposit to the applicant within 30 days.

Sec. 33. Minnesota Statutes 1984, section 474.19, subdivision 5, is

amended to read:

Subd. 5. [LETTER OF INTENT.] A local issuer which has received an allocation pursuant to this section prior to September 1 and which intends to issue obligations pursuant to it after August 31 of the year in which the allocation was received, shall submit to the ~~energy and economic development authority department~~ on or before September 1 a letter stating its intent to issue bonds before the end of the calendar year or within the time period permitted by a federal limitation act. If the letter of intent is not submitted to the ~~energy and economic development authority department~~, the one percent application deposit shall be returned to the local issuer, the issuance authority shall be canceled, and the issuance authority previously allocated to the local issuer will be available for reallocation pursuant to this section. If a local issuer returns for reallocation all or any part of its allocation on or before October 31, that portion of its application deposit equal to one percent of the amount returned shall be refunded within 30 days.

Sec. 34. Minnesota Statutes 1984, section 474.19, subdivision 6, is amended to read:

Subd. 6. [FINAL ALLOCATION.] From November 1 to December 31 of each year any amount determined pursuant to section 474.17, which is not both previously allocated and subject to a preliminary resolution for a specific project, whether or not committed pursuant to a letter of intent, *shall be available for allocation or reallocation and shall be allocated among local issuers based on a ranking of points for criteria as set forth in subdivisions 3 and 4. No minimum number of points shall be required for allocation. If two or more applications receive an equal number of points, allocation among them shall be made by lot unless otherwise agreed by the respective applicants. Amounts available for allocation under this subdivision shall be allocated on November 5 and December 5, and may be allocated after December 5. An application for this allocation shall be submitted by October 20 on or before October 25 for an allocation on November 5 and on or before November 25 for an allocation on or after December 5*, shall include evidence of passage of a preliminary resolution giving approval to a specific project and stating that it is the intent of the applicant that the obligations will be issued by the end of the year or within the time period permitted by a federal limitation act, and shall be accompanied by an application deposit in the amount of one percent of the requested allocation. The ~~energy and economic development authority department~~ shall notify applicants of their allocation on or before ~~November 5 the fifth day of the month following the month in which an application was submitted.~~

Any amounts of authority which ~~may become~~ are available for reallocation after ~~November~~ December 5 shall first be allocated among issuers which filed an application by ~~October 20 on or before November 25~~, pursuant to the criteria stated in subdivision 3. *Any amounts remaining, after all allocations to applicants that filed an application by November 25 have been made, may be allocated to applicants who filed applications after November 25. All allocations must be made pursuant to the criteria in subdivision 3.*

Sec. 35. Minnesota Statutes 1984, section 474.19, subdivision 7, is amended to read:

Subd. 7. [CARRYOVER ALLOCATION.] If prior to December 20 of any

year, an issuer determines that it will not issue obligations pursuant to authority allocated to it pursuant to this section or section 459.35 or 462.556 by the end of that year or within the time period permitted by a federal limitation act, the issuer may notify the **energy and economic development authority department** and such amount will be available for reallocation pursuant to this subdivision. In such case, the **energy and economic development authority department** shall refund to the issuer within 30 days that portion of any application deposit equal to one-third of one percent of the amount returned for reallocation. The amounts available for reallocation shall be allocated on or before December 31 of each year among issuers which have submitted an application by December 10, and which have certified that the project to which the application relates qualifies for carryover treatment of allocated authority according to the terms of a federal limitation act, such that obligations may be issued pursuant to such allocation of authority after the end of the year, without expiration of such authority. If there is insufficient authority for allocation among applications received pursuant to this subdivision, allocation among them shall be made by lot unless otherwise agreed by the respective applicants.

Sec. 36. Minnesota Statutes 1984, section 474.20, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ISSUE.] Any issuer of obligations subject to limitation under a federal limitation act shall give a notice of issue stating the date of issuance of the obligations, the allocation under which the obligations are issued, and the principal amount of the obligations to the **energy and economic development authority department** within five days after the obligations are issued. *If obligations are to be issued as a series of obligations, the notice of issue shall be filed within five days after each of the series of obligations is issued.* If the notice of issue is not filed within five days after the obligations are issued, or within five days after each of the series of obligations are issued that are a part of obligations issued or to be issued as a series of obligations, the obligations shall be void unless this provision is waived by the **energy and economic development authority department**. Within 30 days after receipt of the notice, the **energy and economic development authority department** shall refund a portion of any application deposit equal to one percent of the principal amount of the obligations issued.

Sec. 37. Minnesota Statutes 1984, section 474.20, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF AVAILABLE AUTHORITY.] The **energy and economic development authority department** shall as soon as possible after the fifth day of each month publish in the State Register a notice of the amount of authority available for allocation or reallocation in the following month as of the fifth day of the month during which the notice is published, after allocation of authority pursuant to section 474.19.

Sec. 38. Minnesota Statutes 1984, section 474.22, is amended to read:

474.22 [LEGISLATIVE REVIEW.]

On March 1, 1986, the **energy and economic development authority department** shall deliver a comprehensive report to the secretary of the senate and the clerk of the house which provides detailed information concerning

the allocation of issuing authority pursuant to sections 474.16 to 474.20.

Sec. 39. Minnesota Statutes 1984, section 474.23, is amended to read:

474.23 [ADDITIONAL CONDITIONS.]

~~If a federal limitation act as defined in section 474.16, subdivision 5, is adopted, Action under chapter 474 with respect to any project which is to be financed by obligations which are subject to the volume limitations of a federal limitation act shall be subject to the following conditions:~~

(a) No municipality or redevelopment agency shall undertake any project, except a project referred to in section 474.02, subdivision 1f, unless its governing body finds that the project would not be undertaken but for the availability of industrial development bond financing.

(b) Notwithstanding any provision of this chapter, the term "project" shall not include: an airplane; a private luxury box; a facility primarily used for gambling; or a store the principal business of which is the sale of alcoholic beverages for consumption off premises.

~~(c) No more than ten percent of the proceeds of revenue bonds may be used to finance movable equipment not constituting a fixture, no more than 25 percent of the proceeds of revenue bonds may be used to finance the acquisition of land, and not more than \$10,000,000 in revenue bonds which are industrial development bonds subject to the exemption described in section 103(b)(6) of the Internal Revenue Code of 1954, as amended through December 31, 1983, may be issued with respect to any one building which is used for commercial, office or industrial purposes, without regard to ownership of condominium units within the building.~~

This section takes effect 90 days after the federal limitation act is signed by the president or passed over his veto.

Sec. 40. [CASINO GAMING; ELY.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature finds that the city of Ely is located in a uniquely depressed area. Further, the legislature finds that the city of Ely is in a unique position because of its remote location making it difficult to attract commercial or industrial development. Therefore, the legislature finds and declares that in order to aid the tourism industry in the city of Ely and encourage commercial development in the area, the city of Ely should be able to own and operate a casino gaming facility.

Subd. 2. [AUTHORIZATION.] The city of Ely is authorized to own or lease and to operate a casino gaming facility within the city of Ely subject to the limitations imposed by this section.

Subd. 3. [CONTRACTS.] No contract shall be entered into by the city of Ely for building or managing the casino gaming facility unless approved by the joint committee established under subdivision 4.

Subd. 4. [JOINT COMMITTEE.] There is created a joint committee consisting of seven members to review and approve all contracts relating to any casino gaming facility operated by the city of Ely. Three members of the joint committee shall be members of the city council of the city of Ely appointed by the city council of Ely. Three members shall be members of the charitable

gambling control board appointed by the board. The chairperson of the charitable gambling control board shall be a member of the joint committee but cannot vote on any matter unless there is a tie in the voting. The attorney general is the attorney for the joint committee.

Subd. 5. [INVESTIGATION.] Before approving any contract the joint committee shall conduct, or request the bureau of criminal apprehension to conduct, a comprehensive background and financial investigation of all of the parties to the contract. The joint committee may charge any person or corporation that is to be a party to a contract an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the bureau for its share of the cost of the investigation.

Subd. 6. [GAMES AND PRIZE LIMITS PERMITTED.] The charitable gambling control board shall, after public hearing, establish the games that may be played and the rules of play and the prize limits for each game. The board shall not permit the gaming facility in the city of Ely to conduct bingo, pull-tabs, paddlewheels, tipboards, or raffles. The board shall select the games to be played from those normally found in a casino.

Subd. 7. [RECORDS AND REPORTS.] The gross receipts from the operation of the gaming casino must be segregated from all other revenues of the city of Ely and placed in a separate account. The city must report to the charitable gambling control board on its gross receipts, expenses, and profits from the operation of the gaming facility.

Subd. 8. [POWERS OF CHARITABLE GAMBLING CONTROL BOARD.] (a) The charitable gambling control board must enforce and investigate the provisions of this section. The board may, after public hearing, adopt any rule necessary to implement this section or to ensure the integrity of the gaming operation within the city of Ely.

(b) The board and its employees shall have the authority, without notice or warrant to:

(1) inspect and examine the premises where casino gaming is conducted;

(2) inspect all gambling equipment or supplies in, about, upon, or around the premises where casino gaming is conducted; and

(3) inspect, examine, and audit all books, records, and other documents pertaining to the casino gaming operation.

Subd. 9. [GAMING BY CERTAIN PERSONS PROHIBITED.] No person under the age of 18 may participate in any game conducted at a casino gaming facility operating under this section.

Subd. 10. [TAX IMPOSED.] The city of Ely shall be required to pay a tax on its receipts from the gaming facility as required by Minnesota Statutes, section 349.212.

Subd. 11. [USE OF PROFITS.] Gross receipts collected by the city of Ely from the operation of the gaming facility less sums necessarily and actually expended for gaming supplies and equipment, prizes, rent, utilities, maintenance of gaming equipment or the facility, taxes imposed by this section, repayment of bonds or mortgage, insurance, compensation or wages paid for conducting or managing the operation, and advertising shall be trans-

ferred to the iron range resources and rehabilitation board account in the special revenue fund and the commissioner of energy and economic development as required by this subdivision. The city of Ely must transfer two-thirds of the profits from the operation of the gaming facility to the iron range resources and rehabilitation board and one-third of the profits to the commissioner of energy and economic development. One-half of the money transferred to the iron range resources and rehabilitation board under this subdivision shall be used for economic development loans or grants to local governments located within the Ely, Babbitt, or Tower school district, or to the town of Fall Lake, the remainder of any money must be used for economic development loans or grants to local governments located within the taconite tax relief area as defined under Minnesota Statutes, section 273.134. Money transferred to the commissioner of energy and economic development must be used for economic development grants or loans to Indian tribes in Minnesota.

In distributing any money under this subdivision the iron range resources and rehabilitation board and the commissioner of energy and economic development must give priority to the following:

(1) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;

(2) projects and programs to encourage diversification of the economy and to promote the development of tourism, small business, forestry, alternative energy sources utilizing indigenous fuels, and minerals; and

(3) projects and programs for which technological and economic feasibility have been demonstrated.

Subd. 12. [LAWFUL GAMING.] Gaming conducted under this section is not a lottery or gambling within the meaning of Minnesota Statutes, sections 609.75 to 609.76.

Subd. 13. [DECLARATION OF STATE EXEMPTION.] As provided by United States Code, title 15, section 1172, as amended through December 31, 1984, the state of Minnesota declares that it is exempt from the provisions of section 1172 if the shipment of gambling devices is intended for the use of the casino gaming facility operated by the city of Ely.

Sec. 41. [ELY LIQUOR LICENSES.]

Notwithstanding any law to the contrary, the city of Ely may issue two on-sale intoxicating liquor licenses in addition to those authorized by law. The licenses authorized to be issued under this subdivision must be issued to a hotel, motel, or restaurant. The licenses are subject to all other provisions of Minnesota Statutes, chapter 340.

Sec. 42. [APPROPRIATION.]

The sum of \$15,000,000 is appropriated from the general fund to the commissioner of energy and economic development for the purposes of providing allocations or abatements as provided under section 11 to be available until June 30, 1987. Of the sum appropriated, up to \$5,000,000 may be allocated to businesses located outside economically distressed areas, and up to \$10,000,000 may be allocated to businesses located within economi-

cally distressed areas.

Sec. 43. [REPEALER.]

Laws 1984, chapter 582, section 23, is repealed.

Sec. 44. [EFFECTIVE DATE.]

Sections 3 to 8, 14 to 39, and 43 are effective the day following final enactment. Sections 34 and 39 are effective for allocations by the department of the 1984 state ceiling and allocations during subsequent years. All actions of the department of energy and economic development taken in allocating the 1984 state ceiling are ratified, confirmed, and approved. Section 28 is effective for notices filed during calendar year 1984 and thereafter. The amendments contained in section 39 apply to bonds issued pursuant to an allocation of the state ceiling whether issued before or after the effective date of that section, and no obligation shall be considered invalid for failure to comply with the provisions of Minnesota Statutes, section 474.23, clause (c).

Sections 1, 2, 9 to 13, and 42 are effective July 1, 1985. Notwithstanding Minnesota Statutes, section 645.021, subdivision 2, sections 40 and 41 are effective only upon approval by a majority of the voters of the city of Ely voting on the question at an election on the question of approval of sections 40 and 41, and the governing bodies of the Minnesota Chippewa Tribe, Red Lake Band of Chippewas, Lower Sioux, Upper Sioux, Prairie Island Sioux, and the Shakopee Mdewakanton Sioux entering into an agreement with the state not to conduct casino gambling within their reservations.

ARTICLE 8

JOBS

Section 1. [PURPOSE.]

The legislature finds that changes in the state economy and in the availability and nature of federal support have created new needs among the people of this state for assistance in their quest for jobs, for training to fill those jobs, for income maintenance programs, and for a wide array of other human services. At the same time, those changes have altered the role of state government in the planning, development, and delivery of all human services, creating a need for coordinating all the agencies that share responsibilities for those services. Accordingly, the legislature finds that in order to maximize productivity of human resources and economic opportunity within the state of Minnesota, it is necessary to streamline and coordinate the state's employment, training, and public assistance programs and to set new priorities so that state government might better meet its duty to help its citizens realize the dignity of a paycheck and achieve economic independence. Further, the legislature finds it necessary to act swiftly and decisively to achieve the dual goal of lowering the unemployment rate among the people of this state and decreasing the welfare caseload that is at once a reflection of the difficulties challenging some and a burden that must be borne by all.

Sec. 2. Minnesota Statutes 1984, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the

legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of education; Commissioner of finance; Commissioner of transportation; Commissioner of human services; Chancellor, community college system; Chancellor, state university system; Director, vocational technical education; Executive director, state board of investment;	\$57,500-\$70,000
Commissioner of administration; Commissioner of agriculture; Commissioner of commerce; Commissioner of corrections; Commissioner of economic security <i>employment and training</i> ; Commissioner of employee relations; Commissioner of energy and economic development; Commissioner of health; Commissioner of labor and industry; Commissioner of natural resources; Commissioner of revenue; Commissioner of public safety; Chairperson, waste management board; Chief administrative law judge; office of administrative hearings; Director, pollution control agency; Director, state planning agency; Executive director, higher education coordinating board; Executive director, housing finance agency; Executive director, teacher's retirement association; Executive director, state retirement system;	\$50,000-\$60,000
Commissioner of human rights; Director, department of public service; Commissioner of veterans' affairs; Director, bureau of mediation services; Commissioner, public utilities commission; Member, transportation regulation board; Director, zoological gardens-; <i>Coordinator of full productivity</i>	\$40,000-\$52,500

and opportunity.

Sec. 3. Minnesota Statutes 1984, section 86.33, is amended by adding a subdivision to read:

Subd. 2. [PROJECT COORDINATION.] Prior to submitting projects to the governor, the commissioner of natural resources shall consult with the full productivity and opportunity coordinator and shall develop a biennial plan which establishes: a priority for unemployed individuals who are economically disadvantaged as defined in Public Law 97-300; the ways in which participants will be assisted in gaining ongoing employment or training upon completing the projects; the ways in which exclusive bargaining representatives shall be notified and concurrence provided for with respect to the job duties of persons employed in projects; and how specific projects are coordinated with other publicly authorized or subsidized programs.

Sec. 4. Minnesota Statutes 1984, section 86.33, is amended by adding a subdivision to read:

Subd. 3. [REPORTING; CORPS MEMBER STATUS; FEES.] The commissioner of natural resources shall cooperate with the full productivity and opportunity coordinator in developing and implementing any evaluation and reporting systems for employment and training programs. Corps members are not eligible for unemployment compensation or other benefits except workers' compensation, and they are not employees of the state of Minnesota within the meaning of section 43A.02, subdivision 21. The commissioner may charge a fee for any service performed by the corps.

Sec. 5. Minnesota Statutes 1984, section 116J.035, is amended by adding a subdivision to read:

Subd. 3. [BIENNIAL PLAN.] The commissioner shall prepare a biennial plan which must cover the community development corporation program and which must be available to the full productivity and opportunity coordinator for use in developing a biennial statewide employment and training plan.

Sec. 6. Minnesota Statutes 1984, section 116L.03, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] The commissioner of ~~administration~~ employment and training shall upon request provide office space and support services for the board ~~within the capitol area complex~~.

Sec. 7. Minnesota Statutes 1984, section 116L.04, is amended by adding a subdivision to read:

Subd. 3. [BIENNIAL PLAN.] The board shall prepare a biennial plan which must be available to the full productivity and opportunity coordinator for use in developing a biennial statewide employment and training plan.

Sec. 8. Minnesota Statutes 1984, section 129A.02, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER.] The commissioner is the chief executive officer of the department of employment and training and is the successor to the powers and duties of the former assistant commissioner of vocational rehabilitation. ~~The commissioner shall be appointed by the governor and~~

serve under the provisions of section 15.06. The commissioner shall be a person having substantial experience in the administration and financing of vocational rehabilitation programs.

Sec. 9. Minnesota Statutes 1984, section 136.63, is amended by adding a subdivision to read:

Subd. 1b. Before prescribing any program involving training in semi-professional and technical fields or adult education, the board shall consult with the full productivity and opportunity coordinator and shall develop a biennial plan.

Sec. 10. Minnesota Statutes 1984, section 136C.06, is amended to read:

136C.06 [SOLE STATE AGENCY.]

The state board of vocational technical education is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The state board shall develop and submit the state plan for vocational technical education. The state board shall develop the state plan according to terms of agreement with the state board of education. *Before developing and submitting the state plan, the state board shall consult with the full productivity and opportunity coordinator and shall develop a biennial plan.*

Sec. 11. Minnesota Statutes 1984, section 178.03, is amended by adding a subdivision to read:

Subd. 5. [COORDINATION AND PLANNING.] The commissioner of labor and industry shall consult with the full productivity and opportunity coordinator and, in conjunction with the apprenticeship advisory council and the apprenticeship committees, shall develop a biennial plan for preparing, recruiting, and the successful participation of economically disadvantaged, chronically unemployed, minority, and female individuals in apprenticeship programs.

Sec. 12. Minnesota Statutes 1984, section 245.87, is amended to read:

245.87 [ALLOCATIONS.]

~~For the purposes of section 245.84, subdivision 2, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total fund goes to either area after excluding allocations for migrant day care services, administrative costs and statewide projects. At least ten percent of the total program allocation under section 245.84, subdivision 1 shall be designated for interim financing. The commissioner is further instructed that the allocation in each area be based on a need and population basis.~~

Sec. 13. Minnesota Statutes 1984, section 248.07, is amended to read:

248.07 [COMMISSIONER OF HUMAN SERVICES EMPLOYMENT AND TRAINING, DUTIES.]

Subdivision 1. [COOPERATION.] It shall be the duty of the commis-

sioner of ~~human services~~ *employment and training* to cooperate with state and local boards and agencies, both public and private, in preventing loss of sight, in alleviating the condition of blind persons and persons of failing sight, in extending and improving the education, advisement, training, placement, and conservation of the blind, and in promoting their personal, economic, social, and civic well being. *In furtherance of this duty, the commissioner shall create a distinct division with its own activity budget within the department of employment and training to provide and coordinate the services to the blind.*

Subd. 2. [STATISTICS.] The commissioner of ~~human services~~ *employment and training* shall collect statistics of the blind, including their present physical and mental condition, causes of blindness, capacity for education and industrial training, and any further information looking toward the improvement of their condition that may be desired.

Subd. 3. [SPECIAL ATTENTION.] The commissioner of ~~human services~~ *employment and training* shall give special attention to the cases of handicapped youth who are eligible to attend the Minnesota Braille and sight-saving school, the Minnesota school for the deaf, or the public school classes for handicapped children, but are not in attendance thereat, or are not receiving adequate instruction elsewhere. The commissioner shall report all such cases to the school district of the individual's residence and to the state board of education.

Subd. 4. [VOCATIONAL TRAINING.] The commissioner of ~~human services~~ *employment and training* shall endeavor to secure for the adult blind of the state and youths of legal working age such vocational training, labor, and employment as may be adapted to their respective capacity, and shall so far as may be feasible aid such persons in securing any provisions which may be made by the school for the blind or other state agencies for the betterment of their lot. When vocational training under the division of vocational rehabilitation is secured, such aid may take the form of payments for the maintenance of persons in training, under rules to be adopted by the commissioner of ~~human services~~ *employment and training*. Any person who shall be entitled to training under this subdivision shall have the right to choose from available programs such training as in his opinion would be suitable and practical for him.

Subd. 5. [AIDS.] The commissioner of ~~human services~~ *employment and training* shall further be empowered to aid the blind: (1) By home instruction and training; (2) by assisting them in securing tools, appliances, and supplies; (3) by aid in marketing the products of their labors; (4) by care and relief for blind persons who are not capable of self-support; and, (5) in any other practicable means of alleviating their condition.

Subd. 7. [BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.] *Notwithstanding any other law*, for the rehabilitation of blind persons the commissioner of ~~human services~~ *employment and training* shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by any department of the state of Minnesota except the department of natural resources properties operated directly by the Division of State Parks and not subject to private leasing. The merchandise to be

dispensed by such vending stands and machines may include soft drinks, (except 3.2 beer), milk, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner of human services. The commissioner of ~~human services~~ *employment and training* may waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Subd. 8. [USE OF REVOLVING FUND, LICENSES FOR OPERATION OF VENDING MACHINES.] The revolving fund created by Laws 1947, Chapter 535, Section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants due to the operation thereof shall also be paid into the fund. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund. Authority is hereby given to the commissioner of ~~human services~~ *employment and training* to use the moneys available in the revolving fund for the establishment, operation and supervision of vending stands by blind persons for the following purposes: (1) purchase, upkeep and replacement of equipment; (2) purchase of initial and replacement stock of supplies and merchandise; (3) expenses incidental to the setting up of new stands and improvement of old stands; (4) purchase of general liability insurance as deemed advisable for any vending stand by the commissioner; (5) reimbursement to individual blind vending operators for reasonable travel and maintenance expenses incurred in attending supervisory meetings as called by the commissioner of ~~human services~~ *employment and training*; (6) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

The commissioner shall issue each license for the operation of a vending stand or vending machine for an indefinite period but he may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Subd. 9. [TRAINING OF SELECTED APPLICANTS.] Each applicant selected by the commissioner for a license to operate a vending stand or

vending machine shall be given training in the operation and conduct of such vending stand or vending machine.

Subd. 10. [REVOCAION OF LICENSES; HEARING.] The commissioner shall not revoke any license except for good cause shown. An opportunity for a fair hearing shall be afforded any operator within 30 days after revocation of license.

Subd. 11. [POLICY CHANGES; NOTICE AND HEARING.] Any major changes in policies made by the commissioner in the conduct of this program will be preceded by a public hearing. Each operator shall be given 30 days notice of such hearing.

Subd. 12. [REIMBURSEMENT OUT OF STATE DISTRIBUTION OF BRAILLE AND TALKING BOOKS.] The commissioner of ~~human services~~ *employment and training* shall obtain reimbursement from other states for the estimated cost of handling of Braille books and talking books for the blind distributed by the department of ~~human services~~ *employment and training* to users in such other states and may contract with the appropriate authorities of such states to effect such reimbursement. All money received hereunder shall be paid to the state treasurer and placed in the general fund.

Subd. 13. [REHABILITATION FACILITIES.] From the funds appropriated for vocational rehabilitation of the blind and matching federal funds available for the purpose, the commissioner of ~~human services~~ *employment and training* may make grants, upon such terms as he may determine, to public or nonprofit organizations for the establishment, maintenance or improvement of rehabilitation facilities or sheltered workshops for the blind.

Subd. 14. [TRAINING OF WORKERS FOR REHABILITATION OF BLIND.] From funds provided by the state or the United States for the rehabilitation of blind persons, the commissioner of ~~human services~~ *employment and training* may make provision for:

(1) Specialized supplementary training of professional workers employed by services for the blind, which shall consist of selected courses of study designed to improve worker techniques in providing assistance with adjustment to blindness, guidance, training and vocational placement services to blind children and adults;

(2) The employment of student trainees enrolled in graduate school programs. Such trainees to be employed on a one-third time basis during the regular school term and on a full time basis during the extra school term. Student trainees shall not be counted against the regular staff complement and shall not exceed eight in number employed concurrently.

Subd. 14a. [RULES.] The commissioner of ~~human services~~ *employment and training* shall, no later than February 1, 1985, adopt rules to set standards for the provision of rehabilitative services to blind and visually handicapped persons. The rules shall, at a minimum, contain program definitions and set standards for basic eligibility, including financial need eligibility and definitions of legal blindness.

The rules shall provide for the development of formal rehabilitation plans for eligible clients and shall govern the provision of direct rehabilitative services to clients, including placement in training programs, and providing

tools and equipment. In addition, the rules shall set standards for appeals filed under subdivision 15, and include specific requirements for timely responses by the agency.

Subd. 15. [APPEALS FROM AGENCY ACTION.] An applicant for or recipient of rehabilitation service who is dissatisfied with an agency's action with regard to the furnishing or denial of services may:

(1) File a request for an administrative review and redetermination of that action to be made by a ~~member or members of the supervisory staff of the state agency~~ *the commissioner*.

(2) ~~When an individual is dissatisfied with the findings of this administrative review, he shall be granted an opportunity for a fair hearing before the state administrator or his designee.~~

(3) If further appeal is deemed necessary by the applicant or recipient, his grievance shall be considered and relief if any recommended by an appeal committee. The committee shall be composed of one person nominated by the applicant or recipient, one person nominated by the agency, and a third person nominated jointly by the applicant or recipient and the agency. If the third person cannot be mutually agreed upon within ten days of the applicant's or recipient's request for a committee hearing, the judge of the district court in the applicant's or recipient's county of residence shall make the third appointment.

Sec. 14. Minnesota Statutes 1984, section 248.08, is amended to read:

248.08 [PAYMENTS BY COMMISSIONER OF HUMAN SERVICES EMPLOYMENT AND TRAINING.]

The commissioner of ~~human services~~ *employment and training* is hereby authorized to defray the necessary expenses of the work from the appropriation for the current expenses of the commissioner of ~~human services employment and training~~; provided, that in any county of this state now or hereafter having a population of over 150,000, and an assessed valuation of over \$200,000,000, including money and credits, the county board is hereby authorized to defray part or all of the necessary expenses of maintaining the work within the county from the general revenue fund of the county, not exceeding the total sum of \$3,600, in any one calendar year; and, in carrying on this work, may appoint and employ an assistant to the regular field agent for the blind in the county, who shall work under the direction of the agent in the county. The portion of the salary of the field agent, and of any assistant to be paid by the county, shall be fixed by the county board at its first meeting in January in each year; and such salary of the field agent and assistant shall be paid in the same manner as the salary of other county officers and employees are paid. All necessary expenses of the agent and assistant in carrying on this work in the county, not paid by the commissioner of ~~human services employment and training~~, shall be paid by the county board as other claims against the county are paid.

Sec. 15. Minnesota Statutes 1984, section 256.736, is amended to read:

256.736 [WORK INCENTIVE EMPLOYMENT AND TRAINING PROGRAM.]

Subdivision 1. [CREATION.] There is hereby established a program to

help appropriate recipients of aid to families with dependent children become self-supporting members of society.

Subd. 1a. [COMMISSIONER.] The commissioner of employment and training shall administer, on behalf of the commissioner of human services, those aspects of the aid to families with dependent children program, excluding categorical and financial eligibility, which directly relate to:

- (1) recipients' participation in employment and training programs;*
- (2) requirements for and conditions of participating in employment and training programs;*
- (3) the design and administration of such programs; and*
- (4) the supervision of county boards in carrying out responsibilities related to employment and training programs.*

The commissioner of employment and training and the commissioner of human services are authorized to implement those programs and authorities, including supported work programs and other demonstration projects which are authorized under federal regulations to increase services or federal reimbursement available for providing employment and training services for recipients of aid to families with dependent children.

Subd. 2. [DUTIES OF THE COMMISSIONER OF ECONOMIC SECURITY.] The commissioner of economic security shall develop a training and employment program for each appropriate relative and dependent child receiving aid to families with dependent children, with the objective of assuring, to the maximum extent possible, that the relative and child will enter the labor force, accept reasonable employment, and become self-sufficient.

Subd. 3. [OPERATION OF PROGRAM.] To determine who shall be designated as an appropriate individual for certification to the commissioner of economic security, the commissioner of human services employment and training shall provide, by rule, standards for county welfare agencies boards and human services boards consistent with the standards promulgated by the secretary of health and human services. County welfare agencies boards shall certify appropriate individuals to the commissioner of economic security employment and training and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

- (1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;*
- (2) a person who is ill, incapacitated or of advanced age;*
- (3) a person so remote from a work incentive an employment and training project that his effective participation is precluded;*
- (4) a person whose presence in the home is required because of illness or incapacity of another member of the household;*
- (5) a parent or other caretaker relative of a child under the age of six who*

personally provides full-time care for the child;

(6) a parent or other caretaker if another adult relative in the house is registered and has not, without good cause, failed or refused to participate or accept employment; or

(7) a pregnant woman in the last trimester of pregnancy; or

(8) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (6) (7).

Any individual referred to in ~~clause~~ clauses (5) to (8) shall be advised of the option to register for employment services, training services, and employment if the individual so desires, and shall be informed of the child care and other services, if any, which will be available if the individual decides to register.

If, after planning with a recipient, a decision is made that the recipient must register for employment services, training, and employment, the county ~~welfare department~~ boards shall give notice in writing to the recipient stating that he or she must register with the commissioner of economic security employment and training for participation in a work incentive an employment and training program and that the recipient has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any relative or child certified to the commissioner of economic security employment and training pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Pay ten percent of the cost of programs of training and employment established by the commissioner of economic security for persons certified hereunder the work incentive program and of other costs that are required by federal regulation for employment and training programs for recipients of the aid to families with dependent children program;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of economic security employment and training is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination to the extent permitted by federal regulations; and

(4) Provide that when it has been certified by the commissioner of economic security employment and training, certification to be binding upon the commissioner of human services, that a relative or child certified under the work incentive employment and training program to the commissioner of economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive an employment and training program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken

into account in making the grant determination, and aid for any dependent child in the family will be made in the form of *protective or vendor payments except that when protective payments are made, the local agency may continue payments to the relative if a protective payee cannot reasonably be found.*

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and his or her needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the *nonexempt* principal earner's unemployment and the principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87, *if the family is subject to requirements of the work incentive program.*

Subd. 5. [~~EXTENSION OF WORK INCENTIVE EMPLOYMENT AND TRAINING OPPORTUNITIES.~~] The commissioner of human services shall cooperate with the commissioner of ~~economic security employment and training~~ to ~~promote~~ *extend* the availability of training and employment opportunities on a state wide basis.

Subd. 6. [PROTECTION FROM GARNISHMENT.] Earnings of a recipient while participating in full or part-time employment or training shall be protected from garnishment. This protection shall extend for a period of six months from the date of termination of a recipient's grant of assistance.

Subd. 7. [~~COMPLIANCE WITH FEDERAL CHANGES RULEMAKING.~~] The commissioner of human services ~~is and the commissioner of employment and training are~~ authorized to promulgate such *coordinated rules and regulations* as are necessary to qualify for any federal funds available under this section *and to carry out the provisions of this section.*

Subd. 8. *The commissioner of human services shall amend the state plan for aid to families with dependent children to provide as special needs payments funds for the costs of child care, transportation, tuition, and items associated with education or seeking employment to the extent allowed under federal regulations and state appropriations.*

Subd. 9. [CHANGES IN STATE PLAN AND RULES; WAIVERS.] *The commissioner of human services shall make changes in the state plan and rules or seek any waivers or demonstration authority necessary to minimize barriers to participation in the employment and training programs or to employment. Changes must be sought in at least the following areas: allowances, child care, work expenses, the amount and duration of earnings incentives, medical care coverage, limitations on the hours of employment, and administrative standards and procedures. The commissioner shall implement each change as soon as possible.*

Sec. 16. Minnesota Statutes 1984, section 256.737, is amended to read:

256.737 [COMMUNITY WORK EXPERIENCE PROGRAM.]

In order that persons receiving aid under this chapter may be assisted in

achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of human services may continue the pilot community work experience demonstration programs that were approved by January 1, 1984. No new pilot community work experience demonstration programs may be established. The commissioner shall: (a) assist counties in the design, implementation, and evaluation of these demonstration programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until the termination of the demonstration programs; and (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law. The commissioner shall prohibit use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1983. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. Concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

Projects shall end no later than June 30, ~~1985~~ 1987, and a preliminary report shall be made to the legislature by February 15, ~~1985~~ 1987, on the feasibility of permanent implementation and on the cost effectiveness of each of the demonstration programs.

Sec. 17. Minnesota Statutes 1984, section 256C.24, is amended to read:

256C.24 [REGIONAL SERVICE CENTERS.]

Subdivision 1. [LOCATION.] The commissioner of ~~economic security~~ *human services* shall establish up to eight regional service centers for hearing impaired persons. The centers shall ~~be co-located with existing vocational rehabilitation field offices~~ and be distributed regionally to provide access for hearing impaired persons in all parts of the state. The center shall maintain a current registry of those persons having or suspected of having a hearing impairment who live in that region. A special task of the registry is to assure that referrals and follow-up services are completed with respect to persons in the register.

Subd. 2. [RESPONSIBILITIES.] The regional service center shall:

- (a) Serve as the central entry point for hearing impaired persons in need of human services and make referrals to the services needed;
- (b) Employ staff trained to work with hearing impaired persons;
- (c) Provide to all hearing impaired persons interpreter services which are necessary to help them obtain human services;
- (d) Serve as the regional interpreter referral center for hearing impaired persons and human services agencies;
- (e) Loan equipment and resource materials to hearing impaired persons; and
- (f) Cooperate with ~~the department of human services~~ *responsible depart-*

ments and administrative authorities to provide access for hearing impaired persons to services provided by state, county and regional human services agencies.

Subd. 3. [ADVISORY COMMITTEE.] The commissioner of ~~economic security, in consultation with the commissioner~~ of human services shall appoint an advisory committee of eight persons for each regional service center. Members shall include four persons who are hearing impaired persons or who are the parents of a hearing impaired child and four representatives of county and regional human services, including representatives of private service providers. Members shall serve without payment by the state of per diem or expense. The commissioner of ~~economic security~~ human services shall designate one member as chairperson. The ~~commissioners of economic security and~~ commissioner of human services shall assign staff to serve as ex officio members of the committee.

Sec. 18. Minnesota Statutes 1984, section 256C.25, is amended to read:

256C.25 [INTERPRETER SERVICES.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of ~~economic security~~ human services shall supervise the development and implementation of a statewide interpreter referral service. The commissioner of ~~economic security~~ human services shall contract with appropriate organizations to provide this centralized service.

Subd. 2. [DUTIES.] The central interpreter referral service shall:

- (a) Establish and maintain a statewide directory of interpreters who have received appropriate training and certification;
- (b) Provide technical assistance to the regional service centers in implementing the interpreter referral service; and
- (c) Assess the present and projected supply and demand for interpreting services statewide.

Sec. 19. Minnesota Statutes 1984, section 256C.26, is amended to read:

256C.26 [EMPLOYMENT SERVICES.]

The commissioner of ~~economic security~~ employment and training shall ~~develop and implement~~ include in the biennial plan under section 45, subdivision 3, clause (9), a method to deal with the underemployment of hearing impaired persons. The plan shall provide for training regarding the nature of hearing handicaps for department staff who consult with prospective employers or who provide job placement services.

Sec. 20. [256C.265] [COUNCIL FOR THE HEARING IMPAIRED.]

Subdivision 1. [MEMBERSHIP.] There is created the Minnesota council for the hearing impaired within the department of human services. The council consists of seven members appointed by the commissioner and a representative of each advisory council established under section 256C.24, subdivision 3. At least four of the members appointed by the commissioner must be hearing impaired. Council members are appointed for four-year terms, except for the members first appointed, of whom three are appointed for a term ending December 31, 1990, two for terms ending December 31,

1989, and two for terms ending December 31, 1988.

Subd. 2. [REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the council shall be as provided in section 15.0575.

Subd. 3. [DUTIES.] The council shall:

(1) advise the commissioner regarding the development of policies, programs, services affecting the hearing impaired, and on the use of appropriate federal funds;

(2) create a public awareness of the special needs and potentialities of hearing impaired persons; and

(3) provide the commissioner with a review of ongoing services, programs, and proposed legislation affecting the hearing impaired.

Sec. 21. Minnesota Statutes 1984, section 256D.02, subdivision 13, is amended to read:

Subd. 13. "Suitable employment" means an appropriate income producing job including, but not limited to, all ~~public~~ publicly subsidized jobs procured through the ~~work equity program~~ programs administered by or coordinated with the commissioner of employment and training. "Suitable employment" does not mean employment in a community investment program under section 51.

Sec. 22. Minnesota Statutes 1984, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1a, and according to procedures established by the commissioner. After October 1, 1985, state aid shall be paid to local agencies for 60 percent of the cost of wages paid to individuals who are eligible for and were receiving general assistance prior to their placement in a part-time publicly subsidized job in a community investment program under section 51, up to the standards of section 256D.01, subdivision 1a, plus 100 percent of the amounts established by the commissioner of employment and training to account for employment expenses and necessary equipment costs.

After June 30, 1986, state aid shall be paid to local agencies for 25-percent of general assistance grants paid to individuals who are not exempt from work requirements under section 256D.111, subdivision 2, or who are not employed in a permanent job subsidized by grant diversion pursuant to section 256D.09, subdivision 3, if the county does not have an approved and operating community investment program.

Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 23. Minnesota Statutes 1984, section 256D.09, subdivision 3, is amended to read:

Subd. 3. [EMPLOYMENT PAYMENTS FUNDED BY GRANT DIVERSION.] Notwithstanding the provisions of subdivision 1, the commissioner ~~may~~ *of employment and training shall* establish by rule ~~or emergency rule~~ a grant diversion program for payment of all or a part of a recipient's grant to a private, nonprofit, or public employer who agrees to employ the recipient *in a permanent job*. The commissioner *of employment and training* shall design the program to provide, to the extent possible, employment or employment-related training that will enable recipients to become self-supporting. A recipient shall be eligible for general assistance medical care during the term of the grant diversion contract to the extent that medical care coverage is not provided by the employer. Any rule adopted by the commissioner *of employment and training*:

(a) Shall require the local agencies to administer *and deliver* the grant diversion program directly or to ~~delegate administration contract for the delivery of the program to~~ *with another unit of government or service provider certified by the full productivity and opportunity coordinator*;

(b) Shall require that grants paid to employers be paid pursuant to a written grant diversion contract;

(c) Shall determine the amount of the grant to be paid to the employer and the term of the grant diversion contract;

(d) Shall establish standards to ensure that recipients hired pursuant to grant diversion contracts do not displace other workers;

(e) Shall provide for the amount of the wage to be paid to the recipient, which shall not be less than the minimum wage ~~for jobs with nonprofit and public employers~~ *and shall be the usual and customary wage for similar jobs with private the employers*;

(f) Shall provide for the minimum number of hours per month the recipient ~~must work job must provide~~, which shall be sufficient to provide a net monthly wage equal to or exceeding the difference between the amount of the grant retained by the recipient and ~~150~~ *175* percent of the recipient's monthly grant *standard if the recipient were not employed*; and

(g) May establish other terms and conditions for the operation of the grant diversion program.

Sec. 24. Minnesota Statutes 1984, section 256D.09, is amended by adding a subdivision to read:

Subd. 4. [PART-TIME EMPLOYMENT PAYMENTS.] *If an individual who is not exempt from work requirements is not placed in permanent employment, in training, or in an employment and training program, the individual must be advised no later than six months after he or she has begun to receive public assistance of the option to receive part-time employment in a community investment program under section 51, if such a program is approved and operating.*

The recipient must be offered a community investment program job, commensurate with his or her skills, at the wage rate paid to employees doing

comparable work in that locality, plus amounts for work expenses and necessary equipment costs as established by the commissioner of human services.

Eligibility for general assistance medical care continues during the time of employment.

Sec. 25. Minnesota Statutes 1984, section 256D.111, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] A recipient is not required to register with the department of ~~economic security~~ *employment and training* and comply with the other requirements of subdivision 1 if he is:

(a) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(b) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(c) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(e) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;

(f) a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(g) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(h) a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;

(i) a person completing a secondary education program or one who has been referred to, has applied for, or is in a work training, work experience, vocational rehabilitation, or other vocational or technical training program, *including those persons receiving grants from the higher education coordinating board as part-time students*; however, the period of time that the person is exempted under this clause waiting for acceptance into the program shall not be more than two months;

(j) an adult member of a household with children in which another adult is

employed full time or has registered for employment services with the department of ~~economic security~~ *employment and training* or been accepted in a work training program;

(k) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of ~~economic security~~ *employment and training*; or

(l) a person who is certified by the commissioner of ~~economic security~~ *employment and training* as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of economic security in consultation with the commissioner.

The exemption of a person described in clause (k) or (l) shall be reassessed annually.

Sec. 26. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 34. [COORDINATOR.] "Coordinator" means the full productivity and opportunity coordinator.

Sec. 27. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 35. [LOCAL SERVICE UNIT.] "Local service unit" means a county, one or more counties operating under a joint powers agreement, city of the first class, or a service delivery area designated under the jobs training partnership act or under sections 268.671 to 268.686.

Sec. 28. [268.041] [COUNCIL FOR THE BLIND.]

Subdivision 1. [MEMBERSHIP.] There is created the Minnesota council for the blind within the department of employment and training. The council consists of seven members appointed by the commissioner. At least four of the council members shall be blind or visually handicapped. Council members are appointed for four-year terms, except for the members first appointed, of whom three are appointed for a term ending December 31, 1990, two for terms ending December 31, 1989, and two for terms ending December 31, 1988.

Subd. 1a. [REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the council shall be as provided in section 15.0575.

Subd. 2. [DUTIES.] The council shall:

(1) advise the commissioner on the qualifications for the director of the division of services for the blind;

(2) advise the commissioner regarding the development of policies, programs, services affecting the blind and visually impaired, and on the use of appropriate federal funds;

(3) advise the commissioner regarding policies relating to eligibility determinations;

(4) create a public awareness of the special needs and potentialities of blind and visually impaired persons; and

(5) provide the commissioner with a review of ongoing services, programs, and proposed legislation affecting the blind and visually impaired.

Sec. 29. Minnesota Statutes 1984, section 268.08, is amended by adding a subdivision to read:

Subd. 10. [APPROVED TRAINING.] (a) [CREATION.] There is created a training program for structurally unemployed workers in Minnesota under which individuals may be enrolled in an on-the-job training program, and an additional 1,000 individuals may be enrolled in classroom training in accordance with the provisions of this subdivision. Nothing in this subdivision shall be considered to limit or adversely affect the approved training provisions applicable to an individual under section 268.08, subdivision 1, clause (3). An individual approved under this subdivision shall be eligible for tuition aid under the provisions of chapter 136A. The commissioner shall report to the legislature annually regarding the status of the training program under this subdivision.

(b) [APPROVAL OF TRAINING.] An individual's enrollment in a training course shall be approved for the purposes of this subdivision if the commissioner finds that:

(1) the individual is not unemployed due to the seasonal nature of the work or a temporary work shortage;

(2) the individual's separation from most recent employment was caused by job obsolescence, plant shutdown, regional decline in the individual's customary occupation, or industry slowdown;

(3) the individual has received a notice of layoff and is unlikely to return to work for that employer or in that occupation within the 12-month period immediately following the separation;

(4) reasonable and suitable work opportunities for which the individual is fitted by training, experience, and physical capabilities do not exist within the local labor market;

(5) the training course is designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;

(6) the training is conducted by an agency, education institution, or employing unit which has been approved by the department of education or state board for vocational technical education or higher education coordinating board to conduct training programs; except that any agency, education institution, or employing unit which is not subject to regulation and approval by one of the above agencies may be approved by the commissioner if it is determined that the curriculum, facilities, staff, and other essentials are adequate to achieve the training objective;

(7) the training consists of a full course load, as defined by the institution, necessary to achieve the approved training objective, and the individual is making satisfactory progress in the course. The department may require the training institution to periodically certify to the individual's attendance and

progress.

(c) [ON-THE-JOB TRAINING.] *An individual who meets the criteria set forth under paragraph (b) shall be eligible for participation in a full-time on-the-job training program provided that:*

(1) *the on-the-job training position is in an occupation for which the commissioner has determined a demand exists or will exist. In making this determination, the commissioner shall consider labor market information as contained in state and national occupational outlook publications, as well as other generally accepted authoritative sources with verifiable validity;*

(2) *the employer pays an hourly wage during training of at least the state minimum wage;*

(3) *the employer guarantees to provide at least 12 months of employment to the trainee after the completion of training at the prevailing area labor market wage for a trained individual in that occupation;*

(4) *the employer will not terminate the trainee during the period of training or guaranteed employment except for misconduct or demonstrated substandard performance;*

(5) *the employer may not terminate, lay off, or reduce the hours of any employee for the purpose of hiring an individual with funds available, and may not hire an individual if any other person is on layoff from the same or substantially equivalent job.*

(d) [TRAINING ALLOWANCE.] *During participation in an approved on-the-job training program, the trainee shall maintain both satisfactory progress and attendance. During the period of training specified in the agreement between the commissioner and the employer, individuals participating in an approved on-the-job training program shall be paid with respect to each week claimed during the benefit year and prior to exhaustion a benefit in an amount equal to the weekly benefit amount, less that part of the earnings, including holiday pay, which is in excess of \$100. The benefit shall be computed by rounding down to the nearest dollar amount. Notwithstanding any other provision, an individual participating in on-the-job training on a full-time basis shall not be considered employed for purposes of benefit eligibility.*

(e) [EMPLOYER PENALTY.] *An employer who enters into an on-the-job training agreement with the department and terminates the trainee in a manner other than provided in this subdivision shall repay 70 percent of the amount of unemployment insurance benefits paid to the individual while in the training program with that employer if terminated during the training period. If terminated during the 12-month period of guaranteed employment, the employer shall receive a proportional reduction in the amount it must repay. The commissioner shall use any funds collected by him under this paragraph for job search and relocation expenses of structurally unemployed workers participating in the training program.*

(f) [FUNDING.] *In arranging for training, existing federal and state financed job training service deliverers and Wagner-Peyser mechanisms and funds shall be utilized in the most efficient and effective manner.*

Sec. 30. Minnesota Statutes 1984, section 268.31, is amended to read:

268.31 [DEVELOPMENT OF YOUTH EMPLOYMENT OPPORTUNITIES.]

To the extent of available funding, the commissioner of ~~economic security~~ *employment and training* shall ~~hire~~ *establish a program to employ* individuals from the ages of 14 years up to 22 years. *Funds must be used to support employment under this section for a maximum of 12 weeks, not to exceed 40 hours per week per individual, during the summer for the purpose of placing such individuals in service with the department of economic security and with community investment programs under section 51 or with other departments, agencies and instrumentalities of the state, county, local governments, school districts and with nonprofit organizations and for job related support services not to exceed ten percent of the allocation for eligible youths placed in public or private-sector summer employment. Priority for employment shall be given to those young individuals between the ages of 16 years up to 22 years. The commissioner shall cooperate with the commissioner of human services in determining and implementing the most effective means of disregarding a youth's earnings from family income for purposes of the aid to families with dependent children program, to the extent permitted by the federal government.*

Sec. 31. Minnesota Statutes 1984, section 268.32, is amended to read:

268.32 [RATE OF PAY.]

Persons ~~hired~~ *employed* pursuant to sections 268.31 to 268.36 shall be compensated at the federal minimum wage rate. Persons hired in a supervisory capacity shall be compensated ~~at a rate~~ *according to criteria* established by the commissioner *in rules*.

Sec. 32. Minnesota Statutes 1984, section 268.33, is amended to read:

268.33 [ELIGIBILITY FOR EMPLOYMENT AND PLACEMENT.]

~~Subdivision 1.~~ The ~~department of economic security~~ *commissioner of employment and training* shall promulgate rules determining the *priority and eligibility* for employment and placement pursuant to sections 268.31 to 268.36. The ~~department~~ *commissioner* shall have emergency ~~powers~~ *and permanent rulemaking authority* to implement rules for carrying out sections 268.31 to 268.36.

~~Subd. 2.~~ The ~~department of economic security~~ *commissioner of employment and training* shall, for the purposes of sections 268.31 to 268.36, be exempt from complying with any law relating to hiring by departments, agencies or instrumentalities of the state.

Sec. 33. Minnesota Statutes 1984, section 268.34, is amended to read:

268.34 [EMPLOYMENT CONTRACTS.]

The commissioner ~~may~~ *shall* enter into arrangements with existing public and private nonprofit organizations and agencies with experience in administering ~~summer~~ youth employment programs for the purpose of providing employment opportunities in furtherance of sections 268.31 to 268.36 and to advance up to 20 percent of a summer youth employment contract to any participating organization or agency. The department of ~~economic security~~ *employment and training* shall retain ultimate responsibility for the adminis-

tration of this employment program, including but not limited to, approval of summer job opportunities, ~~review~~ *eligibility* of applicants therefor, placement of youth in jobs and the disbursement of funds.

Sec. 34. Minnesota Statutes 1984, section 268.36, is amended to read:

268.36 [REPORT TO THE GOVERNOR COORDINATOR AND THE LEGISLATURE.]

The commissioner, after consultation with the ~~CETA~~ *prime sponsors counties and providers of employment and training services*, shall evaluate the effectiveness of the youth employment ~~program~~ *programs*, taking into account the extent of ~~other~~ *all* programs which are providing summer employment opportunities for youth ~~covered under sections 268.31 to 268.36~~, and shall report to the ~~governor~~ *coordinator* and the legislature no later than January 15 of each ~~even~~ *even-numbered* year with an evaluation of the ~~program~~ *this and other programs* and any recommendations for improvements.

Sec. 35. Minnesota Statutes 1984, section 268.672, subdivision 6, is amended to read:

Subd. 6. [ELIGIBLE JOB APPLICANT.] "Eligible job applicant" means a person who: (1) has been a resident of this state for at least one month, (2) is unemployed, (3) is not receiving and is not qualified to receive unemployment compensation or workers' compensation, and (4) is determined by the employment administrator to be likely to be available for employment by an eligible employer for the duration of the job.

~~In addition, For the purposes of this subdivision, a farmer who resides in a county qualified under Federal Disaster Relief and or any member of a farm family household who can demonstrate severe household financial need may~~ shall be considered to be unemployed under this subdivision.

Sec. 36. Minnesota Statutes 1984, section 268.676, subdivision 1, is amended to read:

Subdivision 1. [AMONG JOB APPLICANTS.] Allocation of funds among eligible job applicants within a service delivery area shall be determined by the employment administrator in each service delivery area. The employment administrator shall give priority to:

- (1) applicants living in households with no other income source; ~~and~~
- (2) applicants who would otherwise be eligible to receive general assistance;
- (3) applicants who are eligible for aid to families with dependent children; ~~and~~
- (4) applicants who live in a farm household who demonstrate severe household financial need.

~~In service delivery areas where the unemployment rate for the 12-month period ending the most recent March 31 is below the statewide unemployment rate at that time, the employment administrator shall give higher priority to applicants described in clause (2) than to those described in clause (1).~~

Sec. 37. Minnesota Statutes 1984, section 268.686, is amended to read:

268.686 [SUNSET SUSPENSION.]

Laws 1983, chapter 312, article 7, sections 1 to 18 are ~~repeated~~ *suspended* January 1, 1986.

Sec. 38. [267.01] [PURPOSE.]

The legislature finds that changes in the state economy and the structure of federal support have altered the role of state government in the planning, development, and delivery of employment, job training, job creation, income maintenance, and human service programs; that the proliferation of these programs, coupled with the rapidly changing characteristics and requirements of people who seek public assistance, has produced a need for the state to coordinate the delivery of services and programs; that there exists no office of sufficient interagency and intergovernmental focus to develop a plan to achieve full economic productivity and opportunity in Minnesota and effectively coordinate the delivery of services and programs for the purpose of simultaneously reducing unemployment rates and welfare caseloads.

Sec. 39. [267.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 38 to 42, the following terms have the meanings given them.

Subd. 2. [BIENNIAL PLAN.] "Biennial plan" means the plan submitted by the coordinator to the governor in accordance with section 41, subdivision 2.

Subd. 3. [COORDINATOR.] "Coordinator" means the full productivity and opportunity coordinator.

Subd. 4. [EMPLOYMENT PROGRAMS.] "Employment programs" means programs related to job training, job placement, job creation, and job-related counseling, including but not limited to job service programs, job training partnership act programs, wage subsidy programs, work incentive programs, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, youth employment programs, conservation corps, apprenticeship programs, and community investment programs, supported work programs, and opportunities industrialization centers.

Subd. 5. [INCOME MAINTENANCE AND SUPPORT SERVICES.] "Income maintenance and support services" means programs through which the state or its subdivisions provide direct financial or in-kind support to unemployed or underemployed persons, including but not limited to unemployment compensation, aid to families with dependent children, general assistance, food stamps, energy assistance, disability determination unit, and child care; but not including medical assistance; aging, and deaf services; social services; community social services; mental health services; or services for the emotionally disturbed, the mentally retarded, or residents of nursing homes.

Subd. 6. [LOCAL SERVICE UNIT.] "Local service unit" means a county, one or more counties operating under a joint powers agreement, city of the first class, or a service delivery area designated under the jobs training partnership act or under sections 268.671 to 268.686.

Subd. 7. [SERVICE PROVIDER.] "Service provider" means a public, private, or nonprofit agency that is capable of providing one or more of the

services or administering one or more of the programs for which the full productivity and opportunity coordinator has responsibility under the scope of this section.

Subd. 8. [WAGE SUBSIDIES.] "Wage subsidies" means subsidizing of wages and fringe benefits for eligible employees. All wage subsidies are subject to the restrictions in sections 268.672, subdivisions 3 to 7, and 9; 268.676, subdivision 1; 268.677, clauses (a), (c), (d), (e), and (f); 268.68; 268.681, subdivision 1, clauses (c), (d), and (f), and subdivisions 2, 3, and 4; and 268.682.

Sec. 40. [267.03] [OFFICE OF FULL PRODUCTIVITY AND OPPORTUNITY; COORDINATOR.]

Subdivision 1. [OFFICE OF FULL PRODUCTIVITY AND OPPORTUNITY.] The office of full productivity and opportunity is created in the executive branch.

Subd. 2. [FULL PRODUCTIVITY AND OPPORTUNITY COORDINATOR.] The governor, with the advice and consent of the senate, shall appoint a full productivity and opportunity coordinator to serve at the pleasure of the governor in the unclassified service. The salary of the coordinator is set under section 15A.081. The coordinator is head of the office of full productivity and opportunity and chairs the full productivity and opportunity council. The coordinator shall administer the provisions of sections 38 to 41.

Subd. 3. [POWERS.] The coordinator of full productivity and opportunity is authorized to:

(1) appoint a deputy and a confidential secretary, who shall serve at the coordinator's pleasure in the unclassified service;

(2) appoint other employees under chapter 43A;

(3) issue, revoke, and amend rules under the administrative procedure act;

(4) enter into contracts;

(5) where it would further the purposes of the biennial plan, recommend to the governor interdepartmental transfer of programs included in section 39, subdivisions 4, 5, and 8, which the commissioner of administration, if so ordered by the governor, shall carry out as provided in section 16B.37, subdivisions 1, 2, and 3, and implement so as not to lead to a reduction of federal funds to the state or its political subdivisions;

(6) where it would further the purposes of the biennial plan, recommend to the governor transfer of one or more programs included in section 39, subdivisions 4 and 8, to a service provider other than a state agency;

(7) initiate and oversee wage subsidies;

(8) require the department of employment and training, the department of human services, the department of energy and economic development, and the state planning agency to furnish such assistance as the coordinator may deem necessary to fulfill the duties of his or her office;

(9) require agencies to submit any permanent rule that relates to programs or activities included in section 39, subdivisions 4, 5, and 8, for the coordi-

nator's approval or disapproval before the publication of the notice of intent required by section 14.22 or 14.30, and prevent any rule disapproved by the coordinator taking effect;

(10) based on performance related to standards established by the coordinator for the reduction of unemployment rates and welfare caseloads, the coordinator with the approval of the governor may increase or decrease the county share of payments for general assistance, under section 256D.03, subdivision 2, by as much as five percent; aid to families with dependent children, under section 256.82, subdivision 1, by as much as three percent; and state reimbursements, under section 256D.22, by as much as ten percent;

(11) certify competent service providers and decertify service providers that fail to comply with performance criteria developed by the commissioner; and

(12) if the coordinator finds that a local service unit over the period of two years consistently fails to provide service of sufficient quantity and quality to satisfy criteria established for the receipt of state funds, the coordinator has the authority to contract with another service provider for employment and training programs in that local service unit.

Sec. 41. [267.04] [DUTIES AND RESPONSIBILITIES.]

Subdivision 1. [DUTIES.] The coordinator of full productivity and opportunity shall:

(1) coordinate the delivery of income maintenance and support services under the laws of the state;

(2) coordinate the delivery of employment programs under the laws of the state;

(3) review the operating performance, effectiveness, and degree of integration of income maintenance and employment programs;

(4) consult with the governor on the subjects of income maintenance and employment, provide assistance to the governor related to income maintenance and employment, and recommend to the governor improvements in delivery of employment and income maintenance services;

(5) confer with and advise state agencies and local service units that are responsible for income maintenance and employment programs;

(6) ensure coordination and cooperation among state and federal agencies, county and local governments, and private service providers serving on a contract basis;

(7) prepare and oversee the implementation of the biennial plan;

(8) review criteria established by the department of employment and training and the department of human services for receipt of state funds designated for employment, training, and income maintenance programs included in section 39, subdivisions 4, 5, and 8;

(9) review the performance of local service units and obtain from them the reports necessary to monitor and evaluate the success of their employment and training programs;

(10) report to the legislature regarding changes needed to more adequately serve the needs of those who are unemployed, underemployed or untrained;

(11) design and monitor the development and administration of the intake, referral, and inventory system;

(12) oversee and monitor the coordination of programs and the sharing of responsibility for employment and training between the department of employment and training and the department of human services;

(13) review and make recommendations concerning plans of the department of employment and training and the department of human services for federally sponsored programs and demonstration projects;

(14) develop guidelines governing the contents, submission, and updating of biennial plans by state agencies and local service units;

(15) establish performance objectives for individual local service units that include realistic goals for reducing or managing unemployment rates and welfare caseloads;

(16) work with the commissioner of administration to coordinate databases and information systems among state agencies, including, but not limited to, the departments of energy and economic development, employment and training, human services, transportation, natural resources, and public safety, and the state planning agency; and

(17) seek input from representatives of local service units, business, and labor on the delivery and development of employment and training programs.

Subd. 2. [BIENNIAL PLAN.] The coordinator shall submit a biennial plan to the governor by July 1 of each even-numbered year. Upon approval by the governor, the plan serves as a basis for the development of the governor's budget proposal for employment, training, and income maintenance. After the legislature has acted, and before July 1 of each odd-numbered year, the coordinator shall revise the biennial plan to incorporate legislative action. Upon approval by the governor, the revised plan governs the administration and delivery of all employment programs and income maintenance and support services.

The plan must provide at least the following:

(1) a strategy for achieving full productivity and opportunity in Minnesota that specifies priorities among employment, income maintenance and support services, and economic development programs;

(2) unemployment reduction goals;

(3) welfare caseload reduction goals;

(4) a review and comment on the vocational programs administered by the vocational technical education system and the community colleges;

(5) a strategy for efficient integration of federal, state, local, and private resources;

(6) a strategy to encourage local and private involvement in the full pro-

ductivity and opportunity program; and

(7) suggestions to maximize the effectiveness of appropriated funds.

Subd. 3. [INTAKE, REFERRAL, AND INVENTORY SYSTEM.] Within 30 days of appointment, the coordinator shall develop guidelines and a timetable for the development of an intake, referral, and inventory system (IRIS). The system must provide for localized, single-point client intake with direct access to a statewide database. The system must include information on all available public and private programs for employment and income maintenance. The system must emphasize methods to match client needs with employment opportunities, appropriate services, programs, providers, funding sources, and other sources of assistance. The system must be coordinated with other state databases. Access to the system, within federal and state data practices provisions, must be available in each public assistance office. Employees in public assistance offices shall actively use the system to assist clients.

Subd. 4. [DUTIES WITH RESPECT TO COMMUNITY INVESTMENT PROGRAMS.] The coordinator shall:

(1) confer with the commissioners of employment and training, energy and economic development, human services, education, agriculture, public safety, natural resources, and health, and representatives of local governments to determine the type of activities valuable to the state and local communities and the type of jobs that would provide valuable training, skills, and work experience to part-time program employees;

(2) adopt permanent rules governing plan content, criteria for approval, and administrative standards;

(3) refer community investment program administrators to the appropriate state agency for technical assistance to aid in developing and administering community investment programs;

(4) develop monitoring and evaluation criteria and institute ongoing methods for overseeing the administration and results of community investment programs;

(5) establish the method by which community investment programs will be approved or disapproved by the state and approve or disapprove county plans, which have been submitted on a timely basis, by November 1 of each even-numbered year;

(6) report to the governor and legislature, semiannually, on the operation and performance of the community investment programs; and

(7) inform the commissioners of human services and employment and training of those counties which do not have an approved plan.

Subd. 5. [ALLOCATION OF WAGE SUBSIDY FUNDS.] The coordinator shall allocate wage subsidy funds twice each fiscal year in the following manner. Seventy percent of the funds available for allocation to local service units for wage subsidy programs must be allocated among local service units as follows: the proportion of the wage subsidy funds available to each service delivery unit shall be based on the number of unemployed persons in the local service unit for the most recent six-month period and the

number of general assistance cases and aid to families with dependent children cases in the local service unit for the most recent six-month period; 30 percent of the funds allocated to local service units under the program must be allocated at the discretion of the coordinator.

Where federal and state law allow, wage subsidy funds may be pooled and used in combination with funds from other employment and training or income maintenance programs for the purpose of enhancing clients' opportunities to obtain full-time employment and achieve economic independence.

Subd. 6. [SPECIAL WAGE SUBSIDY PROGRAMS.] (a) The coordinator shall monitor local and statewide unemployment rates. If the coordinator determines that an economic emergency exists in one or more local service units, he may recommend to the governor to increase the wage subsidy funding received by service providers for the affected area or areas.

(b) When the unemployment rate for the state of Minnesota equals or exceeds nine percent, the coordinator shall recommend to the governor to increase statewide wage subsidy funding.

These funds shall be distributed to local service units in a proportion equal to the number of unemployed people in each local service unit divided by the total number of unemployed people in the state at the end of the most recent quarter.

Sec. 42. [267.05] [FULL PRODUCTIVITY AND OPPORTUNITY COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The full productivity and opportunity council consists of the following members: the commissioners of education, economic security, finance, energy and economic development, and human services, the chancellor of the board for community colleges, the directors of the state planning agency, the job skills partnership, and the vocational technical education system, a representative of organized labor, and a representative of the president of the University of Minnesota.

Subd. 2. [DUTIES.] The council shall provide information and advise the coordinator in the preparation of the biennial plan.

Sec. 43. [267.06] [COOPERATION OF STATE AGENCIES AND COUNTY AND LOCAL GOVERNMENTS.]

All state agencies, counties, and units of local government shall cooperate fully with the plans and directives of the full productivity and opportunity coordinator.

Sec. 44. [268A.01] [CREATION.]

Subdivision 1. There is created the department of employment and training with broad responsibility to increase the economic independence of Minnesotans with special effort toward those who are currently unemployed or who face special disadvantages in the labor market.

The department shall develop employment policies and shall link training and employment-related services with temporary income replacement and income maintenance programs, veterans' programs, workers' compensation, vocational and post-secondary education, federal income insurance programs, and economic development programs.

Subd. 2. The department shall be supervised and controlled by the commissioner, appointed by the governor with the advice and consent of the senate under section 15.06. The commissioner serves at the pleasure of the governor.

Subd. 3. (a) The commissioner may establish positions in the unclassified service in accordance with section 43A.08. The commissioner shall appoint a deputy commissioner and may appoint and define the duties of other subordinate officers and employees as he or she deems necessary to discharge the functions of the department.

(b) The commissioner may delegate any powers or duties subject to his or her control to officers and employees in the department. Notwithstanding any other law, the commissioner may delegate the execution of specific contracts or specific types of contracts to his deputies, an assistant commissioner, or a program director if the delegation has been approved by the commissioner of administration and filed with the secretary of state.

(c) The commissioner may accept gifts, bequests, grants, payments for services, and other public and private funds to help finance the activities of the department.

Sec. 45. [268A.02] [POWERS AND DUTIES.]

Subdivision 1. [STATE AGENCY.] The commissioner of employment and training is designated the "state agency" as defined by United States Code 1976, title 29, sections 49 et seq., the Wagner-Peyser Act of the United States, as amended and the laws of this state.

Subd. 2. [SPECIFIC POWERS.] The commissioner of employment and training shall:

(1) administer and supervise all forms of unemployment insurance provided for by federal and state laws that are vested in the commissioner;

(2) administer and supervise all employment and training programs assigned to the department of employment and training by federal or state law;

(3) establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department;

(4) supervise the county boards of commissioners and any other units of government designated in federal or state law as responsible for employment and training programs;

(5) have authority to conduct and administer demonstration projects to test methods and procedures for providing employment and training services. The demonstration must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law;

(6) establish administrative standards and payment conditions for providers of employment and training services; and

(7) have authority to make permanent rules to carry out the purposes of this chapter.

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

- (1) *administer the unemployment insurance laws and related programs;*
- (2) *administer those aspects of the aid to families with dependent children, general assistance, and food stamp programs which are related to providing employment and training services, subject to the limitations of federal regulations;*
- (3) *administer wage subsidy programs;*
- (4) *administer a national system of public employment offices as prescribed by United States Code 1976, title 29, sections 49 et seq., the Wagner-Peyser Act, as amended and other federal employment and training programs;*
- (5) *cooperate with the federal government and its employment and training agencies in any reasonable manner as may be necessary to qualify for federal aid for employment and training programs and funds;*
- (6) *enter into agreements with other departments of the state and local units of government as necessary;*
- (7) *administer all programs for which it is responsible or for which it coordinates with other state agencies so that the state provides consistent, integrated employment and training services across the state;*
- (8) *develop and administer a method for providing current state and sub-state labor market information and forecasts, in cooperation with other agencies;*
- (9) *prepare and submit a biennial plan to the coordinator on or before July 1 of each even-numbered year for the succeeding biennium;*
- (10) *submit to the governor, the coordinator, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report which:*
 - (a) *reports by client type, an unduplicated count of the types and number of services furnished through each program administered or supervised by the department or coordinated with it;*
 - (b) *reports on the number of job openings listed, developed, available, and obtained by clients of the department;*
 - (c) *identifies the number of cooperative agreements in place and the number of individuals being served and the types of service;*
 - (d) *evaluates the performance of special state programs, such as the wage subsidy, community investment, and grant diversion programs;*
 - (e) *explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance and aid to families with dependent children caseloads and program expenditures;*
- (11) *with the advice and consultation of the coordinator prescribe the form, nature, and method of information collected by counties and providers of service;*
- (12) *under the plan and timetable issued by the coordinator, develop and maintain the intake, referral, and inventory system required under section*

41, subdivision 3; and

(13) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired.

Sec. 46. [268A.03] [GENERAL DUTIES WITH RESPECT TO APPLICANTS FOR AND RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN, GENERAL ASSISTANCE, AND FOOD STAMPS.]

Subdivision 1. The commissioner shall develop grant diversion processes for both aid to families with dependent children and general assistance recipients. In selecting employers, priorities shall be given to small businesses, businesses which have the potential for offering new jobs on a long-term basis, and businesses which make use of Minnesota resources and which operate primarily in Minnesota. Businesses shall be subject to the terms and conditions of sections 268.681, subdivision 3, and 268.682.

Subd. 2. Under the direction of the coordinator, the commissioner shall supervise the counties in the administration of the community investment programs to meet the needs and circumstances of public assistance recipients.

Subd. 3. (a) The department shall register clients within time limits necessary to avoid delaying a client's receipt of assistance, denying benefits, or reducing the amounts of benefits.

(b) The department shall assure that a client's employment status is appraised within 30 days and that a written employability development plan is prepared for each participating recipient in consultation with the recipient within 90 days of the referral from the local agency.

The plan must be designed to aid the recipient in obtaining suitable permanent employment, training, or work skills necessary to secure suitable employment, and may include an arrangement with another service provider or agency for specialized employment, education, training, or support services.

A copy of the plan must be given to the recipient at the time it is prepared; an additional copy must be given to the local agency for its files.

(c) If either the recipient or the local agency disagrees with the determination that the individual is lacking work skills or training, the individual or the county may appeal the decision to the commissioner.

Subd. 4. The commissioner has permanent rulemaking authority to implement this section.

Sec. 47. [268A.04] [SERVICE PRIORITIES FOR EMPLOYMENT AND TRAINING PROGRAMS, GRANT DIVERSION, AND WAGE SUBSIDIES.]

Subdivision 1. To the extent that the state has the authority to establish priority groups to be served under these programs, greatest consideration must be given to client groups identified as experiencing the most severe disadvantages to employment. Individuals volunteering for employment, regardless of whether or not they are required to register, must also be given preference to avoid the effects of long-term unemployment or dependence on

public assistance.

Subd. 2. (a) The priority for services to be provided is:

(1) permanent, unsubsidized, full-time private or nonprofit sector employment;

(2) permanent, subsidized, full-time private sector employment;

(3) permanent, subsidized, full-time nonprofit sector employment;

(4) training or relocation; and

(5) part-time, subsidized, nonprofit, or public employment with continued employment assistance.

(b) Individuals receiving any of the priority services in paragraph (a) will be provided with child care, transportation, or other support services as necessary and in relation to their eligibility and the availability of funds.

Sec. 48. [268A.05] [EMPLOYMENT AND TRAINING PROGRAMS FOR APPLICANTS FOR AND RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN, GENERAL ASSISTANCE, AND FOOD STAMPS.]

Subdivision 1. The commissioner shall develop and administer employment and training programs to assist appropriate recipients of aid to families with dependent children, food stamps, and general assistance to become economically independent. The programs shall have as their objective improving clients' opportunities for economic independence through permanent employment. The programs shall provide sufficient employment and training options to allow local service units to effectively meet the support services, educational, and training needs of their public assistance clients.

Subd. 1a. Under agreements necessary to comply with federal regulations, the commissioner shall administer employment and training programs for applicants for or recipients of aid to families with dependent children and food stamps on behalf of the commissioner of human services. The commissioner shall administer employment and training services and programs for general assistance recipients in consultation with the commissioner of human services.

Subd. 2. The commissioner shall establish, by rule, the conditions under which individuals participate in programs, their rights and responsibilities while participating, and the standards by which the programs must be administered, and shall provide fair hearings procedure governing participation.

Subd. 3. In administering the work incentive program under section 256.736, the commissioner shall assure that no later than July 1, 1986, at least 25 percent of all state and federal funds appropriated to that program must be spent for direct client services, including child care, transportation, institutional training, and on-the-job training. Seventy-five percent or less of the funds must be spent for services provided directly by state or county staff.

Subd. 4. In developing employment and training programs and services, the commissioner shall identify and incorporate, to the extent possible, funding from both federal and state income maintenance, employment and

training, and educational programs.

Subd. 5. The commissioner of employment and training shall establish a supported work program for recipients of aid to families with dependent children who have received public assistance for more than three years and who are residents of counties that have had more than three percent of their aid to families with dependent children recipients on such assistance for three years or longer. The goals of the supported work program must be made a part of the biennial plan of the commissioner.

Sec. 49. [268A.06] [LOCAL DELIVERY OF EMPLOYMENT AND TRAINING PROGRAMS AND SERVICES FOR PUBLIC ASSISTANCE RECIPIENTS.]

Subdivision 1. Unless otherwise determined by the coordinator, the counties are responsible for the delivery of employment and training programs for public assistance recipients. In carrying out the employment and training programs in sections 44 to 55, counties shall contract with an established and certified public, nonprofit, or private employment and training agency or capable post-secondary education institution and, unless the county already operates the job training partnership act program, shall not develop new administrative bodies or assign responsibilities to existing county departments. In contracting, counties must give preference, whenever possible, to state employment and training providers, including, but not limited to, job service, opportunities industrialization centers, displaced homemaker programs, work incentive programs, and job training partnership act programs.

Subd. 1a. The counties are responsible for enforcing employment and training requirements for recipients of aid to families with dependent children, food stamps, and general assistance, and must include provisions for enforcement of these requirements in any contracts with providers under subdivision 1.

Subd. 2. In establishing a contract, the county shall agree to out-station income maintenance and social service staff as necessary to accept applications and determine eligibility, monitor ongoing client eligibility, and authorize services and grants available under programs administered by the county social service or income maintenance agencies that are related to employment and training or the client's successful participation in employment and training activities.

Subd. 3. The commissioner of employment and training shall furnish sufficient co-located or out-stationed staff as are necessary to make the services provided through the department of employment and training and the programs it administers or supervises available to clients being served by the contract agency.

Subd. 4. The commissioner shall have permanent rulemaking authority to implement this section and shall establish the circumstances under which the requirements for co-location or out-stationing may be waived.

Sec. 50. [268A.07] [JOBS TRAINING PARTNERSHIP ACT; ADMINISTRATION.]

Subdivision 1. [COORDINATION OF STATE AND FEDERAL PRO-

GRAMS.] *The commissioner shall act as the governor's agent in administering the federal jobs training partnership act. To the extent permitted under federal regulation, this program shall be administered in conjunction with a comprehensive state employment and training strategy and its resources used in coordination with state programs and to further state objectives.*

Subd. 2. The commissioner shall recommend to the governor the priorities, performance standards, and special projects which are consistent with the coordinator's biennial plan.

Subd. 3. Strong consideration for income maintenance recipients must be included in the goals, objectives, and criteria of the governor's coordination and special services plan under section 121 of Public Law 97-300. Local service delivery area plans and job service plans must describe methods of complying with the coordination criteria under the governor's coordination and special services plan as required under section 104 of Public Law 97-300 and under United States Code 1976, title 29, as amended.

Sec. 51. [268A.08] [COMMUNITY INVESTMENT PROGRAMS.]

Subdivision 1. In order to improve its use of natural, human, and economic resources, the state shall encourage the establishment of community investment programs. These programs shall hire people who are experiencing prolonged unemployment and economic hardship and who have been receiving public assistance for six months. The community investment programs shall be directed toward improving or maintaining the state's social and physical environment.

Subd. 2. [SCOPE OF ACTIVITIES.] Community investment programs shall consist of one or more projects. These projects must be beneficial to the state and the communities in which they are located and must provide program employees with training and work experience. The projects must include activities which:

(1) expand or improve public services, including, but not limited to, education, health, social services, recreation, and safety;

(2) improve or maintain natural resources, including, but not limited to, rivers, streams and lakes, forest lands and roads, and soil conservation;

(3) make permanent improvements to public lands and buildings; or

(4) weatherize public buildings and private residential dwellings.

Subd. 3. [ACCESS TO EMPLOYMENT.] The coordinator shall prohibit use of participants in the programs to do the work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985. The exclusive bargaining representative shall be provided notice in advance of any placements in a community investment program. Concurrence with respect to job duties of persons placed under the community investment program shall be obtained from the appropriate exclusive bargaining representative. In order to gain state approval, a county's community investment plan must (a) plan for, at a minimum, sufficient jobs to provide part-time employment for 50 percent of the individuals who have for six months received general assistance pursuant to sections 256D.01 to 256D.18, and aid to families with dependent children pursuant to

sections 256.72 to 256.879, who are not exempt from work requirements or not otherwise engaged in employment or training related activities, and who volunteer for the employment; and (b) plan for placements in programs that do not replace work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985. Community investment programs which include other funding sources or authorized programs may provide employment for the groups eligible for the included programs. These programs include, but are not limited to: the Minnesota conservation corps, Minnesota summer youth program, county emergency jobs program, and the jobs training partnership act.

Subd. 4. [EMPLOYMENT CONDITIONS.] (a) An eligible nonprofit or public employer may not terminate, lay off, or reduce the regular working hours of an employee for the purpose of hiring an individual with funds available under this program. An eligible employer may not hire an individual with funds available through this program if any other person is on layoff from the same or a substantially equivalent job.

(b) Community investment program participants are employees of the project site or the county within the meaning of workers' compensation laws, personal income tax, and the federal insurance contribution act, but not retirement or civil service laws.

(c) Each project and job shall be in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

(d) Individuals employed under the community investment program shall be paid a wage at the same wage rates as work site or employees doing comparable work in that locality, unless otherwise specified in law.

(e) Each general assistance recipient must have available no fewer hours of employment than are necessary to meet general assistance standards. Recipients of the aid to families with dependent children program who are eligible on the basis of an unemployed parent, shall not have available more than 100 hours per month. All employees shall be limited to a maximum of 32 hours or four days per week, so that they can continue to seek full-time private sector employment, unless otherwise specified in law.

(f) The commissioner shall establish, by rule, the terms and conditions governing the voluntary participation of public assistance recipients. The rules shall, at a minimum, establish the procedures by which the minimum and maximum number of work hours and maximum allowable travel distances are determined, the amounts and methods by which work expenses will be paid, the manner in which support services will be provided, and periodic reviews of clients continuing employment in community investment programs.

Subd. 5. [COUNTY BOARDS OF COMMISSIONERS.] (a) The county boards of commissioners shall:

(1) be encouraged to establish community investment programs that are administered jointly according to section 471.59, or through multi-county human service boards, pursuant to chapter 402;

(2) develop community investment programs in consultation with the exclusive representatives of their employees;

(3) plan community investment programs by involving nonprofit organizations and other governmental units, community action agencies, community-based organizations, local union representatives, and representatives of client groups;

(4) give preference to individual community investment projects utilizing existing programs that are administered under contract by nonprofit organizations and governmental units, including departments and agencies of cities, counties, towns, school districts, state and federal agencies, park reserve districts, and other special districts;

(5) submit plans which incorporate identified local human and environment needs, jobs requiring skills at the level found among the area's unemployed, including public assistance recipients;

(6) submit reports and meet administrative standards established by rule;

(7) monitor the performance of entities under contract to administer individual community investment projects;

(8) enter into contracts with other governmental and private bodies to jointly fund or jointly administer approvable projects when agreements expand the resources available, the scope of people employed, or further recognized public purposes; and

(9) submit the first biennial plan between October 1, 1985, and May 1, 1986, and subsequent plans no later than September 1 of each odd-numbered year.

(b) The plan must be in the format prescribed by the coordinator.

Subd. 6. [STATE FINANCIAL PARTICIPATION.] The statutorily established state rates of financial participation or available state appropriations or grants shall not be affected by their incorporation into a community investment program.

Subd. 7. [RULEMAKING.] The commissioner shall have emergency and permanent rulemaking authority to implement this section.

Subd. 8. [VOLUNTARY PARTICIPATION.] Participation in the community investment program by any recipient of aid to families with dependent children or general assistance shall be voluntary.

Sec. 52. [268A.09] [STATE FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.]

Subdivision 1. Any administrative aid for employment and training programs administered under sections 44 to 55 must be paid to the counties by the commissioner according to the formula established in rules by the commissioner. The rules must provide that 75 percent of the funds are allocated among counties based on general assistance caseloads of individuals not exempt from work requirements as forecast by the department of human services and that 25 percent are allocated in a way that encourages full-time, private-sector job placement, program completion by public assistance clients, and other performance characteristics.

Subd. 2. The commissioner has permanent rulemaking authority to implement this section.

Sec. 53. [268A.10] [OFFICE OF INDIVIDUAL ENTERPRISE.]

Subdivision 1. The commissioner shall establish an office of individual enterprise that shall be responsible for coordinating state activities related to self-employment enterprises, including, but not limited to, home-based businesses, individual self-employment initiatives, and collective and cooperative efforts as involve individual entrepreneurs.

Subd. 2. The commissioner shall undertake activities to expand the marketing of goods or services produced by the state's independent entrepreneurs in public facilities and in conjunction with other state-funded activities and may establish a council or committee to select products and services to be included.

Subd. 3. The commissioner shall provide or arrange information, technical assistance, and support as necessary to help individuals determine whether they wish to become self-employed, to obtain needed training, to develop business plans and financing, and to sustain the initiatives.

Subd. 4. The commissioner of energy and economic development shall develop resources for a pilot program, in cooperation with the commissioners of employment and training and human services to enable low-income persons to start or expand self-employment opportunities or home-based businesses which are designed to make the individual entrepreneurs economically independent. The commissioner of human services shall seek necessary waivers from federal regulations to allow recipients of aid to families with dependent children to participate and retain eligibility while establishing a business.

Subd. 5. The commissioner shall conduct a study of the needs of individual entrepreneurs and beginning businesses and recommend to the governor how state programs and resources can provide further assistance.

Subd. 6. [RULEMAKING.] The commissioner shall have permanent rulemaking authority to implement this section.

Sec. 54. [268A.11] [FIRST SOURCE AGREEMENTS.]

Subdivision 1. Any business or private enterprise receiving grants or loans from the state in amounts over \$50,000 per year, shall as part of the grant or loan agree to list any vacant or new positions with the job services of the department of employment and training. An agreement obligates the employer to consider qualified applicants but does not establish an obligation to hire individuals referred by the department.

Subd. 2. The commissioner of energy and economic development shall incorporate the provisions of this section into grant and loan instruments and assist the commissioner of employment and training in promoting private sector listings with job services and in evaluating their effect on employers and individuals who are referred.

Subd. 3. [RULEMAKING.] The commissioner shall have permanent rulemaking authority to implement this section.

Sec. 55. [268A.12] [CHILD CARE SLIDING FEE PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meanings given.

(a) "Child care services" means family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, parent cooperatives, and in-home child care as defined in the Minnesota plan for social services to families and children.

(b) "Child" means any person 14 years of age or younger.

(c) "Commissioner" means the commissioner of employment and training.

Subd. 2. [DUTIES OF COMMISSIONER.] The commissioner shall develop standards for county boards regarding the provision of child care services to enable eligible families to participate in employment or training programs. The commissioner shall establish a program to allocate available appropriations to counties for the purpose of reducing the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The commissioner shall require counties to collect and report data that the commissioner deems necessary to evaluate the effectiveness of the program in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children. The commissioner shall report to the full productivity and opportunity coordinator no later than January 15 of each even-numbered year on the effectiveness of the program.

Subd. 3. [ALLOCATION.] (a) No later than June 1 of each odd-numbered year, the commissioner shall notify all county boards of the allocation and the procedures used for the sliding fee program. Allocations must be made by July 1 of each odd-numbered year. If the appropriation is insufficient to meet the needs in all counties, the amount shall be prorated among the counties.

(b) For the purposes of this section, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total fund goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the funds among counties on the basis of the number of families below poverty, as determined from the most recent special census and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year as determined by the commissioner of human services.

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) receive aid to families with dependent children under sections 256.72 to 256.87; or

(2) have household income below the eligibility levels for aid to families with dependent children;

(3) have household income within a range established by the commissioner.

(b) *Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Services to families whose incomes are below the threshold for eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.*

(c) *Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must not be less than 70 percent, and must not be more than 90 percent, of the state median income for a family of four, adjusted for family size.*

(d) *If a disproportionate amount of the funds are provided to any one of the groups described in section 55, subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share.*

Subd. 5. [EMPLOYMENT OR TRAINING ELIGIBILITY.] (a) *Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of one month of child care.*

(b) *Employed persons who work at least ten hours per week and receive at least minimum wage for all hours worked are eligible for child care assistance.*

Persons eligible under this section for child care assistance for education or training shall receive assistance for the length of the program or 24 months, whichever is shorter. Any education or training program with demonstrated effectiveness may be approved by the department of education and accredited by the appropriate agency as an eligible program, including but not limited to high school or an equivalent program, an English competency program, technical or vocational training, or a four-year or associate degree program.

Subd. 6. [COUNTY CONTRIBUTION.] *In addition to payments from parents, the program must be funded by county contributions. Counties shall contribute five percent of the cost of the program in the program's first year and 15 percent in the second and subsequent years. By rule, the commissioner may require each county to pay to the state treasurer the portion of sliding fee allocations paid by the state for which the county is responsible. The county shall advance its portion of sliding fee costs, based upon allocations made by the commissioner for that county for expenditures in the succeeding month. Adjustments of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.*

Subd. 7. [SLIDING FEE SCALE.] *In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility, an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The fee schedule must be designed to use any available tax credits and to progress smoothly from appropriated assistance to tax-related assis-*

tance.

Subd. 8. [LIMITS ON USE OF STATE FUNDS.] The state's payment is limited to the difference between the fee set by the commissioner and the provider's charge for care. When the provider of child care services charges more than 125 percent of the median charge for similar care arrangements in the geographic area defined by the commissioner of human services for the purpose of ascertaining the median charge, the state's payment is limited to the difference between 125 percent of the median charge for similar care arrangements in the geographic area and the parents' fee.

Subd. 9. [EXTENSION OF WORK INCENTIVE OPPORTUNITIES.] The county board shall ensure that child care services available to county residents are well advertised and that everyone who receives or applies for aid to families with dependent children is informed of training and employment opportunities and programs, including child care services.

Subd. 10. [ADMINISTRATIVE EXPENSES.] A county must not use more than seven percent of its allocation for its administrative expenses under this section.

Sec. 56. [TRANSFER OF POWERS.]

The department of economic security as now constituted is abolished. The responsibilities of the department of economic security are transferred to the department of employment and training and the department of human services as specified in sections 1 to 54. Responsibilities of the department of human services specified in sections 12, 13, 14, and 21, together with designated support functions, are transferred to the department of employment and training. Section 15.039 governs the transfer of powers, except that positions in the unclassified service established under section 268.011, subdivision 2, are abolished. Commencing with the passage and signing of this act, the commissioners of economic security, human services, administration, finance, and employee relations shall cooperate in assuring a smooth transfer of the designated personnel, equipment, and supplies to carry out the purposes of this act.

Sec. 57. [REVISOR'S INSTRUCTION; NAME CHANGES.]

In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall change the words "economic security" to "employment and training," except as otherwise specified by sections 1 to 55.

Sec. 58. [REVISOR'S INSTRUCTION; RENUMBERING.]

In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall renumber each section listed in column A with the number in column B. The revisor shall also make necessary cross-reference changes consistent with renumbering. In the renumbered sections, the revisor shall change the words "economic security" to "employment and training."

A	B
268.014	268A.13
268.021	268A.14
268.026	268A.15
268.03	268A.16
268.04	268A.17
268.05	268A.18
268.06	268A.19
268.061	268A.2

268.07	268A.21
268.071	268A.22
268.072	268A.23
268.08	268A.24
268.081	268A.25
268.09	268A.26
268.10	268A.27
268.11	268A.28
268.12	268A.29
268.121	268A.3
268.13	268A.31
268.14	268A.32
268.15	268A.33
268.16	268A.34
268.17	268A.35
268.18	268A.36
268.20	268A.37
268.21	268A.38
268.22	268A.39
268.23	268A.4, subdivision 1
268.231	268A.4, subdivision 2
268.24	268A.4, subdivision 3
268.25	268A.4, subdivision 4
268.31	268A.4, subdivision 5
268.32	268A.4, subdivision 6
268.33	268A.401
268.34	268A.402
268.35	268A.41
268.36	268A.411
268.37	268A.412
268.38	268A.42
268.52	268A.43
268.53	268A.44
268.54	268A.45
268.60	268A.46
268.61	268A.47
268.62	268A.48
268.63	268A.49
268.64	268A.5
268.671	268A.51
268.672	268A.52
268.673	268A.53
268.674	268A.54
268.675	268A.55
268.676	268A.56
268.677	268A.57
268.678	268A.58
268.679	268A.59
268.68	268A.6
268.681	268A.61
268.682	268A.62
268.683	268A.63
268.685	268A.64
268.82	268A.65
268.83	268A.66

268.84

268A.67

Sec. 59. [TRANSFER.]

The commissioner of finance shall transfer, according to section 15.039, positions and appropriations for existing programs and agencies as required by this act.

Sec. 60. [REPEALER.]

Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; and 268.81 are repealed.

Sec. 61. [EFFECTIVE DATE.]

Section 56 and all transfers of responsibility in sections 1 to 37 are effective January 1, 1986. Sections 12; 15, subdivision 4; and 55 are effective July 1, 1985.

ARTICLE 9

TACONITE

Section 1. [276A.01] [DEFINITIONS.]

Subdivision 1. The terms defined in this section have the meanings given to them for purposes of sections 1 to 9 unless context otherwise requires.

Subd. 2. "Area" means the territory included within all tax relief areas defined in section 273.134.

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (1) which may, by law, constitute the tax base for a tax increment pledged pursuant to section 462.585 or 474.10, certification of which was requested prior to January 1, 1985, to the extent and while such tax increment is so pledged; or (2) which is exempt from taxation pursuant to section 272.02.

(1) That portion of class 3 property consisting of tools, implements, and machinery, except high voltage transmission lines, construction of which began after July 1, 1974; and

(2) That portion of class 4a, 4c, or 4d property which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property must be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision are to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

Subd. 4. "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of such property exempt from taxation pursuant to section 272.02:

(1) Class 3b, 3c, 3cc, and 3f property limited to the homestead dwelling, a garage, and the one acre of land on which the dwelling is located.

(2) That portion of class 4 property used exclusively for residential occupancy.

(3) That property valued and assessed under section 273.13, subdivision 17, 17b, 17c, 17d, 19, or 20.

Subd. 5. "Governmental unit" means a county, city, town, school district, or other taxing unit or body which levies ad valorem taxes in whole or in part within the area.

Subd. 6. "Administrative auditor" means the person selected pursuant to section 2.

Subd. 7. "Population" means the most recent estimate of the population of a municipality made by the state demographer and filed with the commissioner of revenue. The state demographer shall annually estimate the population of each municipality as provided in section 116K.04, subdivision 4, clause (10), and, in the case of a municipality which is located partly within and partly without the area, the proportion of the total which resides within the area, and shall file the estimates with the commissioner of revenue.

Subd. 8. "Municipality" means a city, town, or township located in whole or part within the area. If a municipality is located partly within and partly without the area, the references in sections 1 to 9 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to the property or portion thereof that is located in that portion of the municipality within the area, except that the fiscal capacity of the municipality must be computed upon the basis of the valuation and population of the entire municipality.

Subd. 9. "County" means each county in which a governmental unit is located in whole or in part.

Subd. 10. "Adjusted assessed value" of real property within a municipality means the adjusted assessed value of real property within the municipality, determined in the manner and with respect to the property described for school districts in section 475.53, subdivision 4. For purposes of sections 1 to 9, the equalization aid review committee shall annually make determinations and reports with respect to each municipality which are comparable to those it makes for school districts under section 124.2131, subdivision 1, in the same manner and at the same times prescribed by the subdivision. The commissioner of revenue shall annually determine; for each municipality, information comparable to that required by section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes available. The commissioner of revenue shall then compute the adjusted assessed value of property within each municipality.

Subd. 11. "Valuation" means the adjusted assessed value of real and personal property within a municipality, excluding that portion of the adjusted assessed value of high voltage transmission lines taxed on a situs basis and excluded from the assessed value of the county under section 273.425. For purposes of section 5, subdivision 2, the assessed value for the current year of class 2a property taxed pursuant to section 274.19 must be added to the prior year's adjusted assessed value.

Subd. 12. "Fiscal capacity" of a municipality means its valuation, determined as of January 2 of any year, divided by its population, determined as

of a date in the same year.

Subd. 13. "Average fiscal capacity" of municipalities means the sum of the valuations of all municipalities, determined as of January 2 of any year, divided by the sum of their populations, determined as of a date in the same year.

Subd. 14. "Levy" means the amount certified to the county auditor pursuant to chapter 275, less all reductions made by the auditor pursuant to any provision of law in determining the amount to be spread against taxable property.

Sec. 2. [276A.02] [ADMINISTRATIVE AUDITOR.]

Subdivision 1. On or before July 1, 1987, and each subsequent odd-numbered year, the auditors of the counties within the area shall meet at the call of the auditor of St. Louis county and elect from among their number one auditor to serve as administrative auditor for a period of two years and until a successor is elected. If a majority is unable to agree upon a person to serve as administrative auditor, the commissioner of finance shall appoint one from among the auditors of the counties in the area. If the administrative auditor ceases to serve as a county auditor within the area during the term for which he was elected or appointed, a successor must be chosen in the same manner as is provided herein for the original selection, to serve for the unexpired term.

Subd. 2. The administrative auditor shall utilize the staff and facilities of the auditor's office of the county he or she serves to perform the functions imposed upon him or her by sections 1 to 9. That county shall be reimbursed for the marginal expenses incurred by its county auditor and staff hereunder by contributions from each other county in the area in an amount which bears the same proportion to the total expenses as the population of the other county bears to the total population of the area. The administrative auditor shall annually, on or before February 1, certify the amounts of total expense for the preceding calendar year, and the share of each county, to the treasurer of each other county. Payment must be made by the treasurer of each other county to the treasurer of the county incurring expense on or before the succeeding March 1.

Sec. 3. [276A.03] [ASSESSED VALUATION; 1985 AND SUBSEQUENT YEARS.]

On or before November 20, 1985, and each subsequent year, the assessors within each county in the area shall determine and certify to the county auditor the assessed valuation in that year of commercial-industrial property subject to taxation within each municipality in his or her county, determined without regard to section 273.76, subdivision 3.

Sec. 4. [276A.04] [INCREASE IN ASSESSED VALUATION.]

On or before September 1, 1987, and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the assessed valuation determined in the preceding year pursuant to section 3, of commercial-industrial property subject to taxation within each municipality in the county exceeds the assessed valuation in 1985 of commercial-industrial property subject to taxation within that municipality. If a municipality is

located in two or more counties within the area, the auditors of those counties shall certify the data required by section 3 to the county auditor responsible for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 5. The increase in assessed valuation determined by this section must be reduced by the amount of any decreases in the assessed valuation of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on June 30 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's valuation under section 3, would have resulted in a smaller contribution from the municipality in that year. An adjustment for such decreases shall be made only if the municipality made a contribution in a prior year based on the higher valuation of the commercial-industrial property.

Sec. 5. [276A.05] [COMPUTATION OF AREA-WIDE TAX BASE.]

Subdivision 1. Each county auditor shall certify the determinations pursuant to sections 3 and 4 to the administrative auditor on or before November 20 of each year. The administrative auditor shall determine the sum of the amounts certified pursuant to section 4, and divide that sum by 2-1/2. The resulting amount shall be known as the "area-wide tax base for _____(year)."

Subd. 2. The commissioner of revenue shall certify to the administrative auditor, on or before November 20 of each year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of municipalities for the preceding year, and the fiscal capacity of each municipality for the preceding year.

Subd. 3. The administrative auditor shall determine, for each municipality, the product of (i) its population, (ii) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year, and (iii) two. The product shall be the area-wide tax base distribution index for that municipality, provided that (a) if the product in the case of any municipality is less than its population, its index must be increased to its population, and (b) if a municipality is located partly within and partly without the area its index is that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 4. The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities. In the case of each municipality, the administrative auditor shall then multiply this proportion by the area-wide tax base.

Subd. 5. The product of the multiplication prescribed by subdivision 4 shall be known as the "area-wide tax base for _____(year) attributable to _____(municipality)." The administrative auditor shall certify the product to the auditor of the county in which the municipality is located on or before November 25.

Sec. 6. [276A.06] [TAXABLE VALUE.]

Subdivision 1. The county auditor shall determine the taxable value of each governmental unit within the county in the manner prescribed by this section.

Subd. 2. The taxable value of a governmental unit is its assessed valuation, as determined in accordance with other provisions of law including section 273.76, subdivision 3, subject to the following adjustments:

(a) There must be subtracted from its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year pursuant to section 4 in respect to that municipality as the total preceding year's assessed valuation of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 273.76, subdivision 3, bears to the total preceding year's assessed valuation of commercial-industrial property within the municipality, determined without regard to section 273.76, subdivision 3;

(b) There must be added to its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the area-wide base for the year attributable to that municipality as the total preceding year's assessed valuation of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's assessed valuation of residential property of the municipality.

Subd. 3. On or before October 15, 1987, and each subsequent year, the county auditor shall apportion the levy of each governmental unit in the county in the manner prescribed by this subdivision. The auditor shall:

(a) determine the area-wide portion of the levy for each governmental unit by multiplying the mill rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (b); and

(b) determine the local portion of the current year's levy by subtracting the resulting amount from clause (a) from the governmental unit's current year's levy.

Subd. 4. In 1987 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the assessed valuation of the governmental unit, taking section 273.76, subdivision 3, into account, less that portion subtracted from assessed valuation pursuant to subdivision 2, clause (a). The resulting rate applies to all taxable property except commercial-industrial property, which must be taxed in accordance with subdivision 7.

Subd. 5. On or before November 30, 1987, and each subsequent year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined pursuant to subdivision 3, clause (a). The administrative auditor shall then determine the rate of taxation sufficient to yield an amount equal to the sum of such levies from the area-wide tax base. On or before December 5, the administrative auditor shall certify the rate to each of the county auditors.

Subd. 6. If a governmental unit is located in two or more counties, the computations and certifications required by subdivisions 3 to 5 with respect to it must be made by the county auditor who is responsible for allocating its levies between or among the affected counties.

Subd. 7. The rate of taxation determined in accordance with subdivision 5 applies in the taxation of each item of commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 273.73, subdivision 9, to that portion of the assessed valuation of the item which bears the same proportion to its total assessed valuation as 40 percent of the amount determined pursuant to section 4 in respect to the municipality in which the property is taxable bears to the amount determined pursuant to section 3. The rate of taxation determined in accordance with subdivision 4 applies in the taxation of the remainder of the assessed valuation of the item.

Subd. 8. The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (a), within the county and the total tax on contribution value pursuant to subdivision 7, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditor's certification.

Subd. 9. For the purpose of computing the amount or rate of any salary, aid, tax, or debt authorized, required, or limited by any provision of any law or charter, where the authorization, requirement, or limitation is related to any value or valuation of taxable property within any governmental unit, the value or valuation must be adjusted to reflect the adjustments to valuation effected by subdivision 2, provided that: (1) in determining the market value of commercial-industrial property or any class thereof within a governmental unit for any purpose other than section 5, (a) the reduction required by this subdivision is that amount which bears the same proportion to the amount subtracted from the governmental unit's assessed valuation pursuant to subdivision 2, clause (a), as the market value of commercial-industrial property, or such class thereof, located within the governmental unit bears to the assessed valuation of commercial-industrial property, or such class thereof, located within the governmental unit, and (b) the increase required by this subdivision is that amount which bears the same proportion to the amount added to the governmental unit's assessed valuation pursuant to subdivision 2, clause (b), as the market value of commercial-industrial property, or such class thereof, located within the governmental unit bears to the assessed valuation of commercial-industrial property, or such class thereof, located within the governmental unit; and (2) in determining the value of real and personal property within a municipality for purposes of section 5, the adjustment prescribed by clause (1)(a) must be made and that

prescribed by clause (1)(b) must not be made.

Sec. 7. [276A.07] [ADJUSTMENTS IN DATES.]

If, by reason of the enactment of any other law, the date by which the commissioner of revenue is required to certify to the county auditors the records of proceedings affecting the assessed valuation of property is advanced to a date earlier than November 15, the dates specified in sections 3 to 5 and 8 may be modified in the years to which the other law applies in the manner and to the extent prescribed by the administrative auditor.

Sec. 8. [276A.08] [REASSESSMENTS AND OMITTED PROPERTY.]

Subdivision 1. If the commissioner of revenue orders a reassessment of all or any portion of the property in a municipality other than in the form of a mathematically prescribed adjustment of valuation, or if omitted property is placed upon the tax rolls, and the reassessment has not been completed or the property placed upon the rolls by November 15, the assessed valuation of the affected property must, for purposes of sections 2 to 6, be determined from the abstracts filed by the county auditor with the commissioner of revenue.

Subd. 2. If the reassessment, when completed and incorporated by the commissioner of revenue in his or her certification of the assessed valuation of the municipality, or the listing of omitted property, when placed on the rolls, results in an increase in the assessed valuation of commercial-industrial property in the municipality which differs from that used, pursuant to subdivision 1, for purposes of sections 2 to 6, the increase in the assessed valuation of commercial-industrial property in that municipality in the succeeding year, as otherwise computed under section 4, must be adjusted in a like amount, by an increase if the reassessment or listing discloses a larger increase than was used for purposes of sections 2 to 6, or by a decrease if the reassessment or listing discloses a smaller increase than was used for those purposes, provided that an adjustment must not reduce the amount determined under section 4 to an amount less than zero.

Subd. 3. Subdivisions 1 and 2 do not apply to the determination of the tax rate under section 6, subdivision 4, or to the determination of the assessed valuation of commercial-industrial property and each item thereof for purposes of section 6, subdivision 7.

Sec. 9. [276A.09] [CHANGE IN STATUS OF MUNICIPALITY.]

Subdivision 1. If a municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the Minnesota municipal board incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 1 to 9 until the state demographer files the first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the Minnesota municipal board, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 1 to 9 until the

state demographer files the first population estimate as of a later date with the commissioner of revenue.

Subd. 2. In determining the adjusted assessed value of property attributable to a successor municipality for a year prior to a change in status, the amount must be deemed the sum of the amounts of its predecessor municipalities and towns. If any of the predecessors were divided incident to the change, then for purposes of sections 1 to 9 the adjusted assessed value of property located therein must be allocated to the successor in which the property is located.

Sec. 10. Minnesota Statutes 1984, section 273.136, subdivision 1, is amended to read:

Subdivision 1. Payment from the ~~taconite property tax relief account~~ county shall be made as provided herein for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in section 273.135.

Sec. 11. Minnesota Statutes 1984, section 273.136, subdivision 2, is amended to read:

Subd. 2. The commissioner of revenue shall determine, not later than May 1 of each year, ~~commencing in 1974~~, the amount of reduction resulting from section 273.135 in each county containing a tax relief area as defined by section 273.134, basing his determinations on a review of abstracts of tax lists submitted by the county auditors pursuant to section 275.29. He may make such changes in the abstracts of tax lists as he deems necessary. ~~The commissioner of revenue, after such review, shall submit to the commissioner of finance, on or before June 1, the amount of the first half payment payable hereunder and on or before October 15 the amount of the second half payment.~~

Sec. 12. Minnesota Statutes 1984, section 273.136, subdivision 4, is amended to read:

Subd. 4. The county treasurer shall distribute the funds received by him ~~under subdivision 3~~ as if they had been collected as a part of the property tax reduced by section 273.135.

Sec. 13. Minnesota Statutes 1984, section 298.03, is amended to read:

298.03 [VALUE OF ORE; HOW ASCERTAINED.]

The valuation of iron or other ores for the purposes of determining the amount of tax to be paid under the provisions of section 298.01 shall be ascertained by subtracting from the value of such ore, at the place where the same is brought to the surface of the earth, such value to be determined by the commissioner of revenue:

(1) The reasonable cost of supplies used and labor performed at the mine in separating the ore from the ore body, including hoisting, elevating, or conveying the same to the surface of the earth;

(2) If the ore is taken from an open pit mine, an amount for each ton of ore mined or produced during the year equal to the cost of removing the overburden, divided by the number of tons of ore uncovered, the number of tons of ore uncovered in each case to be determined by the commissioner of revenue;

(3) If the ore is taken from an underground mine, an amount for each ton of ore mined or produced during the year equal to the cost of sinking and constructing shafts and running drifts, divided by the number of tons of ore that can be advantageously taken out through such shafts and drifts, the number of tons of ore that can be advantageously taken out in each case to be determined by the commissioner of revenue;

(4) The amount of royalties paid on the ore mined or produced during the year;

(5) *For persons mining or producing iron ore the mining or production of which is subject to the occupation tax imposed by section 298.01, subdivision 1, the amount of the ad valorem taxes levied and paid for such years against the realty in which the ore is deposited; for all others a percentage of the ad valorem taxes levied and paid for such year against the realty in which the ore is deposited equal to the percentage that the tons mined or produced during such year bears to the total tonnage in the mine;*

(6) In the case of taconite, semi-taconite and iron sulphide operations, the tax payable under section 298.24, but not exceeding 25 cents per taxable ton, and that payable under section 298.35, on the concentrates produced in said year and any taxes paid under Laws 1955, Chapters 391, 429, 514, 576 or 540, or any other law imposing on such taconite operations a specific tax for school or other governmental purposes;

(7) The amount or amounts of all the foregoing subtractions shall be ascertained and determined by the commissioner of revenue. Deductions for interest on plant investment shall not exceed the greater of (a) four percent of book value, or (b) the amount actually paid but not exceeding six percent of book value. No subtraction shall be allowed for shrinkage of iron ore.

Sec. 14. Minnesota Statutes 1984, section 298.031, subdivision 2, is amended to read:

Subd. 2. [VALUE OF CERTAIN ORE; HOW ASCERTAINED.] (1) The taxpayer shall be given a credit in each taxable year upon the occupation tax assessed in such year under Minnesota Statutes 1957, Chapter 298, against a given mine after credit for labor credits has been given, in an amount equal to the occupation tax under said chapter 298 upon an amount produced by multiplying the number of tons of ore sold at a discount by the amount of such discount.

(2) The aggregate amount of all credits allowed under this section to all mines shall not exceed ~~one~~ four percent of the aggregate amount of all occupation taxes imposed under section 298.01, subdivision 1, assessed against all mines in the state for said year prior to the deduction of the credit allowed by this section.

(3) The amount of the foregoing subtraction shall be ascertained and determined by the commissioner.

(4) If ore stockpiled from previous years operations is sold at a discount, the discount credit shall be allowed against all ore currently being produced by the same company to the extent that the discount credit is available. Any unused credit may be carried forward and utilized with future years production of ore from the stockpiled property or other properties operated by the

same company.

Sec. 15. Minnesota Statutes 1984, section 298.031, subdivision 3, is amended to read:

Subd. 3. [CREDIT, APPLICATION.] The credit provided by this section shall not be applicable with respect to any mine operated by a mining company or an operating agent

(a) if the net marketable tonnage of iron ores, exclusive of taconite and semi-taconite, produced from all mines operated by such mining company or operating agent exceeds ~~one and one-half~~ *three* percent of the net marketable tonnage of iron ores or concentrates including taconite and semi-taconite, produced in this state during the year for which the tax is being determined, or

(b) if such mining company or operating agent is also engaged in the manufacture of steel, or

(c) if any company manufacturing steel has an interest, either directly or indirectly, through stock ownership in such mining company or operating agent.

The taxpayer shall have the burden of proving its right to the credit provided by this section.

Sec. 16. Minnesota Statutes 1984, section 298.225, is amended to read:

298.225 [APPROPRIATION.]

For distribution of taconite production tax in 1985 and thereafter with respect to production in 1984 and thereafter, The recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (4) and (5)(b), (7), and (8)(a), shall receive distributions equal to the amount distributed to them pursuant to sections 298.225 and 298.28, subdivision 1, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced by two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons. ~~There is hereby appropriated to the commissioner of revenue~~ *The commissioner of the iron range resources and rehabilitation board shall make the payments provided in this paragraph from the taconite environmental protection fund and the corpus of the northeast Minnesota economic protection trust fund in equal proportions the amount needed to make the above payments as directed by the commissioner of revenue.*

If a taconite producer ceases beneficiation operations permanently and is required by a special law to make bond payments for a school district, the northeast Minnesota economic protection trust fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. ~~There is hereby appropriated~~ *The commissioner of the iron range resources and rehabilitation board shall make these school bond payments from the corpus of the northeast Minnesota economic protection trust fund to the commissioner of revenue in the amounts needed to make these school bond payments certified by the commissioner of revenue.*

Sec. 17. Minnesota Statutes 1984, section 298.24, subdivision 4, is

amended to read:

Subd. 4. A credit shall be allowed against the tax imposed by subdivision 1, in the amount of \$250,000 per year to any taconite producer that builds a water filtration and treatment plant in 1984 at a cost in excess of \$1,000,000 in order to alleviate the contamination of water resulting from the disposal of taconite tailings on land. This credit shall be available against taxes paid in 1985, 1986, and 1987. ~~The amount sufficient to commissioner of the iron range resources and rehabilitation board shall pay these credits is appropriated from the taconite environmental protection fund created in section 298.223 to the commissioner of revenue.~~

Sec. 18. Minnesota Statutes 1984, section 298.27, is amended to read:

298.27 [COLLECTION AND PAYMENT OF TAX.]

The taxes provided by section 298.24 shall be ~~collected and paid in the same manner as provided by law for the payment of the occupation tax, except that directly to each eligible county, the state, and the iron range resources and rehabilitation board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 8. The total remittance must be equal to 90 percent of the tax required to be paid hereunder on or after April 15. The report required by section 298.05 shall be filed on or before February 15 together with 1. A remittance equal to 90 percent of the total tax required to be paid hereunder shall be paid on or before April February 15. On or before February 25, the commissioner of revenue county auditor shall make distribution of the payment received by the county in the manner provided by section 298.28. The commissioner of revenue shall determine the amount of tax due on or before March 15.~~ The balance due shall be paid on or before April 15 following the production year. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such regulations may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment, and determination, and collection of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, are hereby made applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon such information as he may possess or obtain, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 15 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a partial tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the partial tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the taxes provided for in section 298.24 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

Sec. 19. Minnesota Statutes 1984, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [~~DISTRIBUTION FROM GENERAL FUND.~~] The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon ~~certificate~~ certification of the commissioner of revenue ~~to the general fund of the state, be paid by the commissioner of revenue~~ allocated as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town *in the county* in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) (a) 12.5 cents per taxable ton, less any amount distributed under clause (8), ~~to the taconite municipal aid account in the apportionment fund of the state treasury, paragraph (a), and paragraph (b) of this clause,~~ to be distributed as provided in section 298.282.

(b) *An amount annually certified by the county auditor of a county containing a taconite tax relief area within which there is an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore. The amount will be the portion of a township's certified levy equal to the proportion of (1) the difference between 50 percent of the township's January 2, 1982, assessed value and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1). The county auditor shall extend the township's levy against the sum of the township's current assessed value plus 50 percent of the difference between its January 2, 1982, assessed value and its current assessed value. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, this clause shall not apply.*

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed, *based upon the certification of*

the commissioner of revenue, as follows:

(a) Six 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 distribution must be based on the apportionment formula prescribed in clause (1).~~

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2.

(c) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the second previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause

(3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124A.02 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of ~~finance~~ *the iron range resources and rehabilitation board* who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in section 298.28, subdivision 1, clause 10.

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed, *based upon certification by the commissioner of revenue*, 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) is the basis for the distribution.~~

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be ~~distributed by the commissioner of revenue~~ *paid* to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 17.75 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~~ *St. Louis county acting as the counties' fiscal agent*, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be ~~distributed by the commissioner of revenue~~ *paid* to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24 *must be paid directly to the state.*

(7) Three cents per taxable ton shall be ~~deposited in the state treasury~~ *paid*

to the ~~credit of the iron range resources and rehabilitation board account in the special revenue fund~~ for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1 and shall be increased in 1988 and subsequent years according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) (a) .20 cent per taxable ton shall be paid 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.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(9) the amounts determined under clauses (4)(a), (4)(c), (5), and (8)(b) shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in clauses (1) to (9), *as certified by the commissioner of revenue*, and parts (a) and (b) of this clause have been made, *together with interest earned on all funds distributed under this subdivision prior to distribution*, shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts ~~in the general fund~~.

(a) There shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or

iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and the officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

~~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 trust 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. 20. Minnesota Statutes 1984, section 298.28, subdivision 2, is amended to read:

Subd. 2. ~~In distributing determining the distributions and payments of the proceeds of the tax collected under section 298.24, the commissioner of revenue shall deduct the amount of any credits authorized under section 298.24, subdivision 3, against the tax imposed under subdivision 1 of said section, from the amount which would otherwise have been distributed paid to the iron range resources and rehabilitation board for credit to the northeast Minnesota economic protection trust fund in the apportionment fund in the state treasury under subdivision 1 of this section.~~

Sec. 21. Minnesota Statutes 1984, section 298.282, subdivision 1, is amended to read:

Subdivision 1. The amount deposited to ~~the credit of the taconite municipal aid account in the apportionment fund of the state treasury~~ with the county as provided in section 298.28, subdivision 1, clause (2) shall be distributed as provided by this section, among the municipalities comprising a tax relief area under section 273.134, as amended hereby, each being herein referred to as a qualifying municipality.

Sec. 22. Minnesota Statutes 1984, section 298.282, subdivision 4, is amended to read:

Subd. 4. ~~On or before August 15, 1972, and~~ On or before August 15 of each year ~~thereafter~~, the ~~commissioner of finance~~ county auditor shall issue his warrant in favor of the treasurer of each qualifying municipality in the amount determined by the commissioner of revenue to be due and payable to such qualifying municipality in such year. ~~In 1975 and subsequent years, such payment shall be made by the commissioner of revenue on or before September 15.~~

Sec. 23. Minnesota Statutes 1984, section 298.282, subdivision 5, is amended to read:

Subd. 5. ~~Commencing in 1977,~~ The ~~commissioner of revenue~~ county auditor shall annually on September 15 make a payment from the taconite municipal aid fund to cities and towns for the purpose of replacing the revenue loss to them resulting from Laws 1975, Chapter 437, Article XI, Section 7. The amount of aid to be paid annually to each city and town is the amount they were entitled to receive for 1975 under the provisions of Minnesota Statutes 1974, Section 298.32.

Sec. 24. [REPEALER.]

Minnesota Statutes 1984, section 273.136, subdivision 3, is repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1987, except as provided in section 3. Sections 10, 11, and 15 to 24 are effective for taxes payable in 1986 and thereafter. Sections 12, 13, and 14 are effective for ore produced in 1985 and thereafter.

ARTICLE 10

TELEPHONE COMPANIES

Section 1. [270.91] [ANNUAL VALUATION OF TELEPHONE PROPERTY.]

Subdivision 1. The commissioner shall annually between April 30 and July 31 make a determination of the fair market value of the property of every telephone company doing business in this state as of January 2 of the year in which the valuation is made. In making this determination, the commissioner shall employ generally accepted appraisal principles and practices.

Subd. 2. After the commissioner has determined the fair market value of the property of each telephone company, he shall give notice by first class mail to the telephone company of the valuation.

Sec. 2. [270.92] [REVIEW OF VALUATION.]

A telephone company may within 15 days of receipt of the notice of valuation file a written request for a conference with the commissioner relating to the value of its property. The commissioner shall thereupon designate a time and place for the conference which he shall conduct, upon the commissioner's entire files and records and such further information as may be offered. Said conference shall be held no later than 30 days after mailing of the commissioner's valuation notice. At a reasonable time after such conference, the commissioner shall make a final determination of the fair market value of the operating property of the telephone company and shall notify the company promptly of the determination.

Sec. 3. [270.93] [TAXATION.]

Subdivision 1. [IMPOSITION.] A tax is imposed on the value of telephone company property. The tax shall be computed by applying the statewide average mill rate for the preceding levy year to the value determined under sections 1 and 2. The commissioner shall notify each telephone company by first class mail of the mill rate and the amount of the tax by February 15 each year. The due date, penalty, and interest provisions of section 279.01 apply to the collection of the tax by the commissioner of revenue.

Subd. 2. [DEPOSIT OF PROCEEDS.] The proceeds of the tax shall be deposited in the general fund.

Sec. 4. Minnesota Statutes 1984, section 272.03, subdivision 1, is amended to read:

Subdivision 1. [REAL PROPERTY.] (a) For the purposes of taxation, "real property" includes the land itself, rails, ties, and other track materials annexed to the land, and all buildings, structures, and improvements or other fixtures on it, bridges of bridge companies, and all rights and privileges belonging or appertaining to the land, and all mines, minerals, quarries, fossils, and trees on or under it.

(b) A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building, and which cannot be removed without substantial damage to itself or to the building or structure.

(c) (i) The term real property shall not include tools, implements, machinery, and equipment attached to or installed in real property for use in the business or production activity conducted thereon, regardless of size, weight or method of attachment.

(ii) The exclusion provided in clause (c) (i) shall not apply to machinery and equipment includable as real estate by clauses (a) and (b) even though such machinery and equipment is used in the business or production activity conducted on the real property if and to the extent such business or production activity consists of furnishing services or products to other buildings or structures which are subject to taxation under this chapter.

(d) The term real property does not include tools, implements, machinery, equipment, poles, lines, cables, wires, conduit, and station connections which are part of a telephone communications system, regardless of attach-

ment to or installation in real property and regardless of size, weight, or method of attachment or installation.

Sec. 5. Minnesota Statutes 1984, section 295.34, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2 every telephone company shall file a return with the commissioner of revenue on or before April 15 of each year, and submit payment therewith, of the following percentages of its gross earnings of the preceding calendar year derived from business within this state:

(a) ~~4 percent of its~~ *for gross earnings from service to rural subscribers; (b) 4 percent of its gross earnings and from exchange business of all cities of the fourth class and statutory cities having a population of 10,000 or less*

for calendar years beginning before 1987, 4 percent,

for calendar year 1987, 3.5 percent,

for calendar years 1988 and 1989, 2 percent, and

for calendar years beginning after December 31, 1989, exempt; and (c) 7 percent of its

(b) for gross earnings derived from all other business; which shall be

for calendar years beginning before 1987, 7 percent,

for calendar year 1987, 6.5 percent,

for calendar years 1988 and 1989, 3 percent, and

for calendar years beginning after December 31, 1989, exempt.

The tax imposed is in lieu of all other taxes, except the taxes imposed by chapter 290, property taxes assessed beginning in 1987, and sales and use taxes imposed as a result of section 4. All moneys paid by a company for connecting fees and switching charges to any other company shall be reported as earnings by the company to which they are paid, but shall not be deemed earnings of the collecting and paying company. For the purposes of this section, the population of any statutory city shall be considered as that stated in the latest federal census.

Sec. 6. Minnesota Statutes 1984, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not

include the following:

(i) candy and candy products, except when sold for fundraising purposes by a nonprofit organization that provides educational and social activities for young people primarily aged 18 and under;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(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 by the purchaser 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); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; 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. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(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. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amuse-

ment devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes; no part of the net earnings of which inures to the benefit of a private individual;

(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 airlight 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) (o) 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. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt

entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(q) (p) The gross receipts from the sale of caskets and burial vaults;

(q) (q) 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;

(q) (r) 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;

(q) (s) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph;

(q) (t) 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;

(q) (u) 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;

(q) (v) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, hot water, 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;

(q) (w) The gross receipts from the sale or use of tickets or admissions to

the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i);

(x) 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, 1982; 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;

(y) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene;

(z) The gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, to be used by the purchaser for residential purposes, unless the sale is the first retail sale of the manufactured home in this state;

(aa) The gross receipts from the sale of equipment used for processing solid or hazardous waste at a resource recovery facility, as defined in section 115A.03, subdivision 28.

Sec. 7. [REPEALER]

Minnesota Statutes 1984, section 295.34, subdivision 2, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Section 6 is effective for sales made after December 31, 1986.

ARTICLE 11

MORTGAGE REGISTRATION AND DEED TAXES

Section 1. Minnesota Statutes 1984, section 287.05, subdivision 1, is amended to read:

Subdivision 1. A tax of 15 cents is imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property situated within the state executed, delivered, and recorded or registered; provided, however, that the tax shall be imposed but once upon any mortgage and extension thereof. *The county board may not reduce the fee below the statutory rate.* If the mortgage describes real estate situated outside of this state, the tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described situated in this state bears to the value of the whole of the real estate described therein; ~~as the value is determined by the commissioner of revenue upon application of the mortgagee.~~ The tax imposed by this section shall not

apply to a contract for the conveyance of real estate or any interest in real estate recorded or registered on or after January 1, 1984.

Sec. 2. Minnesota Statutes 1984, section 287.08, is amended to read:

287.08 [TAX, HOW PAYABLE; RECEIPTS.]

The tax imposed by sections 287.01 to 287.12 shall be paid to the treasurer of the county in which the mortgaged land or some part thereof is situated at or before the time of filing the mortgage for record or registration. The treasurer shall endorse his receipt on the mortgage, countersigned by the county auditor, who shall charge the amount to the treasurer and such receipt shall be recorded with the mortgage, and such receipt of the record thereof shall be conclusive proof that the tax has been paid to the amount therein stated and authorize any county recorder to record the mortgage. Its form, in substance, shall be "registration tax hereon of _____ dollars paid." If the mortgages be exempt from taxation the endorsement shall be "exempt from registration tax," to be signed in either case by the treasurer as such, and in case of payment to be countersigned by the auditor. In case the treasurer shall be unable to determine whether a claim of exemption should be allowed, the tax shall be paid to the clerk of the district court of the county to abide the order of such court made upon motion of the county attorney, or of the claimant upon notice as required by the court. When any such mortgage covers real property situate in more than one county in this state the whole of such tax shall be paid to the treasurer of the county where the mortgage is first presented for record or registration, and the payment shall be receipted and countersigned as above provided. ~~When the amount of the tax is \$100 or more,~~ The tax shall be divided and paid over by the county treasurer receiving the same, on or before the tenth day of each month after receipt thereof, to the county or counties entitled thereto in the ratio which the market value of the real property covered by the mortgage in each county bears to the market value of all the property described in the mortgage. In making such division and payment the county treasurer shall send therewith a statement giving the description of the property described in the mortgage and the market value of the part thereof situate in each county. For the purpose aforesaid, the treasurer of any county may require the treasurer of any other county to certify to him the market valuation of any tract of land in any such mortgage.

Sec. 3. Minnesota Statutes 1984, section 287.09, is amended to read:

287.09 [MORTGAGE ON EXEMPT PROPERTY; PROPERTY NOT DIRECTLY TAXED; RECEIPT; APPORTIONMENT OF TAX.]

When any real estate situate in this state and described in any such mortgage is exempt from taxation under the Constitution of the State of Minnesota, Article 10, Section 1, the tax herein provided shall be paid to the treasurer of the county in which such real estate is situate in the same manner as if such real estate was not exempt from taxation. When any real estate situate in this state and described in such mortgage is not exempt from taxation under such section, but is not taxed by direct tax upon the assessed valuation thereof, then the tax herein provided shall be paid to the ~~commissioner of revenue for deposit in the state treasury and credited to the general fund. The receipt thereof shall be endorsed upon the mortgage by the commissioner of revenue and thereupon such mortgage shall be recorded or registered, as to such real estate, in any office in this state. When any such mortgage shall~~

describe any real estate, part of which is not taxed by direct tax upon the assessed valuation thereof and part of which is so taxed or is exempt from taxation, the proportionate amount of the tax to be paid to the commissioner of revenue and to the county treasurer shall be determined in accordance with the proportionate value of the real estate included therein as such valuation shall be determined by the commissioner of revenue upon application of the mortgagee. The amount of the tax payable to the commissioner of revenue shall thereupon be paid to him, who shall endorse upon such mortgage that the proportionate amount of the tax payable to him has been paid and the balance of such tax shall be paid to the treasurer of the county where the mortgage is first presented for record or registration and shall be divided and paid to the treasurers of the other counties entitled thereto, as provided by section 287.08 county. Real estate taxed under sections 298.23 to 298.28, relating to taconite and taconite operations or under sections 294.21 to 294.28, relating to railroads transporting taconite or taconite concentrates other than as a common carrier, shall not be considered to be real estate not taxed by direct tax upon the assessed valuation thereof within the meaning of this section.

Sec. 4. Minnesota Statutes 1984, section 287.12, is amended to read:

287.12 [TAXES, HOW APPORTIONED.]

All taxes paid to the county ~~treasurers~~ *treasurer on or after July 1, 1985*, under the provisions of sections 287.01 to 287.12 shall be ~~apportioned~~, *95 percent to the general fund of the state, and five percent credited to the county revenue fund.*

On or before the tenth day of each month the county treasurer shall determine and pay to the commissioner of revenue the state's portion of the receipts from the mortgage registration tax during the preceding month. The commissioner shall deposit the receipts in the state treasury to the credit of the general fund *treasurer shall report to the county welfare agency on or before the tenth day of each month 95 percent of the receipts attributable to the statutory rate in section 287.05. That amount, in addition to the amount determined under section 287.29, must be shown as a deduction from the report filed with the department of human services as required by section 256.82.*

Sec. 5. Minnesota Statutes 1984, section 287.21, subdivision 2, is amended to read:

Subd. 2. The proceeds of the taxes levied and collected under sections 287.21 to 287.36 *on or after July 1, 1985*, shall be credited to the ~~general county fund~~.

Sec. 6. Minnesota Statutes 1984, section 287.21, is amended by adding a subdivision to read:

Subd. 4. A county board may increase the rates established in subdivision 1 but may not decrease them.

Sec. 7. Minnesota Statutes 1984, section 287.23, is amended to read:

287.23 [REAL ESTATE OUTSIDE STATE.]

If any deed, instrument, or writing shall describe any real estate situate

outside of this state, the tax imposed by section 287.21 shall be measured upon such proportion of the consideration (exclusive of the value of any lien or encumbrance remaining thereon at the time of sale) as the value of the real estate therein described situate in this state bears to the value of the whole of the real estate described therein as ~~determined by the commissioner of revenue upon application of any party to the deed, instrument, or writing.~~

Sec. 8. Minnesota Statutes 1984, section 287.25, is amended to read:

287.25 [PAYMENT OF TAX; STAMPS.]

The tax imposed by section 287.21 shall be paid by the affixing of a documentary stamp or stamps in the amount of the tax to the document or instrument with respect to which the tax is paid, provided that the ~~commissioner of revenue county board may, in exceptional cases,~~ permit the payment of the tax without the affixing of the documentary stamps and in such cases shall, ~~upon receipt of the tax, direct the treasurer to endorse his a~~ receipt for such tax upon the face of the document or instrument. ~~In such case the commissioner of revenue shall deposit the amount received in payment of the tax with the state treasurer to the credit of the general fund.~~

Sec. 9. Minnesota Statutes 1984, section 287.28, is amended to read:

287.28 [REFUNDMENTS OR REDEMPTION.]

The ~~commissioner of revenue county treasurer~~ may order the refundment in whole or in part of any tax which has been erroneously or unjustly paid and may allow for or redeem such of the stamps, issued under the authority of sections 287.21 to 287.36 as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended or for which the owner may have no use or which through mistake may have been improperly or unnecessarily used. Such order shall be made only upon written application of the taxpayer and shall, ~~if the refundment exceeds \$500, be valid only if approved by the attorney general upon approval of the county board.~~ Refunds therefor shall be paid out of the general fund of the state and ~~moneys therefor are hereby annually appropriated from the general fund for such purpose county.~~

Sec. 10. Minnesota Statutes 1984, section 287.29, subdivision 1, is amended to read:

Subdivision 1. On or before the tenth day of August 1985, and each month thereafter, the county treasurer shall determine and ~~pay report~~ to the ~~commissioner of revenue county welfare agency~~ the receipts from the sale of documentary stamps attributable to the tax imposed at the statutory rate during the preceding month. ~~The report must accompany the report required in section 287.12. The commissioner receipts shall deposit such receipts be deposited in the state county treasury and credited to the credit of the general appropriate fund.~~

Sec. 11. Minnesota Statutes 1984, section 287.33, is amended to read:

287.33 [EXPENSES OF ADMINISTRATION.]

Expenses of administration of sections 287.21 to 287.34 to be paid out of ~~appropriations to the commissioner of revenue shall county funds~~ include fees and expenses incurred by the ~~attorney general and any county attorney~~ in connection with sections 287.21 to 287.34 and all other costs and expenses.

Sec. 12. Minnesota Statutes 1984, section 287.35, is amended to read:

287.35 [DOCUMENTARY STAMPS DEFINED.]

The term "documentary stamps" means all stamps issued by the ~~commissioner of revenue~~ county for use in payment of the taxes imposed by sections 287.21 to 287.36.

Sec. 13. [REPEALER.]

Minnesota Statutes 1984, sections 287.27, 287.29, and 287.32 are repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective July 1, 1985.

ARTICLE 12

RAILROAD REFUNDS

Section 1. Laws 1984, chapter 502, article 9, section 5, is amended to read:

Sec. 5. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of revenue the amounts necessary to make certain refunds of property taxes to railroads for assessment years 1981 ~~and~~, 1982, ~~and~~ 1983 as a result of a change in the assessed valuation of railroad property. For purposes of this section, the term "property taxes" includes any interest which is required to be paid to the railroads; *and the terms "refund" and "abatement" include only reductions in property tax made from the original assessment certified by the commissioner of revenue, as the result of a court order.*

The county auditor shall certify to the commissioner of revenue the dollar amount of the refunds paid to the railroads by the county and each city, town, school district, and special taxing district or portion thereof which is located within the county. The certification must be made on the forms and completed by the date prescribed by the commissioner. The commissioner of revenue shall review the certification and make changes in the certification that he determines are necessary. The amounts of the abatements for a taxing district which is located in more than one county shall be aggregated. The commissioner shall determine the amount to be paid to each county, city, town, and special taxing district which shall be equal to the amount of the abatement in excess of 20 cents per capita for each county, city, town, and special taxing district. The commissioner shall determine the amount to be paid to each school district which shall be equal to the amount of the abatement in excess of one dollar per pupil unit for the school district. The 20 cents per capita ~~and~~ the one dollar per pupil unit shall relate to the combined abatement amount for all railroads for ~~both~~ 1981 ~~and~~, 1982, ~~and~~ 1983 for each county, city, town, school district, and special taxing district. The commissioner shall pay each taxing district as soon as practicable after certification, but not before January 1, 1985.

This appropriation is available the day after final enactment until expended.

A county, city, town, school district, and special taxing district may in-

clude an additional amount in its property tax levy for taxes payable in 1985 or 1986 equal to the difference between the amount of tax and interest refunded to a railroad company whose valuation was ordered reduced by the tax court and the amount reimbursed to the taxing district by the state pursuant to this section. Amounts levied for this purpose shall be considered outside of any levy limitations applicable to the taxing district. In the case of a school district, only the amount of abatement not reimbursed under this section may be considered in the computation of abatement aid under section 124.214, subdivision 2.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment and applies to assessment years 1981, 1982, and 1983.

ARTICLE 13

REVENUE DEPARTMENT ENFORCEMENT

Section 1. [270.062] [ACCESS TO CRIMINAL JUSTICE DATA.]

The commissioner of revenue may enter into an agreement with the commissioner of public safety allowing designated employees of the revenue department to have access to the criminal justice datacommunications network provided in section 299C.46. For purposes of that section, the special investigation unit of the revenue department is considered a criminal justice agency.

Sec. 2. [270.064] [REQUESTING ASSISTANCE IN CRIMINAL TAX INVESTIGATIONS.]

If the commissioner of revenue has reason to believe that a criminal violation of the state tax laws has occurred, the commissioner may request the attorney general or the prosecuting authority of any county to assist in a criminal tax investigation and may disclose return information to the prosecuting authority relevant to the investigation notwithstanding the provisions of section 290.61, 291.48, 297A.43, or 297B.12.

Sec. 3. Minnesota Statutes 1984, section 290.53, subdivision 11, is amended to read:

Subd. 11. [ASSISTING IN FRAUD AND FALSE STATEMENTS; CRIMINAL PROVISIONS.] Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this chapter, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, ~~where~~ *whether or not* the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. Any criminal offense under this subdivision may be prosecuted in the same manner and within the same period of limitations provided in subdivision 4.

Sec. 4. Minnesota Statutes 1984, section 290.92, subdivision 15, is amended to read:

Subd. 15. [PENALTIES.] (1) In the case of any failure to withhold a tax on wages, make and file quarterly returns or make payments to or deposits with

the commissioner of amounts withheld, as required by this section, within the time prescribed by law, there shall be added to the tax a penalty equal to ten percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which the failure continues, not exceeding 25 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount added shall be collected in the same manner as the tax.

(2) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, willfully fails to withhold the tax or make the deposits, files a false or fraudulent return, willfully fails to make the payment or deposit, or willfully attempts in any manner to evade or defeat the tax or the payment or deposit of it, there shall also be imposed on the employer as a penalty an amount equal to 50 percent of the amount of tax, less any amount paid or deposited by the employer on the basis of the false or fraudulent return or deposit, that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(3) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commissioner, or to furnish a reconciliation of the statements, and quarterly returns, to the commissioner, willfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements, and quarterly returns, to the commissioner, or willfully fails to furnish a statement or the reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, there shall be imposed on the person a penalty of \$50 for each act or failure to act, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed \$25,000. The penalty imposed by this paragraph is due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6, paragraph (8).

(4) In addition to any other penalties prescribed, any person required to withhold a tax on wages, make and file quarterly returns and make payments or deposits to the commissioner of amounts withheld, as required by this section, who willfully fails to withhold the tax or truthfully make and file the quarterly return or make the payment or deposit, or attempts to evade or defeat the tax is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony.

(5) In lieu of any other penalty provided by law, except the penalty pro-

vided by paragraph (3), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who willfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, is guilty of a gross misdemeanor.

(6) Any employee required to supply information to his employer under the provisions of subdivision 5, who willfully fails to supply information or willfully supplies false or fraudulent information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or subdivision 3, is guilty of a gross misdemeanor.

(7) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as an officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(8) All payments received may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.

(9) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate to his employer which the employee has reason to know contains a materially incorrect statement is liable to the commissioner of revenue for a penalty of \$500 for each instance. The penalty is immediately due and payable and may be collected in the same manner as any delinquent income tax.

(10) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate required by subdivision 5a, clause (1)(a), (1)(b), or (2) is liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty is immediately due and payable and may be collected in the manner provided in subdivision 6, paragraph (8).

(11) Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, ~~where~~ *whether or not* the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor, unless the tax involved exceeds \$300, in which event he is guilty of a felony.

(12) Notwithstanding the provisions of section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

Sec. 5. Minnesota Statutes 1984, section 297A.39, subdivision 8, is amended to read:

Subd. 8. [PENALTY; FALSE CLAIM.] Any person who willfully aids or

assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, ~~where~~ *whether or not* the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. Any criminal offense under this subdivision may be prosecuted in the same manner and within the same period of limitations provided in subdivision 4.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day after final enactment.

ARTICLE 14

CHARITABLE GAMBLING

Section 1. Minnesota Statutes 1984, section 297A.25, is amended by adding a subdivision to read:

Subd. 6. The gross receipts from the conduct of lawful gambling that is exempt under section 349.214 shall be exempt from taxation under this chapter.

Sec. 2. Minnesota Statutes 1984, section 349.12, subdivision 13, is amended to read:

Subd. 13. "Profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for gambling supplies and equipment, prizes, rent, and utilities used during the gambling occasions, compensation paid to members for conducting gambling, taxes imposed by this chapter, ~~and~~ maintenance of devices used in lawful gambling, *advertising costs up to one percent of an organization's gambling receipts in a calendar year, legal costs, accounting services, security services, and insurance. An organization exempt under section 349.214, subdivision 2, may deduct from gross receipts the costs of any food or beverages provided at the event.*

Sec. 3. Minnesota Statutes 1984, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] The board has the following powers and duties:

(1) to issue, revoke, and suspend licenses to organizations and suppliers under sections 349.16 and 349.161;

(2) to collect and deposit license fees and taxes due under this chapter;

(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;

(4) to make rules, including emergency rules, required by this chapter;

(5) to register gambling equipment and issue registration stamps under section 349.162;

(6) to provide by rule for the mandatory posting by organizations conduct-

ing lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling; and

(7) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling; and

(8) impose civil penalties of not more than \$500 per violation on organizations and suppliers for failure to comply with any provision of sections 349.12 to 349.23 or any rule of the board.

Sec. 4. Minnesota Statutes 1984, section 349.16, is amended by adding a subdivision to read:

Subd. 4. [LOCAL INVESTIGATION FEE.] An organization applying for a license under this section shall pay to the board, in addition to any other fee required by this section, an investigation fee which the board shall remit to the local unit of government notified under section 349.213, subdivision 2. The investigation fee shall be \$75 if an organization is applying for a license to conduct all forms of gambling, \$50 for all forms except bingo, and \$25 for bingo only.

Sec. 5. Minnesota Statutes 1984, section 349.161, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for ~~bingo~~ lawful gambling exempt from licensing under section ~~340.19~~ 349.214, except to an organization licensed for lawful gambling; or

(2) sell, offer for sale, or furnish gambling equipment to an organization licensed for lawful gambling without having obtained a distributor license under this section.

No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.

Sec. 6. Minnesota Statutes 1984, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. If an organization's net proceeds from lawful gambling is less than \$50,000 in a year and the organization conducts no more than four events in that year where lawful gambling is conducted then any reports required to be filed with the board or to its membership may be filed annually. The reports must be on a form the board prescribes.

Sec. 7. Minnesota Statutes 1984, section 349.212, subdivision 2, is amended to read:

Subd. 2. [COLLECTION; DISPOSITION.] The tax must be paid to the

board at times and in a manner the board prescribes by rule, *provided that if an organization's tax liability under this section is \$500 or less in any quarter the tax may not be required to be paid more frequently than quarterly.* The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.21 and 349.211, 349.212, and 349.213, *except fees received under section 4,* must be paid to the state treasurer for deposit in the general fund.

Sec. 8. Minnesota Statutes 1984, section 349.214, subdivision 2, is amended to read:

Subd. 2. [RAFFLES.]

(a) Raffles may be conducted by an organization as defined in section 349.12, subdivision 13, without complying with sections 349.11 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750. Merchandise prizes must be valued at their fair market value.

(b) *Raffles may be conducted by an organization without complying with section 349.14, or sections 349.151 to 349.212 if the organization or each chapter of the organization conducts no more than one raffle in a calendar year. The organization may also conduct pull-tabs, tipboards, and paddle-wheels in conjunction with the raffle without complying with section 349.14 or sections 349.151 to 349.212. An organization that conducts an exempt raffle under this paragraph must report to the board setting forth the date when the raffle was held, the amount of gross receipts, and the charitable purpose for which the proceeds were used.*

Sec. 9. Minnesota Statutes 1984, section 349.214, is amended by adding a subdivision to read:

Subd. 1a. [BINGO; CERTAIN ORGANIZATIONS.] *Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without complying with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board.*

Sec. 10. Minnesota Statutes 1984, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance,

or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

Sec. 11. [TAX AMNESTY; NONPROFIT ORGANIZATIONS.]

For an organization that has an unpaid liability for sales tax due under Minnesota Statutes, chapter 297A, arising out of lawful gambling conducted under Minnesota Statutes, chapter 349, between March 1, 1982, and February 28, 1985, the commissioner of revenue shall accept as full payment of the liability, a certified check, cashier's check, or money order in the amount of 50 percent of the liability incurred, plus interest. Payment must be received by the commissioner of revenue before January 1, 1986. For delinquent returns filed under this section, the civil and criminal penalties imposed by law are waived.

Sec. 12. [SALES TAX EXEMPTION.]

The gross receipts from the conduct of lawful gambling conducted under Minnesota Statutes, chapter 349, received prior to March 1, 1982, shall be exempt from taxation under Minnesota Statutes, chapter 297A. No refunds shall be paid pursuant to this section unless the organization can demonstrate to the commissioner of revenue that the refunds will be paid to those who paid the tax.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 13 are effective June 1, 1985.

ARTICLE 15

BUDGET RESERVE

Section 1. Minnesota Statutes 1984, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] (a) If the commissioner determines that probable receipts for ~~an appropriation, the general fund, or item~~ will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, transfer from the budget and cash flow reserve account established in subdivision 6 to the general fund the money needed to balance expenditures with revenue. An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing allotments.

(b) *If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.*

(c) *In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.*

(d) *In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.*

Sec. 2. Minnesota Statutes 1984, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] *A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance on July 1, 1983, shall transfer \$250,000,000 to the budget reserve account. The commissioner of finance on July 1, 1984, shall transfer an additional \$125,000,000 to the budget reserve account in the general fund. The commissioner on July 1, 1985, shall transfer an additional \$125,000,000 to the account. The amounts transferred shall remain in the budget reserve account until expended under subdivision 1. When an amount has been expended under subdivision 1, but the commissioner later determines during the same biennium that there will probably be a positive undesignated balance in the general fund at the end of the biennium, the commissioner shall transfer from the undesignated fund balance to the budget and cash flow reserve account the amount needed to restore the balance in the account to \$500,000,000.*

ARTICLE 16

MISCELLANEOUS

Section 1. [LEASE RATE INCREASES.]

Increases of lease rates to be effective on January 1, 1986, for lakeshore property on state lands leased pursuant to Minnesota Statutes, section 92.46, shall be phased in by three annual increments.

Sec. 2. [REPORT.]

The commissioner of natural resources shall inventory the lakeshore leases and prepare a report on any leased land that should be sold. The report must be submitted by January 1, 1987, to the senate agriculture and natural resources and house of representatives environment and natural resources committees.

Sec. 3. [ROAD EXPENDITURES.]

A county where state lands are leased pursuant to Minnesota Statutes, section 92.46, may expend funds raised from the levy of property taxes pursuant to Minnesota Statutes, section 273.19, for the maintenance and upgrading of roads serving the leased property regardless of whether the roads are part of the county highway system.

Sec. 4. [FORESTVILLE STATE PARK ROADS.]

Up to \$1,000 of the cost incurred by Fillmore county in maintaining roads that provide access to Forestville state park shall be reimbursed from the state park road account created by Minnesota Statutes 1984, section 162.06, subdivision 5.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the financing and operation of state and local government; simplifying the individual income tax and reducing the individual income tax rates; simplifying the property tax classification system; revising the method of providing reduction in taxes on homesteads and farms; providing for payment of aids to local units of government; adjusting the computation and payment of property tax refunds; providing certain sales tax exemptions; reducing estate taxes; altering provisions governing the operation of the iron range resources and rehabilitation board; providing for the allocation of the industrial revenue bonds; creating an economic diversification incentives program; authorizing casino gambling in the city of Ely; establishing a jobs program; establishing a fiscal disparities system in the taconite tax relief area; providing for local collection and distribution of taconite production taxes; altering certain deductions for mining companies; providing for distribution of production tax proceeds to certain towns; changing the taxation of telephone companies; providing that mortgage registration and deed taxes are retained by counties and offset against certain state payments; authorizing reimbursements to local units of government for certain railroad property tax refunds; providing enforcement powers to the department of revenue; modifying the charitable gambling law; increasing the amount in the budget and cash flow reserve account; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1, 3, and 3a; 13.04, subdivision 2; 13.58; 15A.081, subdivisions 1 and 8; 16A.128, subdivision 2; 16A.15, subdivisions 1 and 6; 16A.641, subdivision 11; 16B.60, subdivision 5; 18.023, subdivision 7; 41.55; 47.58, subdivisions 2 and 3; 84B.08, subdivision 6; 85A.05, subdivision 5; 86.33, by adding subdivisions; 93.55, subdivision 2; 97.488, subdivision 1a; 110A.28, subdivisions 11 and 12; 115A.58, subdivision 6; 116.17, subdivision 6; 116C.63, subdivision 4; 116J.035, by adding a subdivision; 116J.58, subdivision 4; 116J.64, subdivision 6; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 116M.07, subdivision 1, and by adding subdivisions; 116M.08, subdivision 4; 117.55; 124.155, subdivision 2; 124.2131, subdivision 3; 124.2138, subdivisions 2 and 4; 124.2139; 124.46, subdivision 3; 124A.02, subdivisions 11 and 12; 124A.03, subdivision 3; 124A.037; 129A.02, subdivision 2; 136.40, subdivision 7; 136.63, by adding a subdivision; 136C.06; 136C.43, subdivision 6; 167.52; 168.012, subdivision 9; 174.51, subdivision 6; 178.03; by adding a subdivision; 245.87; 248.07; 248.08; 256.736; 256.737; 256C.24; 256C.25; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.04, by adding subdivisions; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; 268.686; 270.68, subdivision 4; 272.02, subdivision

1, and by adding a subdivision; 272.03, subdivision 1; 272.039; 272.04, subdivision 1; 272.115, subdivision 4; 273.11, subdivisions 1 and 8; 273.1104, subdivision 1; 273.115, subdivisions 3 and 7; 273.116, subdivisions 3 and 7; 273.118; 273.12; 273.121; 273.123, subdivisions 1, 4, and 5; 273.13, by adding subdivisions; 273.1311; 273.1313, subdivisions 1, 2, and 3; 273.1314, subdivisions 8 and 16a; 273.1315; 273.135, subdivisions 1, 2, and 5; 273.136, subdivisions 1, 2, and 4; 273.1391, subdivisions 1, 2, and 4; 273.1392; 273.38; 273.42, subdivision 2; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 275.07, subdivision 1; 275.50, subdivision 5; 275.51, subdivision 3i; 276.04; 278.01, subdivision 2; 278.05, subdivision 5, 279.01, subdivision 1; 279.06; 281.17; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2, and by adding a subdivision; 287.23; 287.25; 287.28; 287.29, subdivision 1; 287.33; 287.35; 290.01, subdivisions 19, 20, as amended, 20a, 20b, 20d; 20e; 290.012, subdivision 3; 290.032, subdivision 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 2f, 3f, 11, 16, 17, and 18; 290.068, subdivisions 1, 3, and 4; 290.069, subdivisions 4a, 4b, 5, 6, and 7; 290.08, subdivisions 1 and 26; 290.089, subdivisions 2 and 3; 290.09, subdivisions 1, 2, and 7; 290.091; 290.095, subdivisions 7, 9, and 11; 290.10; 290.12, subdivisions 1 and 2; 290.14; 290.16, subdivision 1a; 290.19, subdivision 1; 290.23, subdivision 3; 290.311, subdivision 1; 290.37, subdivision 1; 290.38; 290.41, subdivision 2; 290.46; 290.49, subdivision 10; 290.50, subdivisions 5 and 6; 290.53, subdivision 11; 290.92, subdivisions 2a, 15, 18, and 21; 290.93, subdivision 10; 290.9726, subdivision 1; 290.974; 290A.03, subdivisions 3, 6, 13, and 14; 290A.04, subdivisions 2, 2a, and 2b; 290A.06; 290A.07, by adding a subdivision; 290A.19; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, 3a, and 5; 291.11, subdivision 1; 291.15, subdivision 3; 291.215, subdivision 1; 295.34, subdivision 1; 297A.01, subdivisions 14 and 15; 297A.02, by adding a subdivision; 297A.25, subdivision 1, and by adding a subdivision; 297A.39, subdivision 8; 298.03; 298.031, subdivisions 2 and 3; 298.225; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1 and 2; 298.282, subdivisions 1, 4, and 5; 298.292; 349.12, subdivision 13; 349.151, subdivision 4; 349.16, by adding a subdivision; 349.161, subdivision 1; 349.19, subdivision 5; 349.212, subdivision 2; 349.214, subdivision 2, and by adding a subdivision; 360.301, subdivision 1; 473.446, subdivision 1; 473F.02, subdivisions 3, 4, and 17; 474.16, subdivisions 1, 4, 5, and by adding subdivisions; 474.17, subdivisions 1, 2, 3, and 4; 474.18, subdivisions 1, 2, 3, 4, and by adding a subdivision; 474.19, subdivisions 1, 2, 3, 4, 5, 6, and 7; 474.20, subdivisions 1 and 2; 474.22; 474.23; 475.61, subdivision 3; 475.754; 475A.06, subdivision 6; 477A.011, subdivisions 7a and 10; 477A.0131, subdivision 1; 477A.015; 477A.03, by adding a subdivision; 514.03, subdivision 3; 524.3-1202; 583.02; 609.75, subdivision 3; Laws 1984, chapter 502, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 256C; 268; 270; 273; 275; 290; 298; and 458; proposing coding for new law as Minnesota Statutes, chapters 267; 268A; and 276A; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 3; 124.2131, subdivision 4; 124.2137; 124A.031, subdivision 4; 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; 268.81; 270.75, subdivision 7; 273.1105; 273.112, subdivision 9; 273.13, subdivisions 2, 2a, 3, 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 10, 11, 12, 14a, 15a, 16, 17, 17a, 17b, 17c, 17d, 19, 20, and 21; 273.133; 273.136, subdivision 3; 273.15; 287.27; 287.29; 287.32; 290.01, subdivi-

sions 20c, 20f, and 26; 290.06, subdivisions 3e, 14, and 19; 290.069, subdivision 4; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.088; 290.089, subdivisions 4 and 6; 290.09, subdivision 29; 290.101; 290.17, subdivision 1a; 290.18, subdivisions 2 and 4; 290.39, subdivision 2; 290.41, subdivision 5; 290.9726, subdivisions 5 and 6; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.111; 291.131, subdivision 5; 291.132; 291.20; 291.29, subdivision 5; 295.34, subdivision 2; and 385.36; Laws 1982, chapter 523, article 7, section 3; and Laws 1984, chapter 582, section 23."

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

SECOND READING OF SENATE BILLS

S.F. No. 1423 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 756 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Waldorf moved that the name of Mr. Pehler be added as a co-author to S.F. No. 946. The motion prevailed.

Mr. Lessard moved that H.F. No. 576 be taken from the table. The motion prevailed.

Mr. Lessard moved that H.F. No. 576 be referred to the Committee on Judiciary. The motion prevailed.

Mr. Waldorf moved that H.F. No. 968 be withdrawn from the Committee on Education and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 946, now on General Orders. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. No. 172, which the committee recommends to pass subject to the following motions:

Mr. Kroening moved to amend S.F. No. 172 as follows:

Page 120, delete section 18

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 43, delete "125.12, by adding a subdivision;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Novak	Solon
Belanger	Dicklich	Kronebusch	Olson	Spear
Benson	Frederickson	Laidig	Petty	Stumpf
Berglin	Freeman	Lantry	Pogemiller	Vega
Bernhagen	Hughes	McQuaid	Ramstad	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Samuelson	Willet

Those who voted in the negative were:

Anderson	Gustafson	Lessard	Peterson, C.C.	Schmitz
Berg	Isackson	Luther	Peterson, D.C.	Sieloff
Bertram	Johnson, D.J.	Merriam	Peterson, D.L.	Storm
Dahl	Jude	Moe, D. M.	Peterson, R.W.	Taylor
DeCramer	Kamrath	Moe, R. D.	Purfeerst	Wegscheid
Diessner	Knutson	Nelson	Reichgott	
Dieterich	Langseth	Pehler	Renneke	

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

Mr. Kroening then moved to amend S.F. No. 172 as follows:

Page 120, delete section 18

Page 123, after line 28, insert:

"Sec. 25. [EMPLOYMENT IN SUPERVISORY POSITIONS IN ROSEVILLE.]

Notwithstanding any law to the contrary, a teacher, as defined in section 179A.03, who is employed by independent school district No. 623, Roseville, does not have a right to employment in that district as an assistant superintendent, as a principal defined in section 179A.03, as a confidential or supervisory employee defined in section 179A.03, or in a position that is a promotion from the position currently held, based on seniority, seniority date, or order of employment by the district; provided that this provision shall not alter the reinstatement rights of an individual who is placed on leave from an assistant superintendent, principal or assistant principal, or supervisory or confidential employee position pursuant to chapter 125."

Renumber the sections in sequence and correct internal cross references.

Amend the title as follows:

Page 1, line 43, delete everything after the first semicolon

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Olson	Spear
Belanger	Diessner	Laidig	Petty	Storm
Benson	Frederickson	Lantry	Pogemiller	Vega
Bernhagen	Freeman	McQuaid	Ramstad	Waldorf
Chmielewski	Hughes	Novak	Solon	Willet

Those who voted in the negative were:

Anderson	Gustafson	Lessard	Pehler	Renneke
Berg	Isackson	Luther	Peterson, C.C.	Samuelson
Berglin	Johnson, D.E.	Mehrkens	Peterson, D.C.	Schmitz
Bertram	Jude	Merriam	Peterson, D.L.	Sieloff
Dahl	Kamrath	Moe, D. M.	Peterson, R. W.	Stumpf
DeCramer	Knutson	Moe, R. D.	Purfeerst	Taylor
Dieterich	Langseth	Nelson	Reichgott	

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

Mr. Frederickson moved to amend S.F. No. 172 as follows:

Page 5, line 35, delete "\$1,840" and insert "\$1,655"

Page 6, line 1, delete "\$1,930" and insert "\$1,735"

Page 8, delete sections 11 and 12

Pages 8 and 9, delete section 14

Pages 9 to 11, delete sections 16 to 19

Pages 18 to 25, delete sections 21 to 31

Page 27, delete section 35

Page 27, line 30, delete "\$689,468,600" and insert "\$696,656,600"

Page 27, line 31, delete "\$962,990,800" and insert "\$790,289,200"

Page 27, line 33, delete "\$607,599,100" and insert "\$614,787,100"

Page 28, line 1, delete "\$857,858,600" and insert "\$685,157,000"

Page 28, delete lines 8 to 12 and insert:

"Subdivision 1. [COMMISSIONER OF FINANCE.] There is appropriated from the general fund to the commissioner of finance the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [TEACHER RETIREMENT.] For payment of the state's obligations prescribed in Minnesota Statutes, sections 354.43; 354.55, subdivision 5; 354A.12, subdivision 2; 355.46; and 355.49, there is appropriated:

\$216,227,700_____1986,

\$234,244,300_____1987."

Page 28, line 14, delete "Subdivision 1."

Page 28, delete lines 17 to 20

Page 28, line 23, delete everything after the first period

Page 28, delete lines 24 to 26

Pages 173 and 174, delete section 13

Page 174, line 8, delete "\$5,728,700" and insert "\$8,143,000"

Renumber the sections in sequence

Correct cross references

Amend the title as follows:

Page 1, delete line 39

Page 1, line 40, delete "subdivisions" and insert "subdivision" and delete "1," and delete the last comma

Page 1, line 41, delete everything before the second semicolon

Page 2, line 6, delete "354.092; 354.094;"

Page 2, delete line 7

Page 2, line 8, delete "subdivision 1;" and delete "subdivisions" and insert "subdivision" and delete "and 4"

Page 2, line 9, delete everything after the first semicolon

Page 2, delete line 10.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Kamrath	McQuaid	Storm
Belanger	Frederick	Knaak	Mehrkens	Taylor
Benson	Frederickson	Knutson	Olson	Vega
Berg	Freeman	Kroening	Peterson, D.L.	Waldorf
Bernhagen	Isackson	Kronebusch	Ramstad	
Brataas	Johnson, D.E.	Laidig	Reichgott	
Davis	Jude	Lantry	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Merriam	Peterson, D.C.	Solon
Berglin	Gustafson	Moe, D. M.	Peterson, R.W.	Spear
Bertram	Hughes	Moe, R. D.	Petty	Stumpf
Chmielewski	Johnson, D.J.	Nelson	Pogemiller	Willett
Dahl	Langseth	Novak	Purfeerst	
DeCramer	Lessard	Pehler	Samuelson	
Dicklich	Luther	Peterson, C.C.	Schmitz	

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

Mr. Nelson moved to amend S.F. No. 172 as follows:

Page 26, line 36, after "having" insert "(a)"

Page 27, line 1, after "schools" insert ", or (b) operating two secondary schools that are more than 70 miles apart by road with no secondary schools in between."

Page 56, line 3, delete "\$140,157,900" and insert "\$140,517,900"

Page 81, line 9, after "the" insert "sum of the" and delete "times" and insert "and the tier revenue of that district, multiplied by"

Page 81, line 11, delete "section" and insert "sections"

Page 81, line 12, delete the second comma and insert "124A.06, subdivision 3a; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; and 124A.14, subdivision 5a, as applicable."

Page 82, after line 27, insert:

"Subd. 4. [SCHOOL OF THE ARTS.] For operation of the Minnesota

school of the arts there is appropriated:

\$ 950,000. . . . 1986,
\$2,600,000. . . . 1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987."

Renumber the subdivisions in sequence

Page 93, line 4, before the first "The" insert "*Beginning in the 1986-1987 school year*"

Page 124, line 7, delete "24" and insert "23"

Page 132, line 9, delete "\$500" and insert "\$300"

Page 152, line 21, delete ".4" and insert ".1"

Pages 173 and 174, delete section 13

Renumber the sections in sequence and correct the internal references

Mr. Taylor requested division of the amendment as follows:

First portion:

Page 26, line 36, after "having" insert "(a)"

Page 27, line 1, after "schools" insert ", or (b) operating two secondary schools that are more than 70 miles apart by road with no secondary schools in between,"

Page 56, line 3, delete "\$140,157,900" and insert "\$140,517,900"

Page 93, line 4, before the first "The" insert "*Beginning in the 1986-1987 school year*"

Page 124, line 7, delete "24" and insert "23"

Page 132, line 9, delete "\$500" and insert "\$300"

Page 152, line 21, delete ".4" and insert ".1"

Pages 173 and 174, delete section 13

Renumber the sections in sequence and correct the internal references

Second portion:

Page 81, line 9, after "the" insert "sum of the" and delete "times" and insert "and the tier revenue of that district, multiplied by"

Page 81, line 11, delete "section" and insert "sections"

Page 81, line 12, delete the second comma and insert "; 124A.06, subdivision 3a; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; and 124A.14, subdivision 5a, as applicable,"

Page 82, after line 27, insert:

"Subd. 4. [SCHOOL OF THE ARTS.] *For operation of the Minnesota school of the arts there is appropriated:*

\$ 950,000. . . . 1986,

\$2,600,000. . . . 1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987."

Renumber the subdivisions in sequence.

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 37 and nays 30, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Dieterich	Johnson, D.E.	McQuaid	Sieloff
Belanger	Frederick	Kamrath	Mehrkens	Spear
Benson	Frederickson	Knaak	Olson	Storm
Berg	Gustafson	Knutson	Peterson, D.L.	Stumpf
Bernhagen	Hughes	Kronebusch	Ramstad	Taylor
Brataas	Isackson	Laidig	Renneke	Willet

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

Ms. Olson moved to amend S.F. No. 172 as follows:

Page 161, after line 27, insert:

"Subd. 27. [PROGRAMS OF EXCELLENCE.]

For programs of excellence pursuant to sections 126.60 to 126.64 there is appropriated:

\$34,500_____1986,

\$34,500_____1987.

Of this amount, the following sums may be used for the purposes indicated in each year: \$7,500 for program administration including expenses of the programs of excellence committee, according to section 126.60, subdivision 3; \$10,000 for incentive grants according to section 126.60, subdivision 4; and \$17,000 for reimbursement of pupil transportation costs according to section 126.62, subdivision 6."

Renumber the subdivisions in sequence.

The motion prevailed. So the amendment was adopted.

Mr. Kamrath moved to amend S.F. No. 172 as follows:

Page 117, after line 10, insert:

“Sec. 10. Minnesota Statutes 1984, section 122.541, is amended by adding a subdivision to read:

Subd. 7. [MEETING LOCATION.] Notwithstanding any law to the contrary, the school boards of districts with an agreement under this section may hold a valid joint meeting at any location that would be permissible for one of the school boards participating in the meeting. Any of those school boards may also hold a school board meeting on that date at that location before or after the joint meeting.”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 21, after the second semicolon, insert “122.541, by adding a subdivision;”

Mr. Pehler moved to amend the Kamrath amendment to S.F. No. 172 as follows:

Page 1, line 9, delete everything after the period

Page 1, delete line 10

Page 1, line 11, delete “before or after the joint meeting.”

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

The question recurred on the Kamrath amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

Mr. Kamrath then moved to amend S.F. No. 172 as follows:

Page 164, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 55, as follows:

Those who voted in the affirmative were:

Isackson	Kamrath	Knutson	Renneke	Waldorf
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Those who voted in the negative were:

Adkins	Dicklich	Kroening	Nelson	Ramstad
Anderson	Diessner	Laidig	Novak	Reichgott
Belanger	Dieterich	Langseth	Olson	Samuelson
Berg	Frank	Lantry	Pehler	Sieloff
Berglin	Frederick	Lessard	Peterson, C. C.	Solon
Bernhagen	Freeman	Luther	Peterson, D. C.	Spear
Bertram	Hughes	McQuaid	Peterson, D. L.	Stumpf
Chmielewski	Johnson, D. E.	Mehrkins	Peterson, R. W.	Taylor
Dahl	Johnson, D. J.	Merriam	Petty	Vega
Davis	Jude	Moe, D. M.	Pogemiller	Wegscheid
DeCramer	Knaak	Moe, R. D.	Purfeerst	Willer

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

Mr. Benson moved to amend S.F. No. 172 as follows:

Page 100, after line 20, insert:

"Sec. 22. [PILOT PROGRAMS FOR ALL-DAY KINDERGARTENS.]

A pilot program shall be established by the state board of education to evaluate the effects of and issues relating to all-day kindergarten. The state board shall select at least two school districts in each congressional district that wish to participate in the pilot program during the 1986-1987 school year. The department of education shall develop the pilot program and provide assistance to participating districts. Each kindergarten pupil participating in the pilot program shall be counted as one pupil unit for the purpose of Minnesota Statutes, section 124.17. The state board shall evaluate the program and submit its recommendations to the education committees of the legislature by January 15, 1987."

Page 107, after line 35, insert:

"Subd. 15. [ALL-DAY KINDERGARTEN PILOT PROGRAM.] *For a pilot program for all-day kindergarten there is appropriated:*

\$1,000,000 _____ 1987."

Renumber the subdivisions in sequence and correct the internal references

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 33, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	DeCramer	Lantry	Peterson, D.C.	Spear
Berg	Dicklich	Lessard	Peterson, R.W.	Stumpf
Berglin	Diessner	Merriam	Petty	Vega
Bertram	Frank	Moe, D. M.	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Nelson	Purfeerst	Willet
Dahl	Jude	Pehler	Samuelson	
Davis	Langseth	Peterson, C.C.	Solon	

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

Mr. Anderson moved to amend S.F. No. 172 as follows:

Page 4, after line 26, insert:

"Sec. 4. Minnesota Statutes 1984, section 124.17, is amended by adding a subdivision to read:

Subd. 1a. [AFDC PUPIL UNITS.] In addition to the pupil units counted under subdivision 1, pupil units shall be counted as provided in this subdivision beginning with the 1986-1987 school year.

(a) Each pupil in subdivision 1 from a family receiving aid to families with dependent children or its successor program who is enrolled in the school district on October 1 shall be counted as an additional five-tenths pupil unit.

(b) In a district in which the number of pupils from families receiving aid to families with dependent children or its successor program exceeds five percent of the actual pupil units in the district for the same year, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted under this paragraph for pupils from families receiving aid to families with dependent children or its successor program. A pupil shall not be counted as more than one and one-tenth additional pupil units under this subdivision. The weighting in this paragraph is in addition to the weighting provided in subdivision 1 and paragraph (a)."

Page 6, after line 2, insert:

"Sec. 8. Minnesota Statutes 1984, section 124A.02, subdivision 16, is amended to read:

Subd. 16. [AFDC PUPIL UNITS.] For the 1984-1985 and 1985-1986 school years, "AFDC pupil units" means 98.5 percent of the pupil units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) in the 1980-1981 school year.

For the 1986-1987 school year and each year thereafter, "AFDC pupil units" means the pupil units identified in section 4."

Page 27, line 30, delete "\$689,468,600" and insert "\$689,060,200"

Page 27, line 31, delete "\$962,990,800" and insert "948,786,400"

Page 27, line 33, delete "\$607,599,100" and insert "607,190,700"

Page 28, line 1, delete "\$857,858,600" and insert "\$843,654,200"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 26, before the last semicolon insert ", and by adding a subdivision"

Page 1, line 35, delete "and"

Page 1, line 36, before the semicolon insert "and 16"

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	Brataas	Kamrath	McQuaid	Storm
Belanger	Diessner	Knaak	Mehrkens	Taylor
Benson	Frederick	Knutson	Peterson, D.L.	
Bernhagen	Frederickson	Kronebusch	Ramstad	
Bertram	Isackson	Laidig	Renneke	

Those who voted in the negative were:

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

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

Mr. Knaak moved to amend S.F. No. 172 as follows:

Page 84, line 31, delete "\$44.75" and insert "\$47"

Page 84, line 32, delete "\$46.55" and insert "\$110"

Page 104, line 35, delete "\$1,418,600" and insert "\$1,484,800"

Page 104, line 36, delete "\$1,608,900" and insert "\$3,490,600"

Page 105, line 3, delete "\$1,319,600" and insert "\$1,385,800"

Page 105, line 5, delete "\$232,800" and insert "\$244,500"

Page 105, line 7, delete "\$1,376,100" and insert "\$3,246,100"

Page 105, line 10, delete "\$1,552,400" and insert "\$1,630,300"

Page 105, line 10, delete "\$1,618,900" and insert "\$3,818,900"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Mr. Belanger moved to amend S.F. No. 172 as follows:

Page 50, line 18, delete the second "a" and insert "70 percent"

Page 50, line 19, delete "portion" and after "employed" insert "full-time, part-time, or for a limited time"

Page 50, line 26, delete everything after the period

Page 50, delete lines 27 to 30

Page 54, line 20, reinstate the stricken "70 percent" and delete "a portion"

Page 54, line 21, after "employed" insert "full-time, part-time, or for a limited time"

Page 54, line 24, delete everything after the period

Page 54, delete lines 25 to 29

Page 56, line 2, delete "\$136,126,400" and insert "\$143,742,700"

Page 56, line 3, delete "\$140,157,900" and insert "\$151,808,500"

Page 56, line 5, delete "\$115,406,800" and insert "\$123,023,100"

Page 56, line 7, delete "\$20,773,600" and insert "\$22,117,500"

Page 56, line 8, delete "\$119,744,300" and insert "\$129,691,000"

Page 56, line 11, delete "\$135,772,800" and insert "\$144,733,000" and delete "\$140,875,600" and insert "\$152,577,700"

Page 57, line 36, delete "\$3,576,700" and insert "\$3,872,500"

Page 58, line 1, delete "\$3,655,800" and insert "\$4,173,200"

Page 58, line 4, delete "\$3,025,000" and insert "\$3,320,800"

Page 58, line 10, delete "\$533,800" and insert "\$586,100"

Page 58, line 12, delete "\$3,122,000" and insert "\$3,587,100"

Page 58, line 19, delete "\$3,558,800" and insert "\$3,906,900" and delete "\$3,673,000" and insert "\$4,220,100"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Johnson, D.E.	Laidig	Renneke
Belanger	Frederick	Kamrath	McQuaid	Sieloff
Benson	Frederickson	Knaak	Novak	Storm
Bernhagen	Freeman	Knutson	Olson	Taylor
Brataas	Gustafson	Kroening	Ramstad	
Dieterich	Isackson	Kronebusch	Reichgott	

Those who voted in the negative were:

Adkins	Dicklich	Lessard	Peterson, C.C.	Samuelson
Berglin	Diessner	Mehrrens	Peterson, D.C.	Schmitz
Bertram	Hughes	Merriam	Peterson, D.L.	Spear
Chmielewski	Johnson, D.J.	Moe, D. M.	Peterson, R.W.	Stumpf
Dahl	Jude	Moe, R. D.	Petty	Vega
Davis	Langseth	Nelson	Pogemiller	Wegscheid
DeCramer	Lantry	Pehler	Purfeerst	Willet

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

Mr. Frederickson moved to amend S.F. No. 172 as follows:

Page 25, after line 36, insert:

"Sec. 32. Minnesota Statutes 1984, section 356.70, subdivision 1, is

amended to read:

Subdivision 1. [COMBINED AGE AND SERVICE REQUIREMENT.] Any member of a retirement plan established pursuant to chapters 352, 353, 354, or 354A who has attained the age of at least 55 years and whose attained age plus credited allowable service totals 85, is entitled, upon application prior to December 31, 1986, or, for members of a plan established under chapter 354 or 354A, by June 30, 1987, to the normal retirement annuity provided in these chapters without any reduction in annuity by reason of such early retirement."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 2, line 10, after "subdivision 3;" insert "356.70, subdivision 1;"

The question was taken on the adoption of the amendment.

The roll was called; and there were yeas 26 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Johnson, D.E.	Laidig	Storm
Belanger	Frank	Kamrath	McQuaid	Taylor
Benson	Frederick	Knaak	Olson	
Berg	Frederickson	Knutson	Ramstad	
Bernhagen	Gustafson	Kroening	Renneke	
Brataas	Isackson	Kronebusch	Sieloff	

Those who voted in the negative were:

Adkins	Dieterich	Moe, D. M.	Peterson, R. W.	Spear
Berglin	Johnson, D.J.	Moe, R. D.	Petty	Stumpf
Bertram	Langseth	Nelson	Pogemiller	Waldorf
Dahl	Lantry	Novak	Purfeerst	Wegscheid
DeCramer	Lessard	Pehler	Reichgott	Willet
Dicklich	Luther	Peterson, C.C.	Samuelson	
Diessner	Merriam	Peterson, D.C.	Schmitz	

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

The question was taken on the recommendation to pass S.F. No. 172.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Pehler	Purfeerst
Berglin	Gustafson	Luther	Peterson, C.C.	Samuelson
Bertram	Hughes	Merriam	Peterson, D.C.	Schmitz
Chmielewski	Johnson, D.J.	Moe, D. M.	Peterson, D.L.	Spear
Dahl	Jude	Moe, R. D.	Peterson, R. W.	Stumpf
DeCramer	Langseth	Nelson	Petty	Wegscheid
Dicklich	Lantry	Novak	Pogemiller	Willet

Those who voted in the negative were:

Anderson	Dieterich	Johnson, D.E.	Laidig	Sieloff
Belanger	Frank	Kamrath	McQuaid	Storm
Benson	Frederick	Knaak	Olson	Taylor
Berg	Frederickson	Knutson	Ramstad	Vega
Bernhagen	Freeman	Kroening	Reichgott	Waldorf
Brataas	Isackson	Kronebusch	Renneke	

The motion prevailed. So S.F. No. 172 was recommended to pass.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 8:55 p.m. The motion prevailed.

The hour of 8:55 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H.F. No. 876 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 876: A bill for an act relating to hazardous waste; establishing a hazardous substance compensation trust account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

Pursuant to Rule 22, Mr. Freeman moved that he be excused from voting on H.F. No. 876. The motion prevailed.

Mr. Merriam moved to amend H.F. No. 876, the unofficial engrossment, as follows:

Page 7, line 13, after "*rights*" insert "*under statutory or common law*"

CALL OF THE SENATE

Mr. Peterson, C.C. imposed a call of the Senate for the balance of the proceedings on H.F. No. 876. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Merriam amendment.

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend H.F. No. 876, the unofficial engrossment, as follows:

Page 11, line 11, before the first "*the*" insert:

"(1)"

Page 11, line 18, before the period insert "; and

(2) *75 percent of the actual loss of market value of the property if the claimant has sold the property and realized the loss, up to a maximum recovery of \$25,000*"

The question was taken on the adoption of the amendment.

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

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

Those who voted in the affirmative were:

Berglin	Johnson, D.J.	McQuaid	Peterson, C.C.	Spear
Dahl	Jude	Merriam	Peterson, D.C.	Stumpf
Davis	Knaak	Moe, D. M.	Peterson, R. W.	Willet
DeCramer	Laidig	Moe, R. D.	Pogemiller	
Dicklich	Langseth	Nelson	Reichgott	
Frank	Lantry	Novak	Samuelson	
Hughes	Luther	Pehler	Solon	

Those who voted in the negative were:

Adkins	Chmielewski	Kamrath	Peterson, D.L.	Taylor
Anderson	Diessner	Knutson	Petty	Waldorf
Benson	Frederick	Kroening	Purfeerst	Wegscheid
Berg	Frederickson	Kronebusch	Ramstad	
Bernhagen	Gustafson	Lessard	Renneke	
Bertram	Isackson	Mehrkens	Sieloff	
Brataas	Johnson, D.E.	Olson	Storm	

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

Mr. Merriam then moved to amend H.F. No. 876, the unofficial engrossment, as follows:

Page 11, line 8, before "Losses" insert "(a)"

Page 11, line 11, before the first "the" insert:

"(1)"

Page 11, line 18, before the period insert "; and

(2) losses incurred as a result of a sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000"

Page 11, after line 18, insert:

(b) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a hazardous substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(c) Appraisals are subject to board approval. The board may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Berg	Hughes	Luther	Peterson, D.C.	Schmitz
Berglin	Johnson, D.E.	McQuaid	Peterson, D.L.	Solon
Dahl	Johnson, D.J.	Merriam	Peterson, R.W.	Spear
Davis	Jude	Moe, D. M.	Petty	Stumpf
DeCramer	Knaak	Moe, R. D.	Pogemiller	Wegscheid
Dicklich	Kroening	Nelson	Purfeerst	Willet
Diessner	Laidig	Novak	Ramstad	
Frank	Langseth	Pehler	Reichgott	
Frederickson	Lantry	Peterson, C.C.	Samuelson	

Those who voted in the negative were:

Adkins	Bertram	Gustafson	Kronebusch	Sieloff
Anderson	Brataas	Isackson	Lessard	Storm
Benson	Chmielewski	Kamrath	Mehrkens	Taylor
Bernhagen	Frederick	Knutson	Renneke	Waldorf

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 876, the unofficial engrossment, as follows:

Page 13, delete section 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 6 to 8, delete "providing for partial recoupment of expenditures from hazardous waste generators;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Isackson	Kronebusch	Peterson, D.L.
Belanger	Brataas	Johnson, D.E.	Laidig	Peterson, R.W.
Benson	Frederick	Jude	Lessard	Sieloff
Berg	Frederickson	Kamrath	McQuaid	Storm
Bernhagen	Gustafson	Knutson	Mehrkens	

Those who voted in the negative were:

Adkins	Hughes	Moe, D. M.	Petty	Spear
Berglin	Johnson, D.J.	Moe, R. D.	Pogemiller	Taylor
Dahl	Knaak	Nelson	Ramstad	Waldorf
Davis	Kroening	Novak	Reichgott	Wegscheid
DeCramer	Langseth	Olson	Renneke	Willet
Dicklich	Lantry	Pehler	Samuelson	
Diessner	Luther	Peterson, C.C.	Schmitz	
Frank	Merriam	Peterson, D.C.	Solon	

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

Mr. Benson moved to amend H.F. No. 876, the unofficial engrossment, as follows:

Page 3, line 29, delete "including emergency rules,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Knaak	Olson	Storm
Belanger	Frederick	Knutson	Peterson, D.L.	Stumpf
Benson	Frederickson	Kroening	Purfeerst	Taylor
Berg	Gustafson	Kronebusch	Ramstad	Waldorf
Bernhagen	Isackson	Laidig	Renneke	Wegscheid
Bertram	Johnson, D.E.	Lessard	Samuelson	
Brataas	Jude	McQuaid	Sieloff	
Chmielewski	Kamrath	Mehrkens	Solon	

Those who voted in the negative were:

Adkins	Diessner	Merriam	Peterson, C.C.	Schmitz
Berglin	Hughes	Moe, D. M.	Peterson, D.C.	Spear
Dahl	Johnson, D.J.	Moe, R. D.	Peterson, R.W.	Willet
Davis	Langseth	Nelson	Petty	
DeCramer	Lantry	Novak	Pogemiller	
Dicklich	Luther	Pehler	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Ramstad moved to amend H.F. No. 876, the unofficial engrossment, as follows:

Page 6, delete lines 32 to 36

Page 7, delete lines 1 to 11 and insert:

“Subdivision 1. [SUBSEQUENT ACTION PROHIBITED.] A person who has filed a claim with the fund for a compensable injury, and upon whose claim the board has made a determination, is precluded from bringing an action in court for the same compensable injury. A person who has brought an action in court for a compensable injury is precluded from filing a claim with the fund for the same compensable injury unless the person (a) dismisses the court action with prejudice at the time the claim is filed with the fund; or (b) obtains a judgment from the court which cannot be satisfied in whole or in part against the person or persons determined to be liable. A person who has settled a claim for a compensable injury with a responsible person, either before or after bringing an action in court for that injury, is precluded from filing or pursuing a claim with the fund for the same compensable injury.”

Page 7, delete lines 19 to 32

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kamrath	Mehrkens	Solon
Belanger	Diessner	Knutson	Olson	Storm
Benson	Frederick	Kroening	Peterson, D.L.	Stumpf
Berg	Frederickson	Kronebusch	Purfeerst	Taylor
Bernhagen	Gustafson	Laidig	Ramstad	Waldorf
Bertram	Isackson	Langseth	Renneke	Wegscheid
Brataas	Johnson, D.E.	Lessard	Samuelson	
Chmielewski	Jude	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Hughes	Moe, D. M.	Peterson, D.C.	Spear
Berglin	Johnson, D.J.	Moe, R. D.	Peterson, R.W.	Willet
Dahl	Knaak	Nelson	Petty	
Davis	Lantry	Novak	Pogemiller	
Dicklich	Luther	Pehler	Reichgott	
Frank	Merriam	Peterson, C.C.	Schmitz	

The motion prevailed. So the amendment was adopted.

H.F. No. 876 was then progressed.

MOTIONS AND RESOLUTIONS - CONTINUED

RECESS

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

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

APPOINTMENTS

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

H.F. No. 535: Mrs. Adkins, Messrs. Petty and Benson.

H.F. No. 186: Mr. Samuelson, Mrs. Kronebusch and Mr. Dicklich.

H.F. No. 274: Messrs. Frank, Wegscheid and Johnson, D.E.

H.F. No. 245: Mr. Pogemiller, Ms. Berglin and Mr. Johnson, D.E.

H.F. No. 315: Mrs. Adkins, Messrs. Chmielewski and Gustafson.

H.F. No. 1235: Messrs. Willet, Merriam and Bernhagen.

S.F. No. 459: Messrs. Spear, Merriam and Sieloff.

Mr. Moe, R.D. moved that the foregoing appointments be approved. 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. 786:

H.F. No. 786: A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and the telecommunications council; amending Minnesota Statutes 1984, sections 1.22; 4.31, subdivision 5; 14.02, subdivision 4; 16B.20, subdivision 2; 16B.33, subdivision 2; 35.02, subdivision 1; 40.03, subdivision 1; 84B.11, subdivision 1; 115.74, subdivision 1; 116C.41, subdivision 2; 116L.03; 121.82, subdivision 1; 121.83; 129B.01, subdivision 1; 144A.19, subdivision 1; 147.01, subdivisions 1 and 2; 148.03; 148.181; 148.52; 148.90, subdivision 2; 150A.02, subdivision 1; 151.03; 153.02; 154.22; 156.01, subdivisions 1 and 2; 161.1419, subdivision 2; 250.05, subdivision 2; 254A.04; 270.41; 326.04; 326.17; 326.241, subdivision 1; 343.01, subdivision 3; 386.63, subdivision 1; 611.215, subdivision 1;

and 626.841; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.01; 238.02, subdivision 4; 238.04 to 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; and 238.13 to 238.17.

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

Gutknecht, Redalen and Jacobs have been appointed as such committee on the part of the House.

House File No. 786 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1985

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 786, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Wegscheid and Vega introduced—

S.F. No. 1518: A bill for an act relating to taxation; limiting payment of sales tax on transactions involving horses; amending Minnesota Statutes 1984, section 297A.01, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Wegscheid and Vega introduced—

S.F. No. 1519: A bill for an act relating to taxation; limiting tax on certain sales of horses; amending Minnesota Statutes 1984, section 297A.01, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Brataas introduced—

S.F. No. 1520: A bill for an act relating to retirement; Rochester police relief association; permitting the transfer of service credit into the public employees police and fire fund; transferring records and assets.

Referred to the Committee on Governmental Operations.

Messrs. Merriam; Laidig; Peterson, R.W. and Davis introduced—

S.F. No. 1521: A bill for an act relating to natural resources; providing for peatland protection by designating scientific and natural areas, and creating

and designating peatland scientific protection areas, and peatland watershed protection areas; providing for acquisition of certain peatlands from the United States Department of Interior; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Ramstad introduced—

S.F. No. 1522: A bill for an act relating to taxation; income; excluding small foreign sales corporations from the combined report; amending Minnesota Statutes 1984, section 290.34, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

RECONSIDERATION

Mr. Pehler moved that the vote whereby S.F. No. 391 failed to pass the Senate on April 30, 1985, be now reconsidered. The motion prevailed.

Mr. Pehler moved that S.F. No. 391 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Mr. Vega was excused from the Session of today at 8:30 p.m. Mr. Frank was excused from the Session of today from 3:30 to 6:05 p.m. Mr. Solon was excused from the Session of today from 7:30 to 10:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Friday, May 3, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIRST DAY

St. Paul, Minnesota, Friday, May 3, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Darold Lehman.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 86, 921, 1087, 1308, 1208, 1291 and 1411.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the con-

currence of the Senate is respectfully requested:

S.F. No. 1398: A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66, subdivision 1; and 475.76, subdivision 1.

Senate File No. 1398 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1985

Mr. Luther moved that S.F. No. 1398 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. 592, 1280 and 782.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 592: A bill for an act relating to local government; permitting the establishment of special service districts in the city of New Ulm; providing taxing and other financial authority for New Ulm.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1280: A bill for an act relating to labor; providing for fair labor standard practice; providing penalties; amending Minnesota Statutes 1984, sections 177.23, subdivisions 4 and 7; 177.24, subdivisions 3, 4, and 5; 177.27; 177.28, subdivision 4; 177.32, subdivision 1; 181.79, subdivision 1; 181A.04, subdivision 3; and 181A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 181; repealing Minnesota Statutes 1984, chapter 184A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1218, now on General Orders.

H.F. No. 782: A bill for an act relating to human services; providing for participation by Indian tribes in the placement of their children; proposing coding for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 691, now on General Orders.

REPORTS OF COMMITTEES

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

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

S.F. No. 1080: A bill for an act relating to animals; prohibiting transfer of certain animals for use in research or experimentation; providing a penalty; amending Minnesota Statutes 1984, section 35.71.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 35.71, is amended to read:

35.71 [UNCLAIMED AND UNREDEEMED ANIMALS IMPOUNDED; SCIENTIFIC USE OR OTHER DISPOSITION.]

Subdivision 1. [~~INSTITUTION DEFINED~~ DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Adoption" means the delivery of a dog or cat to a person 18 years of age or older to be kept as a pet or companion animal.

(b) "Cat" means any member of the felid family.

(c) "Dealer" means any licensed or unlicensed public or private agency, person, society, or corporation which buys or sells live dogs or cats for research purposes.

(d) "Dog" means any member of the canid family.

(e) "Establishment" means any public or private agency, person, society, or corporation which assumes lawful custody of live animals seized under the authority of the state or any political subdivision of the state.

(f) "Institution" means any school or college of agriculture, veterinary medicine, medicine, pharmacy, or dentistry, or other educational or scientific ~~establishment~~ organization properly concerned with the investigation of, ~~or~~ living organisms, instruction concerning the structure or functions of living organisms, or the cause, prevention, control, or cure of diseases or abnormal conditions of human beings or animals.

(g) "Research" means the activities of institutions described in paragraph (f).

Subd. 2. [APPLICATION FOR LICENSE.] ~~Such institutions~~ An institution may apply to the board for a license to obtain animals from establishments ~~as defined in subdivision 3~~. If, after investigation, the board finds that the institution making request for license is a fit and proper agency, within the meaning of this section, to receive a license, and that the public interest will be served ~~thereby~~ by issuance of a license, it may issue a license to ~~such~~ the institution authorizing it to obtain animals ~~hereunder, subject to the restrictions and limitations herein provided~~ under this section.

Subd. 3. [~~ESTABLISHMENT DEFINED, POWERS, STRAY ANIMALS, SEIZURE, DISPOSITION.~~] "~~Establishment~~" shall include any ~~public or private agency, person, society or corporation having custody of animals which are seized under the authority of the state or any political subdivision of the state~~. All animals seized by public authority shall ~~must~~ be held for redemption by the owner for a period not less than five ~~eight~~ regular business days of the impounding agency, or for a longer period of time specified by municipal ordinance. For the purpose of this subdivision, the term

"regular business day" means any day during which the establishment having custody of an animal is open to the public not less than four consecutive hours between the hours of 8:00 A.M. and 7:00 P.M. These establishments shall maintain the following records of the animals in custody, and preserve the records for a minimum of six months:

(a) the description of the animal, by species, breed, sex, approximate age, and other distinguishing traits;

(b) the location at which the animal was seized;

(c) the date of the seizure;

(d) The name and address of the person from whom any animal three months of age or over was received;

(e) the name and address of the person to whom any animal three months of age or over was transferred.

The records shall must be maintained in a form permitting easy perusal by the public. A person may view the records and may view any and all animals in custody at any time during which the establishment is open to the public. At the end of this ~~five day~~ *eight-day* period all animals which remain unredeemed by their owners or any other person entitled to ~~do so~~ *redeem them*, shall be made available to any institution licensed ~~hereunder~~ *under this section* which has submitted a prior request for the numbers which the institution requests. However, if a tag affixed to the animal, or a statement by the animal's owner after seizure, specifies that an animal shall *may* not be used for research, the animal shall *must* not be made available to any institution but may, in the discretion of the establishment, be destroyed after the expiration of the ~~five day~~ *eight-day* period. If a request is made by a licensed institution to an establishment for a larger number of animals than are available at the time of the request, the establishment shall withhold from destruction, all unclaimed and unredeemed animals until the request has been filled, provided that the actual expense of holding animals beyond the time of notice to the institution of their availability, shall *must* be borne by the institution receiving them. Any establishment which fails or refuses to comply with ~~these provisions shall become~~ *this section is* immediately ineligible for any further public funds from any county or municipality. Upon receipt of a sworn statement by an authorized officer or employee of any institution licensed ~~hereunder~~ *under this section* of noncompliance by any establishment with ~~these provisions~~ *this section*, it shall ~~be~~ *is* unlawful for the treasurer of any municipality or other political subdivision of the state to pay any public funds to an establishment until the complainant withdraws its statement of noncompliance or until the board shall either ~~determine~~ *determines* that the complaint of noncompliance was without foundation or that the establishment has given adequate assurance of future compliance, and the treasurer of the municipality or other political subdivision has been notified of the determination in writing. If it appears upon the complaint of any person that any officer, agent, or employee of an establishment is violating or failing to carry out the provisions of this section, the attorney general or county attorney of the county in which the establishment is located, in addition to any other remedies, may bring an action in the name of the state of Minnesota against any establishment, officer, agent or employee thereof to enjoin compliance with this section.

Subd. 4. [TRANSPORTATION OF ANIMALS.] ~~The~~ A licensed institution shall provide, at its own expense, for the transportation of ~~such~~ animals from the establishment to the institution and shall use them only in the conduct of its scientific and educational activities and for no other purpose.

Subd. 5. [ANNUAL LICENSE FEE.] Each institution licensed under this section shall pay an annual license fee of \$50 for each calendar year, or part ~~thereof~~ of a year, to the board. All ~~such~~ license fees shall ~~must~~ be deposited in the general fund of the state of Minnesota.

Subd. 6. [REVOCAION OF LICENSE.] The board upon 15 days written notice and an opportunity to be heard, may revoke the license granted any institution ~~(+)~~ if the institution has violated any provisions of this section, or ~~(-)~~ has failed to comply with the conditions required by the board in respect to the issuance of ~~such~~ its license.

Subd. 7. [DISPOSITION OF DOGS AND CATS.] *Any identified dog or cat not redeemed by its owner after eight days becomes the property of the establishment and must either be placed for adoption under the procedures of the establishment or be euthanized humanely. No operator of a pound or establishment may receive more compensation from the sale of dogs or cats for research or education purposes than the operator would have received upon redemption of the animal by the owner.*

Subd. 8. [VOLUNTARY CONTRIBUTION.] *Nothing contained in this section prohibits any person from making a voluntary contribution of a dog or cat owned by the person to an institution, without consideration.*

Subd. 9. [NO ESTABLISHMENT TO BE A DEALER.] *No establishment or person who has an interest in an establishment may be a dealer.*

Subd 10. [DEALERS TO PROVIDE PUBLIC NOTICE AND ACCESS.] *A person licensed as a dealer shall post a conspicuous notice in a format no less than 24 by 36 inches and easily readable by the general public, that states: (1) that the person is a licensed dealer in dogs and cats; (2) that dogs and cats left with the dealer may be used for research purposes; and (3) the hours the dealer is open to the public. The notice must be placed in not less than two locations on the dealer's premises, one of which must be on or near the mail delivery point and one of which must be at the regularly used point of exchange of dogs and cats. A person may view dogs and cats in the custody of a dealer during the time the dealer is open to the public. Dealers are required to be open on a regular basis at least four consecutive hours between 8:00 a.m. and 7:00 p.m. on at least five of the seven days of each week. Any advertisement placed by a dealer seeking dogs or cats must inform the public that dogs and cats brought to the dealer may be used for research purposes.*

Subd. 11. [RULES.] The board ~~shall have the power to~~ may adopt rules, not inconsistent with this section, necessary to carry out the provisions of this section, and ~~shall have the right may~~ whenever it ~~deems~~ considers it advisable, or in the public interest, to inspect or investigate any institution which has applied for a license or has been granted a license ~~hereunder~~ under this section.

Subd. & 12. [VIOLATIONS, PENALTIES.] ~~It shall be~~ A violation of this section is a misdemeanor for any person or corporation to violate any of the provisions of this section."

Delete the title and insert:

"A bill for an act relating to animals; prohibiting transfer of certain animals for use in research; regulating dealers in certain animals; amending Minnesota Statutes 1984, section 35.71."

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, R.D. from the Committee on Rules and Administration, to which was re-referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 928: A bill for an act relating to occupations and professions; providing for licensure of persons engaged in the sale of hearing instruments; appropriating money; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 153A.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for April 22, 1985, be amended to read:

"the bill be amended and when so amended the bill be re-referred to the Committee on Finance."

Amendments adopted. Report adopted.

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

H.F. No. 968 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.
968	946				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 968 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 968 and insert the language after the enacting clause of S.F. No. 946, the second engrossment; further, delete the title of H.F. No. 968 and insert the title of S.F. No. 946, the second engrossment.

And when so amended H.F. No. 968 will be identical to S.F. No. 946, and further recommends that H.F. No. 968 be given its second reading and substituted for S.F. No. 946, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1109 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.
1109	1233				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1109 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1109 and insert the language after the enacting clause of S.F. No. 1233, the first engrossment; further, delete the title of H.F. No. 1109 and insert the title of S.F. No. 1233, the first engrossment.

And when so amended H.F. No. 1109 will be identical to S.F. No. 1233, and further recommends that H.F. No. 1109 be given its second reading and substituted for S.F. No. 1233, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1045 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.
1045	1104				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1045 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1045 and insert the language after the enacting clause of S.F. No. 1104, the first engrossment; further, delete the title of H.F. No. 1045 and insert the title of S.F. No. 1104, the first engrossment.

And when so amended H.F. No. 1045 will be identical to S.F. No. 1104, and further recommends that H.F. No. 1045 be given its second reading and substituted for S.F. No. 1104, 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. 968, 1109 and 1045 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that the name of Mr. Jude be added as a co-author

to S.F. No. 1518. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Jude be added as a co-author to S.F. No. 1519. The motion prevailed.

Mr. Frederick introduced—

Senate Resolution No. 79: A Senate resolution congratulating Waseca High School on winning the 1985 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Mrs. Adkins introduced—

Senate Resolution No. 80: A Senate resolution congratulating Rockford High School on participating in the 1985 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H.F. No. 756 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 756: A bill for an act relating to taxation; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; providing for timely payment of certain taxes; changing the estate tax; changing corporate income tax provisions; rescheduling payments and reducing the budget reserve; reducing sales tax rates and providing sales tax exemptions; authorizing lodging taxes for towns; reducing the basic maintenance mill rate; changing the computation of or eliminating certain property tax credits; changing property tax exemptions, classes, and classification ratios; changing the taxation of telephone companies; providing for studies; imposing duties on the commissioner of revenue and commissioner of natural resources; providing for changes in the levy limit base; changing property tax provisions relating to collection of property tax, confessions of judgment, and sale of tax forfeit lands; changing property tax refund benefit schedules, eligible claimants, and definition of property taxes payable; changing local government aids; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 16A.15, subdivision 6; 41.55; 60A.15, subdivision 12; 60A.199, subdivision 8; 92.46, subdivision 1; 117.55; 124.2137, subdivision 1; 124A.02, subdivision 7; 270A.07, subdivision 5; 271.12; 272.02, subdivision 1; 272.03, subdivision 1; 273.111, subdivision 11; 273.115, subdivisions 2 and 3; 273.116, subdivisions 2 and 3; 273.13, subdivisions 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 14a, 16, 17, 17b, 17c, 17d, 19, 20, and 21; 273.133, by adding a subdivision; 273.135, subdivisions 1, 2, and 5; 273.1391, subdivisions 1, 2, and 4; 273.1392; 273.40; 273.42, subdivision 2; 275.50, by adding a subdivision; 275.51, subdivision 3h; 277.03; 277.10; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a

subdivision; 290.01, subdivisions 20, 20a, 20b, 20d, 20e, and 20f; 290.032, subdivision 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 3f, 3g, 11, and by adding a subdivision; 290.067, subdivision 1; 290.069, subdivision 4; 290.07, subdivision 1; 290.08, subdivision 26, and by adding a subdivision; 290.089, subdivision 2; 290.09, subdivisions 1 and 7; 290.091; 290.095, subdivisions 3, 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.14; 290.17, subdivision 2; 290.175; 290.18, subdivision 2; 290.21, subdivisions 3 and 4; 290.34, subdivision 1, and by adding a subdivision; 290.37, subdivision 1; 290.38; 290.39, subdivision 1a; 290.41, subdivision 2; 290.50, subdivisions 1, 5, and 6; 290.92, subdivisions 2a, 6, 11, 13, and 19; 290.93, subdivision 9; 290.932, subdivision 1; 290.933, subdivision 1; 290.936; 290A.03, subdivisions 3 and 13; 290A.04, subdivisions 1, 2, 3, and by adding a subdivision; 290A.06; 290A.07, subdivisions 2a and 3; 290A.10; 290A.19; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.18; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.34, subdivision 1; 297A.01, subdivisions 15 and 16; 297A.02, subdivisions 1, 2, and 3; 297A.03, subdivision 2; 297A.14; 297A.25, subdivision 1; 297A.26, subdivision 1, and by adding a subdivision; 297A.27, subdivision 1; 297A.35, subdivision 1; 298.09, subdivision 4; 298.40, by adding a subdivision; 299.05; 299F.26, subdivision 1; 473.556, subdivision 4; 477A.011, subdivision 3, and by adding subdivisions; 477A.013; 477A.018; 524.3-1202; amending Laws 1984, chapter 644, section 85; proposing coding for new law in Minnesota Statutes, chapters 16A; 124A; 270; 290; and 297A; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2; 270.75, subdivision 7; 273.115, subdivisions 1, 5, 6, and 7; 273.116, subdivisions 1, 5, 6, and 7; 273.1311; 273.1315; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 2f, 3d, 3e, 14, 15, 16, 17, 18, and 19; 290.067, subdivisions 2 and 4; 290.068, subdivision 6; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 1, 3, 4, 5, and 6; 290.09, subdivision 29; 290.101; 290.18, subdivision 4; 290.21, subdivision 8; 290.34, subdivision 2; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34, subdivision 2; 297A.15, subdivision 5; 297A.26, subdivision 3; 297A.275; 385.36; 477A.011, subdivision 10; and 477A.0131; repealing Laws 1982, chapter 523, article 7, section 3.

Mr. Johnson, D.J. moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 351, delete section 6

Page 353, line 20, delete "13" and insert "12"

Renumber the sections in sequence.

Amend the title as follows:

Page 2, line 31, delete " , and by adding a subdivision"

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET RESERVE ACCOUNT.] A budget reserve account is created in the general fund in the state treasury. The commissioner of finance on July 1, 1983, shall transfer \$250,000,000 to the budget reserve account. The commissioner of finance on July 1, 1984, shall transfer an additional \$125,000,000 to the budget reserve account in the general fund. *On July 1, 1985, the commissioner of finance shall reduce the amount credited to the budget reserve account by \$125,000,000. Except as provided in this subdivision, the amounts transferred shall remain in the budget reserve account until expended under subdivision 1.*

Sec. 2. Minnesota Statutes 1984, section 124.2137, subdivision 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to ~~33~~ 53 percent of the tax levy imposed on up to 320 acres of land including the buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to ~~45~~ 24 percent of the tax levy imposed on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to ~~ten~~ 16 percent of the tax levy imposed on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 including buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount equal to ~~45~~ 24 percent of the tax imposed on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to ~~ten~~ 16 percent of the tax levy imposed on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The amount of the reduction provided under this subdivision ~~which any taxpayer can receive on all qualifying property which he owns shall not exceed \$4,000 in the case of agricultural property and shall not exceed \$100 in the case of seasonal residential recreational property.~~ In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners. For purposes of computing the credit pursuant to this subdivision, the "tax

levy" shall be the tax levy reduced by the credits provided by sections 273.115, 273.116, 273.123, 273.42, subdivision 2, and 473H.10.

Sec. 3. Minnesota Statutes 1984, section 273.13, is amended by adding a subdivision to read:

Subd. 9a. [COMMERCIAL-INDUSTRIAL PROPERTY TAX CREDIT.] The property taxes payable in commercial and industrial property constituting class 4c as determined by law must be reduced by an amount equal to 33 percent of the gross tax imposed on the first \$60,000 of market value plus 18 percent of the gross tax imposed on the excess market value.

Sec. 4. Minnesota Statutes 1984, section 273.13, subdivision 15a, is amended to read:

Subd. 15a. [GENERAL FUND, REPLACEMENT OF REVENUE.] (1) Payment from the general fund shall be made, as provided herein, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in subdivisions 6, 7, 9a, and 14a.

(2) Each county auditor shall certify, not later than May 1 of each year to the commissioner of revenue the amount of reduction resulting from subdivisions 6, 7, 9a, and 14a in his county. This certification shall be submitted 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. Any prior year adjustments shall also be certified in the abstracts of tax lists. 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.

(3) Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). The commissioner of revenue shall pay to each taxing district, other than school districts, its total payment for the year in equal installments on or before July 15, August 15, September 15, October 15, November 15, and December 15 of each year.

(4) There is annually appropriated to the commissioner of revenue the amounts necessary to make the payments required by this section.

Sec. 5. Minnesota Statutes 1984, section 273.1392, is amended to read:

273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

The amounts of homestead credit under section 273.13, subdivisions 6, 7, and 14a; wetlands credit and reimbursement under section 273.115; native prairie credit and reimbursement under section 273.116; *commercial-industrial credit under section 273.13, subdivision 9a*; disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; reimbursement under section 273.139; and metropolitan agricultural preserve reduction under section 473H.10, shall be certified to the department of education by the department of revenue. ~~The amounts so certified shall be paid according to the schedule for payment of foundation aids pursuant to section 124.11 for fiscal year 1983. Beginning in fiscal year 1984,~~ The amounts so certified shall be paid according to section 124.195, subdivisions 6 and 10. *There is annually appropriated to the commissioner of education the amounts necessary to make the payments provided by this*

section.

Sec. 6. Minnesota Statutes 1984, 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 from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in bold face print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT." 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. The taxpayer is defined as the owner who is responsible for the payment of the tax. 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 show the amount attributable to section 124.2137 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit." *The statement mailed to a taxpayer whose taxes are reduced under section 273.13, subdivision 9a, must state the amount of the reduction in dollars and identify it as "state paid commercial-industrial credit."* The statement shall show the reduction attributable to the aid given pursuant to section 273.139 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. Failure to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.

Sec. 7. Minnesota Statutes 1984, section 290.01, subdivision 20a, is amended to read:

Subd. 20a. [MODIFICATIONS INCREASING FEDERAL ADJUSTED GROSS INCOME.] There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a

political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) 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;

(3) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction under Minnesota Statutes 1982, section 290.01, subdivision 20b, clause (7);

(4) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(5) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(6) 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;

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

(8) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(9) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(10) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

(11) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the equity investment credit contained in section 290.069, subdivision 4, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (7);

(12) For an estate or trust, the amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital

loss or net operating loss carryforwards or carrybacks resulting from the loss;

(13) To the extent deducted in computing the estate or trust's federal taxable income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

(14) The deduction for two-earner married couples provided in section 221 of the Internal Revenue Code of 1954;

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

(16) Expenses and depreciation attributable to property subject to Laws 1982, chapter 523, article 7, section 3 which has not been registered; *and*

(17) ~~The amount of contributions to an individual retirement account, including a qualified voluntary employee contribution, simplified employee pension plan, or self-employed retirement plan which is allowed under sections 311 and 312 of Public Law Number 97-34, section 238 of Public Law Number 97-248, and section 103(d)(1)(B) of Public Law Number 97-448 to the extent those contributions were not an allowable deduction prior to the enactment of that law; provided that an individual on whose behalf stock worth less than \$300 is contributed during the taxable year to a tax credit employee stock ownership plan that satisfies the requirements of sections 44G and 409A of the Internal Revenue Code of 1954 shall not be required, as a consequence of that contribution, to include contributions to another plan or account in gross income under this clause to the extent the contributions do not exceed the difference between the value of the stock contributed during the taxable year and \$1,500; and~~

(18) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any contributions to a qualified pension plan, designated as employee contributions but which the employing unit picks up and which are treated as employer contributions pursuant to section 414(h)(2) of the Internal Revenue Code of 1954, provided that employee contributions to police and fire relief associations that previously were not included within gross income as contributions to organizations qualified under section 501(c)(4) of the Internal Revenue Code of 1954 shall not be included in gross income under this clause.

Sec. 8. Minnesota Statutes 1984, section 290.01, subdivision 20b, is amended to read:

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

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

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of

the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

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

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

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

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

(7) To the extent included in the taxpayer's federal adjusted gross income

for the taxable year, gain recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(8) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later *including distributions from an individual retirement account that represent a return of contributions if they were included in gross income on the individual's 1982, 1983, or 1984 income tax return. The distribution must be allocated first to the return of contributions included in gross income until the amount of the contributions has been exhausted;*

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

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

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

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

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

(14) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall

be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

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

(16) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause ~~(18)~~ (17). The provisions of this clause shall apply before the provisions of clause (6) apply and an amount subtracted under this clause may not be subtracted under clause (6); and

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

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

Sec. 9. Minnesota Statutes 1984, section 290.01, subdivision 20e, is amended to read:

Subd. 20e. [MODIFICATION IN COMPUTING TAXABLE INCOME OF THE ESTATE OF A DECEDENT.] Amounts allowable under section 291.07, subdivision 1, clause (2) 2053 or 2054 of the Internal Revenue Code of 1954 in computing Minnesota inheritance or federal estate tax liability shall not be allowed as a deduction (or as an offset against the sales price of property in determining gain or loss) in computing the taxable income of the estate or any person unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have the amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents) an election is made for federal income tax purposes under section 642(g) of the Internal Revenue Code of 1954. The election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 is binding for Minnesota tax purposes.

Sec. 10. Minnesota Statutes 1984, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULE OF RATES FOR INDIVIDUALS, ESTATES AND TRUSTS.] (a) The income taxes imposed by this chapter upon individuals, estates and trusts, other than those taxable as corporations, shall be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$500, ~~one and six-tenths~~ 1.3 percent;
- (2) On the second \$500, ~~two and two-tenths~~ 1.8 percent;
- (3) On the next \$1,000, ~~three and five-tenths~~ 2.8 percent;
- (4) On the next \$1,000, ~~five and eight-tenths~~ 4.7 percent;
- (5) On the next \$1,000, ~~seven and three-tenths~~ 5.9 percent;
- (6) On the next \$1,000, ~~eight and eight-tenths~~ 7.1 percent;
- (7) On the next \$2,000, ~~ten and two-tenths~~ 8.3 percent;
- (8) On the next \$2,000, ~~eleven and five-tenths~~ 9.3 percent;
- (9) On the next \$3,500, ~~twelve and eight-tenths~~ 10.4 percent;
- (10) On all over \$12,500, and not over \$20,000, ~~fourteen~~ 11.3 percent;
- (11) On all over \$20,000 and not over \$27,500, ~~fifteen~~ 12.2 percent;
- (12) On all over \$27,500, ~~sixteen~~ 13 percent.

(b) In lieu of a tax computed according to the rates set forth in clause (a) of this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than \$40,000 shall be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(c) An individual who is not a Minnesota resident for the entire year must compute his Minnesota income tax as provided in clause (a). After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

- (1) The numerator is the individual's Minnesota gross income, computed as if the provisions of section 290.17, subdivision 2, or 290.171 applied; and
- (2) the denominator is the individual's federal adjusted gross income.

Sec. 11. Minnesota Statutes 1984, section 291.005, subdivision 1, is amended to read:

Subdivision 1. Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota and (b) including therein any property omitted from

the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities. ~~The Minnesota gross estate shall be valued pursuant to the provisions of section 291.215, subdivision 1.~~

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of his death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of his death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 as amended through ~~March 12, 1983~~ *December 31, 1984*.

Sec. 12. Minnesota Statutes 1984, section 291.03, subdivision 1, is amended to read:

Subdivision 1. [~~GENERALLY TAX AMOUNT.~~] The tax imposed shall be an amount equal to the ~~greater of:~~

~~(1) A tax computed by applying to the Minnesota taxable estate the following prescribed rates:~~

~~10 percent on the first \$100,000,~~

~~11 percent on the next \$500,000 or part thereof,~~

~~12 percent on the excess, or~~

~~(2) A tax equal to the same proportion of the maximum credit allowable under section 2011 of the Internal Revenue Code for state death taxes described herein as the Minnesota gross estate bears to the value of the federal gross estate. For a resident decedent, the tax shall be the maximum credit allowable under section 2011 of the Internal Revenue Code reduced by the amount of the death tax paid the other state and credited against the federal estate tax if this results in a larger amount of tax than the proportionate amount of the credit. The tax determined under this paragraph shall not be greater than the maximum credit allowable under section 2011 of the Internal Revenue Code.~~

Sec. 13. Minnesota Statutes 1984, section 291.075, is amended to read:

291.075 [SPECIAL USE VALUATION OF QUALIFIED PROPERTY.]

When property subject to the tax imposed by this chapter qualifies for valuation based on its use pursuant to section 2032A of the Internal Revenue Code, it shall have the same value for Minnesota estate tax purposes as it has for federal estate tax purposes. If, after the final determination of the tax imposed by this chapter, the property valued pursuant to section 2032A of the Internal Revenue Code is disposed of or fails to qualify and an additional tax is imposed pursuant to section 2032A(c), 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). No additional Minnesota estate tax computed in accordance with section 291.03, subdivision 1, clause (1) will be imposed nor will an additional deduction for federal estate taxes paid be allowed under section 291.07 or 291.08.

Sec. 14. Minnesota Statutes 1984, section 291.09, subdivision 1a, is amended to read:

Subd. 1a. In all instances in which a decedent dies after December 31, 1979 and before January 1, 1981 leaving a federal gross estate in excess of \$161,000 and in all instances in which a decedent dies after December 31, 1980 and before January 1, 1982 leaving a federal gross estate in excess of \$175,000, and the decedent has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return.

In the case of a decedent dying after December 31, 1984/1985 who has an interest in property with a situs in Minnesota, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return in the following all instances:

In the case of a decedent dying in	A Minnesota estate tax return shall be filed if the federal gross estate equals or exceeds
1982	\$225,000
1983	275,000
1984	325,000
1985	400,000
1986	500,000
1987 and thereafter	600,000

in which a federal estate tax return is required to be filed.

The return shall be accompanied by a federal estate tax return, a schedule of all assets in the estate at their date of death values, and shall contain a computation of the Minnesota estate tax due. The return shall be signed by the personal representative.

Sec. 15. Minnesota Statutes 1984, section 291.09, subdivision 2a, is amended to read:

Subd. 2a. The commissioner may designate on the return the documents

that are required to be filed together with the return in order to determine the ~~proper valuation of assets and~~ computation of tax. The commissioner shall not be bound by any item on the return unless he has received all required documents and unless all items of information on the return have been completed.

Sec. 16. Minnesota Statutes 1984, section 291.09, subdivision 3a, is amended to read:

Subd. 3a. (1) The commissioner may challenge matters of ~~valuation or~~ taxability of any assets reported on the return, ~~or any deductions claimed,~~ or the computation of tax, only if within 180 days from the due date of the return or the receipt of the return and all documents required to be filed with the return, whichever is later, the commissioner mails or delivers a written notice to the personal representative objecting to the return as filed and specifying the reasons for the objection.

(2) If the personal representative disagrees with the objection or does not wish to fully comply with the objection, he may request that the commissioner hold a hearing on the objection. Within 30 days of receipt of a request, the commissioner shall set a time and place for hearing. Unless otherwise agreed upon, the hearing date shall not be earlier than 30 days nor later than 60 days from the date of the notice setting the hearing. The notice of hearing shall set forth the rights available to the personal representative under chapter 14. Not later than 30 days after the commissioner receives the report and recommendation of the administrative law judge, or a written waiver of his hearing rights by the personal representative, the commissioner shall issue an order determining the tax. Any such determination made by the commissioner may be appealed to the tax court as provided in section 271.09.

(3) At any time together with or after the objection, the commissioner, on his own initiative, may set a time and place for a hearing in accordance with (2) above.

(4) In his objection, or at any time thereafter, the commissioner may assess any additional tax as the facts may warrant, subject to the right of the personal representative to demand a hearing under chapter ~~15~~ 14. If the personal representative does not demand a hearing within 90 days of the date of the assessment, the tax so assessed shall be legally due and the commissioner may proceed to collect ~~any the~~ unpaid tax ~~after one year from the date of~~ ~~death~~. If the commissioner later finds the tax assessment to be erroneous, he may adjust the assessment prior to collection.

(5) The commissioner shall not be required to object to any subsequent original, amended or supplemental return in order to preserve his rights. The commissioner shall not be precluded from objecting to a subsequent original, amended or supplemental return even though an original return was accepted as filed. If the commissioner had accepted an original return showing no tax due and a subsequent original, amended or supplemental return discloses additional assets not disclosed on the original return, the commissioner may object to any matter of ~~valuation,~~ taxability, ~~deduction~~ or computation of tax on the original return within 180 days of receipt of the subsequent original, amended or supplemental return.

(6) Subject to the provisions of sections 291.11 and 291.215, the Minne-

sota estate tax liability shall be considered as finally determined on the date notification of acceptance is issued to the personal representative or, if no objection is filed, on the day following 180 days from the due date of the return or the receipt of the return, together with all other documents required to be filed with the return, whichever is later.

(7) Subject to the time limits imposed elsewhere in this chapter, the commissioner may refund an overpayment of tax, penalty or interest even though the personal representative has not made an application for refund.

Sec. 17. Minnesota Statutes 1984, section 291.11, subdivision 1, is amended to read:

Subdivision 1. (1) 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. *Where an extension to file the federal estate tax return has been granted under the provision of section 6081 of the Internal Revenue Code, the time for filing the estate tax return or making payment of the tax without penalty, is extended for the same period.* 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 and who, under section 6161 or 6166 of the Internal Revenue Code, has been granted an extension for payment of the tax shown on the return, may elect to pay the commissioner the amount of tax due in equal amounts at the same time as required for federal purposes.~~ 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.

(2) (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.

(3) 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.

Sec. 18. Minnesota Statutes 1984, section 291.15, subdivision 1, is amended to read:

Subdivision 1. If the tax is not paid within ~~nine months from the accruing thereof, the time specified for payment, the unpaid tax and any penalty imposed under section 291.131 shall bear interest shall be charged and collected thereon~~ at the rate specified in section 270.75 from the due date until the date the tax is paid. *Unpaid tax includes the unpaid tax when the taxpayer elects to pay the tax in installments and the due date is the date the tax was due without regard to any extension that is granted or an election to pay the tax in installments.* In the event a person or corporation upon proper authorization makes a payment to be applied against the tax thereafter, no interest shall accrue on the amount so paid. All payments shall be applied first to penalties, next to interest and then upon principal.

Sec. 19. Minnesota Statutes 1984, section 291.15, subdivision 3, is amended to read:

Subd. 3. Interest shall be paid on installment payments of the tax authorized under section 291.11, subdivision 1, ~~or 291.132, subdivision 2,~~ at the rate of interest in effect pursuant to section 270.75 nine months following the date of death.

Sec. 20. Minnesota Statutes 1984, section 291.215, subdivision 1, is amended to read:

Subdivision 1. All property includable in the Minnesota gross estate of a decedent shall be valued in accordance with the provisions of sections 2031 or 2032 and, if applicable, 2032A, of the Internal Revenue Code and any elections made in valuing the federal gross estate shall be applicable in valuing the Minnesota gross estate. ~~Except as otherwise provided in section 291.075, the value of all property includable in the Minnesota gross estate of a decedent may be independently determined under said sections for Minnesota estate tax purposes. Values for purposes of the estate tax on both probate and nonprobate assets shall be the same as those finally determined for purposes of the federal estate tax on a decedent's estate.~~

Sec. 21. Minnesota Statutes 1984, section 291.32, is amended to read:

291.32 [REFUNDING OF TAX.]

Subdivision 1. ~~Whenever, If~~ under the provisions of this chapter any person or corporation ~~shall be~~ is entitled to a return of any part of a tax, ~~penalty or interest~~ previously paid in excess of the amount legally due, he may ~~make application apply~~ to the commissioner for a determination of the amount which he is entitled to have returned, ~~and on such application shall~~. The applicant must furnish the commissioner with ~~affidavits and other~~ evidence showing the facts which entitled him to such return and the amount he is entitled to have returned. ~~Upon the filing of such application,~~ The commissioner ~~shall~~ must examine the ~~same application and shall make a written order thereon denying or allowing deny or allow, in a written order,~~ the application in whole or in part ~~and shall mail~~. A copy of such order by cer-

~~ified mail the order must be mailed to the applicant at the address stated on the application. If such application is allowed in whole or in part, the commissioner shall cause such pay the refund to be paid in the manner provided by law. It shall be the duty of the state treasurer to pay warrants therefor out of any funds in the state treasury not otherwise appropriated. The amount of taxes, penalty and interest in excess of the amount legally due must be paid with interest from the date of payment or from the date beginning nine months after the death of the decedent, whichever is later. The moneys necessary to pay such warrants the amounts are hereby appropriated to the commissioner out of any moneys in the state treasury not otherwise appropriated the general fund.~~

Subd. 2. *All applications for refunds must be made within two years from the date of final determination or adjustment of any part of the tax, penalty or interest by the taxpayer, the commissioner or the tax court, as applicable. If the application is denied in whole or in part the taxpayer may commence an action against the commissioner to recover any overpayments of taxes claimed to be refundable but for which the commissioner has issued no order of refundment. Such action may be brought in the District Court of the district in which lies the county of his residence or principal place of business if an estate or trust, of the principal place of its administration, or in the district court for Ramsey County. Such action may be commenced after the expiration of six months after the application is filed if the commissioner has not taken final action thereon and shall be commenced within 18 months after the date of the order denying the application. If the commissioner has not acted within two years after the application is filed, it shall be considered denied.*

Sec. 22. Minnesota Statutes 1984, section 297A.01, subdivision 15, is amended to read:

Subd. 15. "Farm machinery" means new or used machinery, equipment, implements, accessories and contrivances 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" shall include 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. 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, shall be included in the definition of farm machinery. Logging equipment, except chain saws, shall be included in the definition of farm machinery. Repair ~~or~~ and replacement parts for farm machinery ~~shall not be~~ are included in the definition of farm machinery.

Tools, shop equipment, grain bins, feed bunks, fencing material, communication equipment and other farm supplies shall not be considered to be farm machinery. "Farm machinery" does not include motor vehicles taxed under chapter 297B, snowmobiles, snow blowers, lawn mowers, garden-type tractors or garden tillers and the repair and replacement parts for those vehi-

cles and machines.

Sec. 23. Minnesota Statutes 1984, section 297A.02, subdivision 2, is amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of ~~farm machinery~~, special tooling, and capital equipment is four percent *and upon sales of farm machinery is three percent.*

Sec. 24. Minnesota Statutes 1984, section 297A.14, is amended to read:

297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.]

For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service purchased for use, storage or consumption in this state, a use tax is imposed on every person in this state at the rate of six percent of the sales price of sales at retail unless the tax imposed by section 297A.02 was paid on the sales price. Notwithstanding the provisions of the preceding sentence, the rate of the use tax imposed upon the sales price of sales of ~~farm machinery~~, special tooling, and capital equipment is four percent *and upon the sales price of sales of farm machinery is three percent.*

A motor vehicle subject to tax under this section shall be taxed at its fair market value at the time of transport into Minnesota if the motor vehicle was acquired more than three months prior to its transport into this state.

Sec. 25. Minnesota Statutes 1984, section 297A.27, subdivision 1, is amended to read:

Subdivision 1. ~~Except as provided in section 297A.275,~~ On or before the 25th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for wilfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail at two or more places of business may file a consolidated return subject to such regulations as the commissioner may prescribe.

Sec. 26. Minnesota Statutes 1984, section 524.3-1202, is amended to read:

524.3-1202 [EFFECT OF AFFIDAVIT.]

The person paying, delivering, transferring, or issuing personal property or the evidence thereof pursuant to affidavit ~~shall submit a copy of the affidavit to the commissioner of revenue within five days of its receipt and then~~ is discharged and released to the same extent as if he dealt with a personal representative of the decedent. He is not required to see to the application of the personal property or evidence thereof or to inquire into the truth of any statement in the affidavit. If any person to whom an affidavit is delivered refuses to pay, deliver, transfer, or issue any personal property or evidence

thereof, it may be recovered or its payment, delivery, transfer, or issuance compelled upon proof of their right in a proceeding brought for the purpose by or on behalf of the persons entitled thereto. Any person to whom payment, delivery, transfer or issuance is made is answerable and accountable therefor to any personal representative of the estate or to any other person having a superior right.

Sec. 27. [REPEALER.]

(a) Minnesota Statutes 1984, sections 55.10, subdivision 2; 270.75, subdivision 7; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivision 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; and 385.36, are repealed.

(b) Minnesota Statutes 1984, sections 291.131, subdivision 5; 291.29, subdivision 5; and 297A.275, are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 and 10 are effective July 1, 1985. Sections 2 to 6 are effective for property taxes levied in 1985 and thereafter, payable in 1986 and thereafter. Sections 7 and 8 are effective for taxable years beginning after December 31, 1984. Sections 22 to 24 are effective for sales after May 31, 1985. Sections 9, 11 to 21, and 27, paragraph (a), are effective for estates of persons dying after December 31, 1985, except that the update of the Internal Revenue Code in section 11 is effective for estates of persons dying after December 31, 1984. Sections 25, 26, and 27, paragraph (b), are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to taxation; reducing income tax rates; reducing the budget reserve; conforming to federal treatment of contributions to individual retirement plans and certain other retirement plans; providing a state-paid commercial and industrial property tax credit; increasing the agricultural property tax credit; reducing the estate tax to the amount of the federal credit for state death taxes; eliminating sales and use tax accelerated payment of liability; reducing the sales and use tax rate on farm machinery and including repair and replacement parts in the definition; appropriating money; amending Minnesota Statutes 1984, sections 16A.15, subdivision 6; 124.2137, subdivision 1; 273.13, subdivision 15a, and by adding a subdivision; 273.1392; 276.04; 290.01, subdivisions 20a, 20b, and 20c; 290.06, subdivision 2c; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.215, subdivision 1; 291.32; 297A.01, subdivision 15; 297A.02, subdivision 2; 297A.14; 297A.27, subdivision 1; and 524.3-1202; repealing Minnesota Statutes 1984, sections 55.10, subdivision 2; 270.75, subdivision 7; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 297A.275; and 385.36."

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the pro-

ceedings on H.F. No. 756. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Taylor amendment.

The roll was called, and there were yeas 25 and nays 42, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Ms. Berglin moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 366, after line 32, insert:

“Sec. 5. [CITY OF MINNEAPOLIS; RENTAL REGISTRATION.]

The ordinance adopted by the governing body of the city of Minneapolis pursuant to Laws 1982, chapter 523, article 7, section 3, requiring registration of rental residential property may remain in effect notwithstanding the repeal of that law, provided that the denial of income tax deductions for unregistered property provided in Minnesota Statutes 1984, section 290.01, subdivision 20a, clause 16, shall not be applicable. The city of Minneapolis may impose a fine of up to \$250 for each unregistered rental residential unit, not to exceed \$2,000 for each building. The fine shall apply for each year after the effective date of the ordinance during which the property was not registered.”

Page 366, line 35, after the period insert “Section 5 is effective January 1, 1986.”

Renumber the remaining section

Amend the title as follows:

Page 1, line 30, after “account;” insert “providing penalties;”

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 223, delete subdivision 14

Page 248, delete section 42

Renumber the sections in sequence and correct the internal references

Mr. Benson requested division of the amendment as follows:

First portion:

Page 223, delete subdivision 14

Second portion:

Page 248, delete section 42

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 30 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Kronebusch	Ramstad
Belanger	Frank	Jude	Laidig	Renneke
Benson	Frederick	Kamrath	McQuaid	Steloff
Berg	Frederickson	Knaak	Mehrkens	Storm
Bernhagen	Gustafson	Knutson	Olson	Taylor
Bertram	Isackson	Kroening	Peterson, D.L.	Waldorf

Those who voted in the negative were:

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

The motion did not prevail. So the first portion of the amendment was not adopted.

Mr. Waldorf moved to amend the Benson amendment to H.F. No. 756, the unofficial engrossment, as follows:

At the end of the Benson amendment insert:

Page 366, delete section 4

Mr. Benson questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the Waldorf amendment to the Benson amendment. The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the second portion of the Benson amendment.

Mr. Johnson, D.J. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	Diessner	Lantry	Pehler	Schmitz
Berglin	Frank	Lessard	Peterson, C.C.	Solon
Chmielewski	Gustafson	Luther	Peterson, D.C.	Stumpf
Dahl	Hughes	Moe, D.M.	Petty	Vega
Davis	Johnson, D.J.	Moe, R.D.	Pogemiller	Wegscheid
DeCramer	Kroening	Nelson	Purfeerst	Willet
Dicklich	Langseth	Novak	Reichgott	

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Sieloff moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 17, line 36, delete "and"

Page 18, line 20, before the period insert "; and

(9) To the extent included in federal adjusted gross income, the portion of any gain attributable to the discharge of indebtedness relating to a family farm as a result of foreclosure, involuntary liquidation, or similar involuntary event, or under threat of such an event but if the gain is long-term capital gain for federal income tax purposes, the modification is limited to 40 percent of the portion of the gain. This modification does not apply to any cash proceeds distributed to the taxpayer after discharge of the debt. For purposes of this clause, "family farm" means the business of agriculture that the taxpayer, the taxpayer's spouse, or a person related to the taxpayer or the taxpayer's spouse within the third degree of kindred, resides on the property or is actively engaged in the operation of the business, and includes any dwellings located on the property. "Agriculture" means the production of livestock, dairy animals or dairy products, poultry or poultry products, fur-bearing animals, horticultural and nursery stock that is covered by sections 18.44 to 18.61, fruit, vegetables, forage, grain, and bees and apiary products"

Page 57, after line 13, insert:

"Sec. 48. Minnesota Statutes 1984, section 290.16, is amended by adding a subdivision to read:

Subd. 17. [GAIN RELATING TO DISCHARGE OF FARM INDEBTEDNESS.] Gain is not recognized due to discharge of indebtedness relating to a family farm corporation or an authorized farm corporation as a result of foreclosure, liquidation, or similar involuntary event or under threat of such an event, except to the extent of any cash proceeds distributed to the corporation after discharge of the debt. For purposes of this subdivision, "family farm corporation" and "authorized farm corporation" have the meanings given them in section 500.24, subdivision 2, except that the term

"farming" as used in those definitions shall include the activities listed in section 290.01, subdivision 20b, clause (9)."

Page 76, line 24, before the period insert *"and except that the provisions of sections 290.01, subdivision 20b, clause (9), and 290.16, subdivision 17, are effective for taxable years beginning after December 31, 1980. In addition to the regular prescribed time for filing, amended returns may be filed pursuant to sections 290.01, subdivision 20b, clause (9), and 290.16, subdivision 17 for one year after the date of enactment of this act, notwithstanding any other law to the contrary"*

Reorder the sections in sequence

Correct internal cross references

Amend the title accordingly

Mr. Johnson, D.J. moved to amend the Sieloff amendment to H.F. No. 756, the unofficial engrossment, as follows:

Page 1, line 8, delete everything after the first comma and before *"but"*

Page 1, line 12, delete *"cash"* and insert *"net"*

Page 2, line 7, delete everything before *"except"*

Page 2, line 8, delete *"cash"* and insert *"net"*

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

Mr. Sieloff moved to amend the Sieloff amendment to H.F. No. 756, the unofficial engrossment, as follows:

Page 1, line 23, after *"products"* insert *"No amount of gain excluded under this section shall be included in the computation of the alternative minimum tax under section 290.091"*

Page 2, line 14, after the period, insert *"No amount of gain excluded under this section shall be included in the computation of the alternative minimum tax under section 290.091."*

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

The question recurred on the amendment, as amended.

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

Those who voted in the affirmative were:

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

Mr. Petty voted in the negative.

The motion prevailed. So the amendment, as amended, was adopted.

Mr. Belanger moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Pages 244 to 248, delete sections 40 and 41

Page 248, line 17, delete "43" and insert "41"

Page 248, line 30, delete "42" and insert "40"

Page 248, delete lines 31 to 36

Page 249, delete lines 1 to 3

Re-number the remaining sections in sequence

Amend the title as follows:

Page 1, delete line 15

The question was taken on the adoption of the amendment.

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

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 39 and nays 26, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Frederick	Knutson	Olson	Taylor
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Waldorf
Benson	Isackson	Laidig	Ramstad	
Bernhagen	Johnson, D.E.	McQuaid	Renneke	
Brataas	Kamrath	Mehrkens	Sieloff	
Dahl	Knaak	Moe, D.M.	Storm	

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	Dieterich	Kamrath	Mehrkens	Spear
Belanger	Frederick	Knaak	Merriam	Storm
Benson	Frederickson	Knutson	Moe, D.M.	Taylor
Bernhagen	Freeman	Kronebusch	Olson	Waldorf
Brataas	Isackson	Laidig	Ramstad	Willet
Chmielewski	Johnson, D.E.	Luther	Renneke	
Dahl	Jude	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Gustafson	Moe, R.D.	Peterson, R.W.	Solon
Berg	Hughes	Nelson	Petty	Stumpf
Bertram	Johnson, D.J.	Novak	Pogemiller	Vega
DeCramer	Kroening	Pehler	Purfeerst	Wegscheid
Dicklich	Langseth	Peterson, C.C.	Reichgott	
Diessner	Lantry	Peterson, D.C.	Samuelson	
Frank	Lessard	Peterson, D.L.	Schmitz	

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 13, lines 26 to 34, reinstate the stricken language

Page 13, line 35, reinstate the stricken "(3)"

Page 14, line 2, after the stricken "(4)" reinstate the stricken language

Page 14, lines 3 to 9, reinstate the stricken language

Page 15, line 24, reinstate the stricken language after the stricken "(8)"

Page 15, lines 25 to 29, reinstate the stricken language

Page 17, line 21, reinstate the stricken language after the stricken "(17)"

Page 17, lines 22 to 27, reinstate the stricken language

Renumber the clauses in sequence and correct the internal references

Page 76, delete section 65

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 30 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Laidig	Renneke
Belanger	DeCramer	Jude	McQuaid	Sieloff
Benson	Frederick	Kamrath	Mehrkens	Storm
Berg	Frederickson	Knaak	Olson	Stumpf
Bernhagen	Gustafson	Knutson	Peterson, D.L.	Taylor
Bertram	Isackson	Kronebusch	Ramstad	Wegscheid

Those who voted in the negative were:

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

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

Mr. Frederickson moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 238, line 29, delete "*For purposes of*"

Page 238, delete lines 30 to 33

Page 238, line 34, delete "*tangible personal property.*"

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

Mr. Johnson, D.E. moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 366, line 28, delete "FORESTVILLE"

Page 366, delete lines 29 to 32 and insert:

"The amount paid from the state park road account, created by Minnesota Statutes 1984, section 162.06, subdivision 5, under Laws 1979, Extra Session, chapter 1, section 51, must not exceed \$113,000 in any year. The balance of the state park road account is available to reimburse up to \$1,000 of the costs incurred in each year by each county to maintain roads that provide access to state parks."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Isackson	Laidig	Schmitz
Anderson	Brataas	Johnson, D.E.	Lessard	Sieloff
Benson	Frederick	Kamrath	Peterson, D.L.	Taylor
Bernhagen	Frederickson	Kronebusch	Renneke	

Those who voted in the negative were:

Belanger	Frank	Lantry	Peterson, C.C.	Stumpf
Berglin	Hughes	Luther	Peterson, D.C.	Vega
Chmielewski	Johnson, D.J.	Moe, D.M.	Petty	Waldorf
Dahl	Jude	Moe, R.D.	Pogemiller	Wegscheid
Davis	Knaak	Nelson	Purfeerst	Willet
DeCramer	Knutson	Novak	Ramstad	
Dicklich	Kroening	Olson	Reichgott	
Diessner	Langseth	Pehler	Samuelson	

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

Mr. Sieloff moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 17, line 27, reinstate the stricken "and"

Page 17, line 28, after the stricken "(18)" insert "(8)" and reinstate the remaining stricken language

Page 17, lines 29 to 35, reinstate the stricken language

Page 17, line 36, after the stricken "(6)" insert "(3)" and reinstate the stricken period and delete "and"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Mr. Sieloff then moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 19, line 22, delete "*unmarried*"

Page 21, line 12, delete "*(1)*" and delete "*married*" and delete "*filing joint returns*" and insert "*, estates, and trusts*"

Page 21, delete lines 22 to 36

Page 22, delete lines 1 to 9 and insert:

"For the first taxable year beginning after December 31, 1984, the commissioner of revenue shall proportionately adjust the rates established in this subdivision so that this amendment has no net revenue impact."

Page 25, line 32, reinstate the stricken language and delete the new language

Page 25, line 33, delete "*a joint return*" and reinstate the stricken "*. If the spouses file separate,*"

Page 25, lines 34 and 35, reinstate the stricken language

Page 26, lines 14 and 33, reinstate the stricken language and delete the new language

Page 26, lines 15 and 34, delete "*a joint return*"

Page 26, lines 18 to 20, reinstate the stricken language

Page 26, lines 35 and 36, reinstate the stricken language

Page 27, line 1, reinstate the stricken language

Page 27, line 12, reinstate the stricken language and delete the new language

Page 27, line 13, delete "*a joint return*"

Page 27, lines 14 to 16, reinstate the stricken language

Page 27, line 25, delete "*the term 'unmarried'*"

Page 27, delete line 26

Page 27, line 27, delete "*return, and*"

Page 28, delete section 20

Page 39, lines 3 to 6, reinstate the stricken language and delete the new language

Pages 62 and 63, delete section 52

Pages 66 to 68, delete section 57

Page 72, line 25, delete the new language and reinstate the stricken language

Page 76, line 17, delete "290.39, subdivision 2."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 39, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Mr. Pogemiller moved to amend H.F. No. 756, the unofficial engrossment, as follows:

Page 215, delete section 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 756 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 42 and nays 25, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1523: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, board of regents of the University of Minnesota, the Mayo medical foundation, and the College of Saint Thomas, with certain conditions; providing for state board of education membership and staff assistance, a different source for an annual appropriation, student financial aid, course equivalency, common numbering, general education requirements, fees and licenses, vocational programs and budgets, vocational board policymaking, and emergency rulemaking; amending Minnesota Statutes 1984, sections 121.02, subdivision 1; 123.743; 125.08; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 16, and by adding a subdivision; 136A.132, subdivisions 3, 4, 5, and 6; 136A.162; 136C.04, subdivision 15; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 4 and 5; 136C.28, subdivision 2; 136C.33, subdivision 1; 136C.34; 136C.36; 141.25, subdivision 8; and 141.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; and 136; repealing Minnesota Statutes 1984, sections 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

Under the rules of the Senate, laid over one day.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1524: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; amending Minnesota Statutes 1984, sections 12.14; 15.0591, subdivision 2; 17.717, subdivision 6; 25.39, subdivision 4; 40.03, subdivision 1; 46.041, subdivision 1; 46.131, subdivision 10; 47.54, subdivision 1; 51A.51, subdivisions 1, 2, 3, 3a, and 5; 52.06, subdivision 1; 53.03, subdivisions 1 and 6; 56.02; 60A.02, subdivision 7; 60A.03, subdivisions 5 and 6; 60A.10; 60A.131, subdivision 1; 60A.14, subdivision 1; 60A.17, subdivision 1a;

60A.1701, subdivisions 5 and 10; 60A.197; 60A.23, subdivision 7; 60C.08, subdivision 1; 61B.05, subdivision 1; 62A.146; 62A.17, subdivision 6; 62B.05; 62D.19; 62E.10, subdivision 2; 62E.12; 62E.16; 65B.03; 65B.43, by adding a subdivision; 65B.44, subdivision 4; 65B.48, subdivision 3a; 65B.63, subdivision 1; 67A.25, subdivision 1; 72A.20, by adding a subdivision; 79.251, subdivision 1; 79.252, subdivision 4; 79.62; 84B.11, subdivision 1; 138.94; 168.67; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 214.06, subdivision 1; 216B.243, subdivision 6; 216B.62, subdivisions 2 and 3; 237.295, subdivisions 1 and 2; 239.10; 240.16, subdivision 5; 240.24; 296.13; 326.241, subdivision 3; 326.244, subdivision 2; 326.334, subdivision 7; 340.024; 340.60, subdivision 1; 340.62; 349.52, subdivisions 2 and 3; 360.018, subdivision 6; 360.024; 473.373, subdivisions 2, 4, and 6; 473.375, subdivision 4; 473.384, subdivision 6; 473.386, subdivision 2; 473.39, by adding a subdivision; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, by adding a subdivision; 473.446, subdivision 1, 1a, 2a, and 3; 626.861, subdivision 3; 626.88, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17, 45, 61A, and 340; repealing Minnesota Statutes 1984, sections 19.64, subdivision 5; 42.06, subdivision 4; 60A.15, subdivision 14; 62A.025; 340.113, subdivision 4; 340.493, subdivision 4; 473.373, subdivision 7; and 473.446, subdivision 6.

Under the rules of the Senate, laid over one day.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1525: A bill for an act relating to the organization and operation of state government; authorizing cost containment programs in medical assistance and general assistance medical care programs; establishing a permanency planning program for children at risk of out-of-home placement; appropriating money for human services, corrections, health, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62D.12, by adding a subdivision; 62E.06, subdivision 1; 129A.03; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 254.05; 256.045, subdivision 3, and by adding a subdivision; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.19, subdivision 1; 256B.48, by adding a subdivision; 256B.69, subdivision 4; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 260.311, subdivision 5; 260.38; 268.38, subdivisions 2, 10, and 11; 268.685; 290.089, subdivision 2; 363.03, by adding a subdivision; 390.11, by adding a subdivision; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.22; and 611A.34, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 1984, sections 256.045, subdivision 2; 256.966, subdivision 2; 256.967; 259.405; and 268.686.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Frederickson moved that H.F. No. 592 be withdrawn from the Com-

mittee on Taxes and Tax Laws and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 593. The motion prevailed.

MEMBERS EXCUSED

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

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Saturday, May 4, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SECOND DAY

St. Paul, Minnesota, Saturday, May 4, 1985

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Einar J. Oberg.

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

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

The President declared a quorum present.

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted with the exception of the report on H.F. No. 576. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was re-referred

H.F. No. 576: A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1984, sections 624.7132, subdivision 16; and 624.717; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 624.718.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, after line 17, insert:

“(1) a city of the first class may regulate the carrying in public places of pistols, as defined in section 624.712, subdivisions 2 and 4, on or about a person or the person's clothes.”

Page 1, line 18, delete “(a)” and insert “(2)”

Page 1, line 20, delete “(b)” and insert “(3)”

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was re-referred to the Committee on Rules and Administration.

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

S.F. No. 1513: A bill for an act relating to local government; permitting the establishment of special service districts in the cities of Sartell, Sauk Rapids, St. Cloud, and Waite Park; providing taxing and other financial authority for the cities.

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

Page 1, line 13, after the comma, insert “*Isle, Mora, Becker*”

Page 3, line 15, after “*taxable*” insert “*nonhomestead*”

Page 3, line 19, after the comma, insert “*nonhomestead*”

Page 5, line 20, after “*obligations*” insert “, *including certificates of indebtedness,*”

Page 5, line 27, after “3” insert “, *or from any other special assessment or nontax revenues available to be pledged for their payment under charter or other statutory authority, or from any two or more of such sources*”

Page 5, line 31, after the period, insert “*The amount of any taxes that are required to be levied outside of the territory of the special services district or taken from the general funds of the municipality to pay principal and interest on the obligations shall be reimbursed to the municipality from taxes levied within the special services district.*”

Page 6, lines 16, 17, 21, 22, and 26, delete “*ten*” and insert “*15*”

Page 7, lines 17 and 22, delete “*and*” and insert “*or*”

Page 8, line 27, delete everything after “*effective*” and insert “*the day following final enactment.*”

Page 8, delete lines 28 to 30

Amend the title as follows:

Page 1, line 4, after “*St. Cloud,*” insert “*Isle, Mora, Becker,*”

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

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

H.F. No. 58: A bill for an act relating to the town of Moorhead; allowing the town certain powers.

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

Page 1, line 11, delete "*after compliance with*" and insert "*following final enactment.*"

Page 1, delete lines 12 and 13

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

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

S.F. No. 593: A bill for an act relating to local government; permitting the establishment of special service districts in the cities of Mora, New Ulm, and Waseca; providing taxing and other financial authority for Mora, New Ulm, and Waseca.

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

Page 1, line 9, delete "[DIVISIONS.]" and insert "[CITY OF NEW ULM; SPECIAL SERVICE DISTRICTS.]"

Page 1, line 12, delete "*cities of Mora, New Ulm, and*" and insert "*city of New Ulm.*"

Page 1, delete line 13

Page 3, line 15, after "*taxable*" insert "*nonhomestead*"

Page 3, line 19, after the comma, insert "*nonhomestead*"

Page 3, line 26, after "*amount*" insert "*sufficient*"

Page 5, line 20, after "*obligations*" insert "*, including certificates of indebtedness,*"

Page 5, line 27, after "3" insert "*, or from any other special assessment or nontax revenues available to be pledged for their payment under charter or other statutory authority, or from any two or more of such sources*"

Page 5, line 31, after the period, insert "*The amount of any taxes that are required to be levied outside of the territory of the special services district or taken from the general funds of the municipality to pay principal and interest on the obligations shall be reimbursed to the municipality from taxes levied within the special services district.*"

Page 6, lines 16, 17, 21, 22, and 26, delete "*ten*" and insert "*15*"

Page 7, lines 17 and 22, delete "*and*" and insert "*or*"

Page 8, after line 25, insert:

"Sec. 11. [REPORT TO LEGISLATURE.]

The manager of the city of New Ulm shall file a written report with the chairman of the house local and urban affairs committee and the chairman of the senate local and urban government committee on or before January 31, 1986. The report shall apprise the committee as to the activities undertaken pursuant to this act and recommend any changes that should be considered if the legislature were to enact statewide legislation for the establishment of special service districts."

Page 8, line 27, delete "*for the city of New Ulm the*" and insert "*the day following final enactment.*"

Page 8, delete lines 28 to 35

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "*cities of Mora, New Ulm, and Waseca*" and insert "*city of New Ulm*"

Page 1, line 5, delete "*Mora,*" and delete "*, and*" and insert a period

Page 1, delete line 6

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

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

S.F. No. 1506: A bill for an act authorizing the city of Waseca to establish and provide taxes and service charges for a special service district.

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

Page 1, line 12, delete "*all services rendered or*"

Page 1, delete lines 13 to 15

Page 1, line 16, delete "*(2)*"

Page 1, line 17, delete "*; and*" and insert a period

Page 1, delete lines 18 and 19

Page 3, line 13, after "*taxable*" insert "*nonhomestead*"

Page 5, line 12, delete "*within exiting debt limits*"

Page 6, line 33, delete "*and*" and insert "*or*"

Page 7, line 1, delete "*and*" and insert "*or*"

Page 8, delete lines 5 to 7 and insert:

"*Sec. 2. [ALBERT LEA; PORT AUTHORITY.]*

The city of Albert Lea may establish a port authority commission that has the same powers as a port authority established under Minnesota Statutes, section 458.09, or other law. If the city establishes a port authority commission, the city shall exercise all the powers relating to the port authority

granted to a city by Minnesota Statutes, chapter 458, or other law. Notwithstanding Minnesota Statutes, section 458.09, subdivision 1, or other law, the city may choose the name of the commission. Notwithstanding Minnesota Statutes, section 458.10, subdivision 1, or other law, the city may appoint a seven-member commission.

Sec. 3. [AUSTIN; PORT AUTHORITY.]

The city of Austin may establish a port authority commission that has the same powers as a port authority established under Minnesota Statutes, section 458.09, or other law. If the city establishes a port authority commission, the city shall exercise all the powers relating to the port authority granted to a city by Minnesota Statutes, chapter 458, or other law. Notwithstanding Minnesota Statutes, section 458.09, subdivision 1, or other law, the city may choose the name of the commission. Notwithstanding Minnesota Statutes, section 458.10, subdivision 1, or other law, the city may appoint a seven-member commission.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after "district" insert "; authorizing the city of Albert Lea to establish a port authority; authorizing the city of Austin to establish a port authority"

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

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

H.F. No. 782 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.
782	691				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 782 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 782 and insert the language after the enacting clause of S.F. No. 691, the second engrossment; further, delete the title of H.F. No. 782 and insert the title of S.F. No. 691, the second engrossment.

And when so amended H.F. No. 782 will be identical to S.F. No. 691, and further recommends that H.F. No. 782 be given its second reading and substituted for S.F. No. 691, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1280 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.
1280	1218				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1280 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1280 and insert the language after the enacting clause of S.F. No. 1218, the first engrossment; further, delete the title of H.F. No. 1280 and insert the title of S.F. No. 1218, the first engrossment.

And when so amended H.F. No. 1280 will be identical to S.F. No. 1218, and further recommends that H.F. No. 1280 be given its second reading and substituted for S.F. No. 1218, 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. 1523, 1524, 1525, 1513, 593 and 1506 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 58, 782 and 1280 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski introduced—

Senate Resolution No. 81: A Senate resolution congratulating Cloquet High School on participating in the 1985 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Mrs. McQuaid introduced—

Senate Resolution No. 82: A Senate resolution congratulating St. Louis Park High School on participating in the 1985 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid moved that S.F. No. 1398 be taken from the table. The motion prevailed.

S.F. No. 1398: A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66,

subdivision 1; and 475.76, subdivision 1.

Mr. Wegscheid moved that the Senate do not concur in the amendments by the House to S.F. No. 1398, 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.

SUSPENSION OF RULES

Mr. Waldorf 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. 1523 and that the rules of the Senate be so far suspended as to give S.F. No. 1523, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1523: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, board of regents of the University of Minnesota, the Mayo medical foundation, and the College of Saint Thomas, with certain conditions; providing for state board of education membership and staff assistance, a different source for an annual appropriation, student financial aid, course equivalency, common numbering, general education requirements, fees and licenses, vocational programs and budgets, vocational board policymaking, and emergency rulemaking; amending Minnesota Statutes 1984, sections 121.02, subdivision 1; 123.743; 125.08; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 16, and by adding a subdivision; 136A.132, subdivisions 3, 4, 5, and 6; 136A.162; 136C.04, subdivision 15; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 4 and 5; 136C.28, subdivision 2; 136C.33, subdivision 1; 136C.34; 136C.36; 141.25, subdivision 8; and 141.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; and 136; repealing Minnesota Statutes 1984, sections 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

Mr. Merriam moved to amend S.F. No. 1523 as follows:

Page 27, line 9, delete the colon

Page 27, line 10, delete "(a)" and delete the paragraph coding

Page 27, line 11, delete "; and"

Page 27, delete lines 12 to 24

Page 27, line 25, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 52 and nays 12, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Gustafson	McQuaid	Pogemiller	Renneke
Dahl	Kronebusch	Petty	Reichgott	Samuelson
Frank	Laidig			

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend S.F. No. 1523 as follows:

Page 16, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Taylor moved to amend S.F. No. 1523 as follows:

Page 7, delete lines 26 to 35

Renumber the subdivisions in sequence

Correct the section totals, summary by fund, and summary by agency

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 36; as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Peterson, D.L.	Storm
Belanger	Gustafson	Kronebusch	Peterson, R.W.	Taylor
Benson	Isackson	Laidig	Petty	
Berg	Johnson, D.E.	McQuaid	Ramstad	
Brataas	Kamrath	Mehrkens	Renneke	
Frederick	Knaak	Olson	Sieloff	

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Peterson, D.C.	Vega
Berglin	Frank	Luther	Pogemiller	Waldorf
Bertram	Freeman	Merriam	Purfeerst	Wegscheid
Dahl	Hughes	Moe, D.M.	Reichgott	Willet
Davis	Johnson, D.J.	Nelson	Samuelson	
DeCramer	Jude	Novak	Schmitz	
Dicklich	Kroening	Pehler	Solon	
Diessner	Langseth	Peterson, C.C.	Spear	

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

S.F. No. 1523 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

SUSPENSION OF RULES

Mr. Samuelson 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. 1525 and that the rules of the Senate be so far suspended as to give S.F. No. 1525, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1525: A bill for an act relating to the organization and operation of state government; authorizing cost containment programs in medical assistance and general assistance medical care programs; establishing a permanency planning program for children at risk of out-of-home placement; appropriating money for human services, corrections, health, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62D.12, by adding a subdivision; 62E.06, subdivision 1; 129A.03; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 254.05; 256.045, subdivision 3, and by adding a subdivision; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.19, subdivision 1; 256B.48, by adding a subdivision; 256B.69, subdivision 4; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 260.311, subdivision 5; 260.38; 268.38, subdivisions 2, 10, and 11; 268.685; 290.089, subdivision 2; 363.03, by adding a subdivision; 390.11, by adding a subdivision; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.22; and 611A.34, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 1984, sections 256.045, subdivision 2; 256.966, subdivision 2; 256.967; 259.405; and 268.686.

Mr. Knutson moved to amend S.F. No. 1525 as follows:

Page 8, delete lines 7 to 13

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

Mr. Kamrath moved to amend S.F. No. 1525 as follows:

Page 10, line 31, delete "\$3,467,000" and insert "\$1,467,000" and delete "\$3,517,000" and insert "\$1,517,000"

Page 10, delete lines 37 to 43 and insert:

"A minimum of ten percent of the total federal funds available for energy assistance must, if feasible, be spent by the commissioner for weatherization."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 7 and nays 53, as follows:

Those who voted in the affirmative were:

Anderson Belanger	Benson Gustafson	Isackson	Kamrath	Sieloff
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Those who voted in the negative were:

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

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

Mr. Frederickson moved to amend S.F. No. 1525 as follows:

Page 11, line 9, delete "\$1,107,000" and insert "\$957,000"

Correct the summary by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Jude	Mehrkens	Sieloff
Benson	Frederickson	Kamrath	Olson	Storm
Berg	Gustafson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Isackson	Laidig	Ramstad	
Bertram	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Dieterich	Langseth	Petty	Stumpf
Berglin	Frank	Lantry	Pogemiller	Vega
Chmielewski	Frederick	Luther	Purfeerst	Waldorf
Dahl	Freeman	Merriam	Reichgott	Willet
Davis	Johnson, D.J.	Pehler	Samuelson	
DeCramer	Knaak	Peterson, C.C.	Schmitz	
Dicklich	Knutson	Peterson, D.C.	Solon	
Diessner	Kroening	Peterson, R.W.	Spear	

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

Mr. Benson moved to amend S.F. No. 1525 as follows:

Page 9, line 32, delete "\$33,000,000" and insert "\$13,200,000"

Correct the subdivision and section totals and summary by fund accordingly

Page 9, after line 32, insert:

"This appropriation must be allocated only to counties with an unemployment rate over ten percent based on the 12-month period ending the most recent March 31."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, R.W.	Spear
Berglin	Dieterich	Luther	Petty	Stumpf
Bertram	Frank	Mchrkens	Pogemiller	Vega
Chmielewski	Freeman	Merriam	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Nelson	Reichgott	Willct
Davis	Johnson, D.J.	Novak	Samuelson	
DeCramer	Kroening	Pehler	Schmitz	
Dicklich	Langseth	Peterson, D.C.	Solon	

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

Mr. Kamrath moved to amend S.F. No. 1525 as follows:

Page 12, delete line 37

Correct the summary by fund accordingly

Renumber the sections in sequence and correct the internal references

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

Mr. Kamrath then moved to amend S.F. No. 1525 as follows:

Page 5, line 49, delete "\$398,588,000" and insert "\$398,568,000" and delete "\$445,303,000" and insert "\$445,283,000"

Page 34, delete subdivision 6

Correct the subdivision and section totals and the summary by fund accordingly

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

S.F. No. 1525 was read the third time 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 17, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Luther	Peterson, D.C.	Spear
Berg	Frank	McQuaid	Peterson, R.W.	Storm
Berglin	Freeman	Mehrkens	Petty	Stumpf
Bertram	Johnson, D.E.	Merriam	Pogemiller	Vega
Chmielewski	Johnson, D.J.	Moe, D.M.	Purfeerst	Waldorf
Dahl	Knutson	Moe, R.D.	Reichgott	Wegscheid
Davis	Kroening	Nelson	Renneke	Willet
DeCramer	Kronebusch	Novak	Samuelson	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Frederick	Jude	Olson	Taylor
Benson	Frederickson	Kamrath	Peterson, D.L.	
Bernhagen	Gustafson	Knaak	Ramstad	
Brataas	Isackson	Laidig	Sieloff	

So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement on S.F. No. 1524. The motion prevailed.

GENERAL ORDERS

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

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

S.F. No. 1524, which the committee recommends to pass, subject to the following motions:

Mr. Petty moved to amend S.F. No. 1524 as follows:

Pages 84 and 85, delete section 110

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 1524, as follows:

Page 69, after line 20, insert:

“Sec. 83. Minnesota Statutes 1984, section 116C.71, is amended by adding a subdivision to read:

Subd. 14a. [COUNCIL.] “*Council*” means the governor’s nuclear waste council.

Sec. 84. [116C.711] [NUCLEAR WASTE COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] *The governor’s nuclear waste*

council is established.

Subd. 2. [MEMBERSHIP.] The council shall have at least 9 members, consisting of:

(1) the commissioners of the departments of health, transportation, and natural resources, and the director of the pollution control agency;

(2) four citizen members appointed by the governor;

(3) the director of the Minnesota geological survey;

(4) one additional citizen from each potentially impacted area may be appointed by the governor if potentially impacted areas are designated in Minnesota; and

(5) one Indian who is an enrolled member of a federally recognized Minnesota Indian tribe or band may be appointed by the governor if potentially impacted areas are designated in Minnesota and if those areas include Indian country as defined in U.S. Code, title 18, section 11.54.

At least two members of the council shall have expertise in the earth sciences.

Subd. 3. [CHAIRPERSON.] A chairperson shall be appointed by the governor from the members of the council.

Subd. 4. [ADVISORY TASK FORCE.] The council may create advisory task forces under section 15.014, as are necessary to carry out its responsibilities under chapter 116C.

Subd. 5. [MEMBERSHIP REGULATION.] Section 15.059 governs terms, compensation, removal, and filling of vacancies of members appointed by the governor. Section 15.059, subdivision 5, does not govern the expiration date of the council.

Sec. 85. [116C.712] [POWERS AND DUTIES.]

Subdivision 1. [DUTY.] The council's duty shall be to monitor the federal high-level radioactive waste disposal program under the Nuclear Waste Policy Act, Public Law Number 97-425 and advise the governor and the legislature on all policy issues relating to the federal high-level radioactive waste disposal program.

Subd. 2. [EXPIRATION DATE.] The council shall terminate when the department of energy eliminates Minnesota from further siting consideration for disposal of high-level radioactive waste.

Subd. 3. [COUNCIL STAFF.] Staff support for council activities shall be provided by the state planning agency. All state departments and agencies must cooperate with the council in the performance of its duties. Upon the request of the chairperson of the council, the governor may, by order, require any state department or agency to furnish assistance necessary to carry out the council's functions under chapter 116C.

Subd. 4. [FEDERAL AND OTHER FUNDS.] The chairperson of the council may apply for, receive, and expend funds made available from federal sources or other sources for the purpose of carrying out the council's responsibilities under chapter 116C."

Page 92, line 20, delete "Sections 110 to 123" and insert "Sections 113 to 126"

Page 92, line 34, delete "Sections 96 and 97" and insert "Sections 99 and 100"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the second semicolon insert "creating the governor's nuclear waste council; providing coordination with the federal government's nuclear waste site planning;"

Page 1, line 23, after the first semicolon insert "116C.71, by adding a subdivision;"

Page 1, line 39, after "61A," insert "116C,"

Mr. Merriam moved to amend the Frederickson amendment to S.F. No. 1524 as follows:

Page 2, line 33, delete the quotation mark

Page 2, after line 33, insert:

"Subd. 5. [ASSESSMENT.] A person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota shall pay an assessment to cover the cost of monitoring the disposal of high-level radioactive waste and other activities provided for in this section. An assessment of \$25,000 per plant shall be paid to the director of the state planning agency on July 1 of each year. Money received by the director under this subdivision is annually appropriated to the director for the purpose of providing staff support for the council and other assistance necessary to carry out the council's responsibilities."

Mr. Mehrkens questioned whether the Frederickson amendment was germane.

The Chair ruled that the amendment was germane.

The question recurred on the Merriam amendment to the Frederickson amendment.

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

The question recurred on the Frederickson amendment, as amended.

The roll was called, and there were yeas 27 and nays 28, as follows:

Those who voted in the affirmative were:

Berglin	Dieterich	Lantry	Peterson, D.C.	Spear
Brataas	Frank	Merriam	Peterson, R.W.	Vega
Dahl	Frederickson	Moe, D.M.	Petty	Waldorf
Davis	Freeman	Novak	Pogemiller	
DeCramer	Johnson, D.J.	Olson	Reichgott	
Dicklich	Knaak	Peterson, C.C.	Sieloff	

Those who voted in the negative were:

Adkins	Chmielewski	Jude	McQuaid	Samuelson
Anderson	Diessner	Kamrath	Mehrkens	Schmitz
Benson	Frederick	Knutson	Nelson	Stumpf
Berg	Gustafson	Kronebusch	Purfeerst	Wegscheid
Bernhagen	Isackson	Laidig	Ramstad	
Bertram	Johnson, D.E.	Langseth	Renneke	

The motion did not prevail. So the Frederickson amendment, as amended, was not adopted.

Mr. Pogemiller moved to amend S.F. No. 1524 as follows:

Page 92, line 22, delete "REPEALED" and insert "SUSPENDED"

Page 92, line 27, delete "*repealed*" and insert "*suspended until July 1, 1987*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 1524 as follows:

Pages 68 and 69, delete section 82

Page 92, line 34, delete "96 and 97" and insert "95 and 96"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 23, delete "84B.11, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Ms. Olson moved to amend S.F. No. 1524 as follows:

Page 2, line 32, delete "4,590.5" and insert "4,550.5"

Page 2, line 32, delete "4,708.5" and insert "4,628.5"

Page 2, line 35, delete "4,530.5" and insert "4,490.5"

Page 2, line 35, delete "4,648.5" and insert "4,568.5"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kamrath	Olson	Sieloff
Berglin	Frederickson	Knaak	Petty	Taylor
Brataas	Gustafson	Knutson	Ramstad	
Dieterich	Isackson	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Frank	Langseth	Novak	Schmitz
Bertram	Freeman	Lantry	Peterson, C.C.	Spear
Chmielewski	Johnson, D.E.	Luther	Peterson, D.C.	Stumpf
Dahl	Johnson, D.J.	Mehrrens	Peterson, R.W.	Vega
Davis	Jude	Merriam	Pogemiller	Waldorf
DeCramer	Kroening	Moe, D.M.	Purfeerst	Wegscheid
Dicklich	Kronebusch	Moe, R.D.	Reichgott	Willett
Diessner	Laidig	Nelson	Samuelson	

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

Mr. Berg moved to amend S.F. No. 1524 as follows:

Page 22, line 26, delete "\$750,000" in both places and insert "\$600,000" in both places

Page 22, line 27, delete "17" and insert "12"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Isackson	Knutson	Olson
Berg	Dahl	Johnson, D.E.	Kronebusch	Ramstad
Berglin	Frederick	Jude	Laidig	Renneke
Bernhagen	Frederickson	Kamrath	McQuaid	Sieloff
Bertram	Gustafson	Knaak	Mehrkens	Taylor

Those who voted in the negative were:

Adkins	Frank	Merriam	Peterson, R.W.	Stumpf
Chmielewski	Freeman	Moe, D.M.	Petty	Vega
Davis	Johnson, D.J.	Moe, R.D.	Pogemiller	Wegscheid
DeCramer	Kroening	Nelson	Purfeerst	Willett
Dicklich	Langseth	Novak	Samuelson	
Diessner	Lantry	Peterson, C.C.	Schmitz	
Dieterich	Luther	Peterson, D.C.	Spear	

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

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

MEMBERS EXCUSED

Mr. Lessard was excused from the Session of today. Mr. Hughes was excused from the Session of today at 1:30 p.m. Mr. Moe, R.D. was excused from the Session of today from 11:30 a.m. to 12:15 p.m. Mrs. Kronebusch was excused from the Session of today from 12:40 to 1:50 p.m. Mr. Belanger was excused from the Session of today at 2:30 p.m. Mr. Peterson, D.L. was excused from the Session of today at 3:30 p.m. Mr. Pehler was excused from the Session of today at 4:15 p.m. Mr. Storm was excused from the Session of today at 4:00 p.m. Mr. Stumpf was excused from the Session of today from 10:00 a.m. to 1:10 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, May 6, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-THIRD DAY

St. Paul, Minnesota, Monday, May 6, 1985

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

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dan Robinson.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 2, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1985 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 preser-

vation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	183	57	May 1	May 1

Sincerely,

Joan Anderson Growe
Secretary of State

REPORTS OF COMMITTEES

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

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

H.F. No. 592 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.
592	593				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 592 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 592 and insert the language after the enacting clause of S.F. No. 593, the second engrossment; further, delete the title of H.F. No. 592 and insert the title of S.F. No. 593, the second engrossment.

And when so amended H.F. No. 592 will be identical to S.F. No. 593, and further recommends that H.F. No. 592 be given its second reading and substituted for S.F. No. 593, 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. No. 592 was read the second time.

MOTIONS AND RESOLUTIONS

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 583: A bill for an act relating to crimes; making certain trespasses

and assaults a gross misdemeanor; providing for the admissibility of certain evidence in domestic abuse prosecutions; amending Minnesota Statutes 1984, sections 609.224 and 609.605; proposing coding for new law in Minnesota Statutes, chapter 634.

Was read the third time 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:

Adkins	Diessner	Kroening	Olson	Sieloff
Anderson	Dieterich	Kronebusch	Pehler	Solon
Belanger	Frank	Langseth	Peterson, C.C.	Spear
Benson	Frederick	Lantry	Peterson, D.C.	Storm
Berglin	Freeman	Luther	Peterson, D.L.	Stumpff
Bernhagen	Gustafson	McQuaid	Peterson, R.W.	Taylor
Bertram	Hughes	Mehrrens	Petty	Vega
Brataas	Isackson	Merriam	Pogemiller	Willet
Dahl	Johnson, D.E.	Moe, D. M.	Purfeerst	
Davis	Johnson, D.J.	Moe, R. D.	Ramstad	
DeCramer	Knaak	Nelson	Reichgott	
Dicklich	Knutson	Novak	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 889: A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

Mr. DeCramer moved to amend the Benson amendment to H.F. No. 889, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 639.)

Page 1, delete line 14

Page 1, line 15, delete everything before "the"

Page 1, line 16, delete "municipality" and insert "town" and delete "1,000" and insert "500"

Page 1, line 18, after "begin" insert "at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting"

Page 1, line 19, delete "9:00" and insert "10:00" and delete "for a general"

Page 1, line 20, delete everything before "for" and delete the first "a" and delete the second "or" and insert a comma and delete "election" and insert ", or general elections" and delete the second "A"

Page 1, delete lines 21 and 22

Page 1, line 23, delete "revoked" and insert "The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election"

The motion prevailed. So the amendment was adopted.

Mr. Anderson moved to amend H.F. No. 889, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 639.)

Page 14, after line 12, insert:

"Sec. 15. Minnesota Statutes 1984, section 462.398, subdivision 1, is amended to read:

462.398 [TERMINATION OF COMMISSION.]

Subdivision 1. Any combination of counties, towns, or municipalities representing a majority of the population of the region for which a commission exists may petition the commissioner by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the regional development act of 1969. ~~For purposes of this section the population of a county does not include the population of a municipality within the county.~~ Any formal resolution adopted by the governing body of a county, town, 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 commissioner.

Sec. 16. Minnesota Statutes 1984, section 462.398, subdivision 2, is amended to read:

Subd. 2. ~~Within 35 days of the receipt of the petition, the commissioner shall fix a time and place within the region for a hearing. The commissioner shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the regional development act of 1969, the commission shall recommend to the commissioner that the commissioner terminate the commission. Within 60 days after receipt of the recommendation a petition meeting the requirements of subdivision 1, the commissioner shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 14.01 to 14.70.~~

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "providing for dissolution of a regional development commission upon petition by cities, counties, and towns;"

Page 1, line 10, after "444.075;" insert "462.398, subdivisions 1 and 2;"

Mr. Luther questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 889 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Pehler	Sieloff
Anderson	Dieterich	Knutson	Peterson, C.C.	Solon
Belanger	Frederick	Kronebusch	Peterson, D.L.	Storm
Benson	Frederickson	Laidig	Peterson, R.W.	Stumpf
Bernhagen	Freeman	Laingseth	Petty	Taylor
Bertram	Gustafson	Lantry	Purfeerst	Vega
Brataas	Hughes	Lessard	Ramstad	Wegscheid
Chmielewski	Isackson	McQuaid	Reichgott	Willet
Davis	Johnson, D.E.	Mehrkens	Renneke	
DeCramer	Jude	Moe, D. M.	Samuelson	
Dicklich	Kamrath	Moe, R. D.	Schmitz	

Those who voted in the negative were:

Berglin	Kroening	Nelson	Peterson, D.C.	Waldorf
Dahl	Luther	Novak	Pogemiller	
Frank	Merriam	Olson	Spear	

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

SPECIAL ORDER

S.F. No. 1067: A bill for an act relating to commerce; requiring certain agreements to extend credit to be in writing; proposing coding for new law in Minnesota Statutes, chapter 513.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 5: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

CALL OF THE SENATE

Mr. Diessner imposed a call of the Senate for the proceedings on S.F. No. 5. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Ramstad moved to amend S.F. No. 5 as follows:

Page 6, line 35, delete everything after "1986"

Page 6, delete line 36

Page 7, delete lines 1 and 2 except the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Kamrath	Lantry	Peterson, D.L.
Belanger	Diessner	Knaak	Luther	Ramstad
Benson	Frank	Knutson	McQuaid	Renneke
Bernhagen	Frederick	Kroening	Moe, R. D.	Sieloff
Brataas	Isackson	Laidig	Olson	Storm
Chmielewski	Johnson, D.E.	Langseth	Peterson, C.C.	Waldorf

Those who voted in the negative were:

Adkins	Frederickson	Mehrkens	Petty	Stumpf
Berg	Freeman	Merriam	Pogemiller	Taylor
Berglin	Gustafson	Moe, D. M.	Purfeerst	Vega
Bertram	Hughes	Nelson	Reichgott	Wegscheid
Davis	Johnson, D.J.	Novak	Samuelson	
DeCramer	Jude	Pehler	Schmitz	
Dicklich	Kronebusch	Peterson, D.C.	Solon	
Dieterich	Lessard	Peterson, R.W.	Spear	

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

S.F. No. 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 55 and nays 12, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bertram	Kamrath	Peterson, D. C.	Petty	Schmitz
Dicklich	Nelson	Peterson, R. W.	Pogemiller	Vega
Johnson, D. J.	Novak			

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 782: A bill for an act relating to human services; providing for participation by Indian tribes in the placement of their children; proposing coding for new law in Minnesota Statutes, chapter 257.

Ms. Berglin moved that the amendment made to H.F. No. 782 by the Committee on Rules and Administration in the report adopted May 4, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 782 was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1049: A bill for an act relating to human services; refining the vulnerable adults reporting act; clarifying definitions; requiring reporting of financial exploitation; providing for local welfare agency actions to protect vulnerable adults; amending Minnesota Statutes 1984, section 626.557, subdivisions 2, 5, 9, and 10, and by adding a subdivision.

Mr. Spear moved to amend S.F. No. 1049 as follows:

Page 3, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1984, section 626.557, subdivision 5, is amended to read:

Subd. 5. [IMMUNITY FROM LIABILITY.] (a) A person, ~~including a person voluntarily making reports and a person required to make reports voluntary or mandated report~~ under subdivision 3, or participating in good faith in making a report pursuant to an investigation under this section ~~shall have immunity is immune from any civil or criminal liability that otherwise might result from making the report~~ person's actions, if the person is acting in good faith.

(b) A person employed by a local welfare agency or a state licensing agency who is conducting or supervising an investigation or enforcing the law in compliance with subdivisions 10, 11, or 12 or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is acting in good faith and exercising due care."

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend S.F. No. 1049 as follows:

Page 3, line 12, after the period, insert "*Nothing in this section shall be construed to require a health care facility to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.*"

Page 3, after line 25, insert:

"Sec. 2. Minnesota Statutes 1984, section 626.557, subdivision 3a, is amended to read:

Subd. 3a. [REPORT NOT REQUIRED.] (a) Where federal law specifically prohibits a person from disclosing patient identifying information in connection with a report of suspected abuse or neglect under Laws 1983, chapter 273, section 3, that person need not make a required report unless the vulnerable adult, or his ~~the vulnerable adult's~~ guardian, conservator, or legal representative, has consented to disclosure in a manner which conforms to federal requirements. Facilities whose patients or residents are covered by such a federal law shall seek consent to the disclosure of suspected abuse or neglect from each patient or resident, or his guardian, conservator, or legal representative, upon his admission to the facility. Persons who are prohibited by federal law from reporting an incident of suspected abuse or neglect shall promptly seek consent to make a report.

(b) Except as defined in subdivision 2, paragraph (d), clause (1), verbal or physical aggression occurring between patients, residents, or clients of a facility, or self-abusive behavior of these persons does not constitute "abuse" for the purposes of subdivision 3 unless it causes serious harm. The operator of the facility or a designee shall record incidents of aggression and self-abusive behavior in a manner that facilitates periodic review by licensing agencies and county and local welfare agencies.

(c) *Nothing in this section shall be construed to require a report of abuse, as defined in subdivision 2, paragraph (d), clause (4), solely on the basis of*

the transfer of money or property by gift or as compensation for services rendered."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "2," insert "3a,"

The motion prevailed. So the amendment was adopted.

S.F. No. 1049 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 227: A bill for an act relating to horse racing; providing for racing days at county fairs in St. Louis 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 57 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Kamrath, Merriam and Renneke voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1109: A bill for an act relating to state government; concerning

the state procurement of goods and services from small businesses; removing geographical distribution requirements and preference program limitations; including sheltered workshops in definition of socially or economically disadvantaged persons; amending Minnesota Statutes 1984, sections 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5.

Mrs. Adkins moved that the amendment made to H.F. No. 1109 by the Committee on Rules and Administration in the report adopted May 3, 1985, pursuant to Rule 49, be stricken.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 49 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Novak	Renneke
Anderson	DeCramer	Kamrath	Olson	Samuelson
Belanger	Frank	Kronebusch	Pehler	Schmitz
Benson	Frederick	Laidig	Peterson, C.C.	Sieloff
Berg	Frederickson	Langseth	Peterson, D.C.	Stumpf
Bermhagen	Freeman	Lantry	Peterson, D.L.	Taylor
Bertram	Gustafson	Lessard	Petty	Waldorf
Brataas	Hughes	Luther	Purfeerst	Wegscheid
Chmielewski	Isackson	McQuaid	Ramstad	Willet
Dahl	Johnson, D.E.	Nelson	Reichgott	

Those who voted in the negative were:

Berglin	Knaak	Mehrkens	Moe, R.D.	Storm
Diessner	Knutson	Merriam	Peterson, R.W.	Vega
Dieterich	Kroening	Moe, D.M.	Spear	

The motion prevailed. So the amendment was stricken.

Mr. Sieloff moved to amend H.F. No. 1109 as follows:

(The text of the amended House File is identical to S.F. No. 1233.)

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 116J.68, is amended to read:

116J.68 [BUREAU OF SMALL BUSINESS.]

Subdivision 1. The bureau of small business within the business assistance center shall serve as a clearinghouse and referral service for information needed by small businesses ~~including those operated by a socially or economically disadvantaged person.~~

Subd. 2. The bureau shall:

(a) provide information and assistance with respect to all aspects of business planning and business management related to the start-up, operation, or expansion of a small business in Minnesota;

(b) refer persons interested in the start-up, operation, or expansion of a small business in Minnesota to assistance programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce,

civic organizations, community development groups, private industry associations, and other organizations;

(c) plan, develop, and implement a master file of information on small business assistance programs of federal, state, and local governments, and other public and private organizations so as to provide comprehensive, timely information to the bureau's clients;

(d) employ staff with adequate and appropriate skills and education and training for the delivery of information and assistance;

(e) seek out and utilize, to the extent practicable, contributed expertise and services of federal, state, and local governments, educational institutions, and other public and private organizations;

(f) maintain a close and continued relationship with the director of the procurement program within the department of administration so as to facilitate the department's duties and responsibilities under sections 16.083 to 16.086 relating to the small business set aside program of the state;

(g) develop an information system which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze, and exchange data regarding small business development and growth in the state. All executive branch agencies of state government and the secretary of state shall to the extent practicable, assist the bureau in the development and implementation of the information system;

(h) establish and maintain a toll free telephone number so that all small business persons anywhere in the state can call the bureau office for assistance. An outreach program shall be established to make the existence of the bureau well known to its potential clientele throughout the state;

(i) conduct research and provide data as required by state legislature;

(j) develop and publish material on all aspects of the start-up, operation, or expansion of a small business in Minnesota;

(k) collect and disseminate information on state procurement opportunities, including information on the procurement process;

(l) develop a public awareness program through the use of newsletters, personal contacts, and electronic and print news media advertising about state assistance programs for small businesses, ~~including those programs specifically for socially disadvantaged small business persons~~;

(m) publicize to small businesses the provisions of Laws 1983, chapter 188, requiring consideration of small business issues in state agency rulemaking.

Sec. 2. [TRANSFER.]

Money otherwise appropriated to the department of administration for the set-aside program is transferred to the department of energy and economic development for use by the bureau of small business within the business assistance center. The approved complement of the department of administration is reduced by one position. The approved complement of the department of energy and economic development is increased by one position, which must be assigned to the bureau of small business to help it serve as a

clearinghouse and referral service for information needed by small businesses.

Sec. 3. [REPEALER.]

Minnesota Statutes 1984, sections 16B.19; 16B.20; 16B.21; 16B.22; 137.31; 161.321; and 161.3211, are repealed."

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon and insert "eliminating set-aside and preference programs;"

Page 1, delete lines 5, 6, and 7

Page 1, line 8, delete "sections 16B.19," and insert "section 116J.68;"

Page 1, delete lines 9 and 10

Page 1, line 11, delete everything before the period and insert "repealing Minnesota Statutes 1984, sections 16B.19; 16B.20; 16B.21; 16B.22; 137.31; 161.321; and 161.3211"

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

H.F. No. 1109 was then progressed.

SPECIAL ORDER

S.F. No. 1187: A bill for an act relating to local government; regulating municipal employee residency requirements; exempting certain firefighters; amending Minnesota Statutes 1984, section 415.16, by adding a subdivision.

Mr. Merriam moved to amend S.F. No. 1187 as follows:

Page 1, line 11, delete "*area or response time*"

Page 1, line 12, delete "*any person*" and insert "*persons*"

Page 1, line 12, delete "*a volunteer*" and insert "*volunteers*" and delete "*a member*" and insert "*members*"

Page 1, line 14, after the period, insert "*The residency requirement must be related to response time and established without regard to political subdivision boundaries.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1187 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Kronebusch	Peterson, D.C.	Spear
Belanger	Frank	Lantry	Peterson, D.L.	Storm
Berg	Frederickson	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Freeman	McQuaid	Petty	Taylor
Bertram	Isackson	Merriam	Pogemiller	Vega
Brataas	Johnson, D.E.	Moe, D.M.	Ramstad	Waldorf
Chmielewski	Jude	Moe, R.D.	Reichgott	Wegscheid
Dahl	Kamrath	Nelson	Renneke	Willet
DeCramer	Knaak	Novak	Samuelson	
Dicklich	Knutson	Olson	Schmitz	
Diessner	Kroening	Peterson, C.C.	Sieloff	

Mrs. Adkins, Ms. Berglin, Messrs. Davis and Pehler voted in the nega-

tive.

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

SPECIAL ORDER

H.F. No. 603: A bill for an act relating to non-intoxicating malt liquor; permitting holders of on-sale and off-sale intoxicating liquor licenses to sell non-intoxicating malt liquor without further license; amending Minnesota Statutes 1984, section 340.02, subdivisions 2 and 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 401: A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; providing an additional exemption for dependents; amending Minnesota Statutes 1984, sections 550.37, subdivisions 5, 7, 13, and 14; 571.41, subdivisions 6 and 7; 571.495, subdivision 3; and 571.55, subdivision 1.

Mr. DeCramer moved to amend S.F. No. 401 as follows:

Page 1, lines 25 to 27, delete the new language

Page 2, line 1, delete the new language

Page 3, line 33, delete "*third parties that*" and insert "*persons who*"

Page 4, lines 6 to 9, delete the new language

Page 4, line 18, delete "*third parties that*" and insert "*persons who*"

Page 5, delete lines 29 to 36

Page 6, delete lines 1 to 5

Page 7, delete lines 17 to 21

Page 7, line 23, reinstate the stricken "and (10)" and delete "to (11)"

Page 10, lines 13 to 16, delete the new language

Page 10, delete lines 21 to 29

Page 13, lines 10 to 13, delete the new language

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before "amending"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend S.F. No. 401 as follows:

Page 3, after line 17, insert:

"Sec. 5. Minnesota Statutes 1984, section 550.37, subdivision 24, is amended to read:

Subd. 24. [EMPLOYEE BENEFITS.] The debtor's right to receive a ~~payment~~ *present or future payments*, or payments received by the debtor, under a stock bonus, pension, profit sharing, annuity, *individual retirement account, individual retirement annuity, simplified employee pension*, 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."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "and" and after "14" insert ", and 24"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 401 as follows:

Page 9, after line 13, insert:

"Sec. 7. Minnesota Statutes 1984, section 571.42, is amended to read:

571.42 [EFFECT OF SERVICE OF SUMMONS.]

Subdivision 1. [ATTACH FOR JUDGMENT.] Except as provided in sections 571.43 and 571.50, service of the garnishee summons upon the garnishee shall attach and bind, to respond to final judgment in the action, all personal property of the judgment debtor in his possession or under his control and all indebtedness owing by him to the judgment debtor at the time of service and all nonexempt disposable earnings earned or to be earned within that pay period and within ~~30~~ 60 days thereafter.

Subd. 2. [PROPERTY ATTACHED.] Subject to the provisions of sections 550.37 and 571.55 all moneys, all nonexempt disposable earnings earned or to be earned within that pay period and within ~~30~~ 60 days thereafter and other personal property including property of any kind due from or in the hands of an executor, administrator, receiver or trustee and all written evidences of indebtedness whether negotiable or not or under or overdue may be

attached by garnishment, and money or any other thing due or belonging to the judgment debtor may be attached by this process before it has become payable if its payment or delivery does not depend upon any contingency, but the garnishee shall not be compelled to pay or deliver it before the time appointed by the contract."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "extending the effective period of a garnishee summons;"

Page 1, line 8, after the first semicolon insert "571.42;"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, D.L. moved to amend S.F. No. 401 as follows:

Page 3, after line 17, insert:

"Sec. 5. Minnesota Statutes 1984, section 565.25, subdivision 2, is amended to read:

Subd. 2. (a) Except as otherwise provided in clause (b) and section 6, the respondent may retain or regain possession of the property by filing of a bond approved by the court conditioned that the property shall be delivered to the claimant, if delivery be adjudged, and for the payment to the claimant of any sum adjudged against the respondent. The bond shall be in an amount 1-1/4 times the fair market value of the property or 1-1/2 times the amount of the claimant's claim, whichever is less. An order for seizure may specify a time limitation within which the bond must be filed. For the purpose of protecting or preserving the property pending final hearing on the merits, the court may in extraordinary circumstances, which shall be specified in its order, provide that the respondent may not retain or regain possession of the property upon rebonding, or may limit or condition the right to retain or regain the property upon rebonding. The costs of regaining possession of the property from the sheriff or the claimant shall be borne by respondent except as set forth in clause (b).

(b) If at a hearing following seizure of property pursuant to section 565.24 claimant fails to establish a right to continued possession, the court shall order the property returned to respondent, the costs to be borne by claimant. The court may order claimant's bond to continue in an amount sufficient to offset damages claimed by respondent by reason of the seizure.

Sec. 6. [565.251] [POSSESSION BY RESPONDENT WITHOUT BOND; STAY OF PROCEEDING.]

The court may allow the respondent to retain or regain possession of the property without filing a bond and may stay the action by the claimant for a reasonable period of time not to exceed six months if the following conditions are met:

- (1) *the respondent is unable to make the required payments due to unforeseen economic circumstances beyond the respondent's control;*
- (2) *the respondent is dependent on the use of the property to earn a living;*
- (3) *the respondent insures the property for its fair market value;*

(4) the respondent makes periodic payments to the claimant representing the depreciation in market value of the property while the respondent retains possession, in an amount and during the times determined by the court; and

(5) the respondent makes periodic payments to the claimant representing the value of the use of the property or the cost to the claimant of the lost opportunity to use the property, in an amount and during the times determined by the court."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "authorizing the court to allow the respondent in a replevin action to retain or regain possession without posting a bond; authorizing the court to stay an action to recover possession for up to six months;"

Page 1, line 7, after the semicolon insert "565.25, subdivision 2;"

Page 1, line 9, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 565"

The motion prevailed. So the amendment was adopted.

S.F. No. 401 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 1037: A bill for an act relating to utilities; exempting small, qualifying energy facilities from the certificate of need process; amending Minnesota Statutes 1984, section 216B.243, subdivision 8.

Mr. Vega moved to amend H.F. No. 1037 as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1984, section 216B.02, subdivision 4, is amended to read:

Subd. 4. "Public utility" means persons, corporations or other legal entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining, or controlling in this state equipment or facilities for furnishing at retail natural, manufactured or mixed gas or electric service to or for the public or engaged in the production and retail sale thereof *or for furnishing at wholesale or retail natural, manufactured, or mixed gas through a pipeline located wholly within Minnesota and exempt from the provisions of United States Code, title 15, sections 717 to 717z*, but does not include (1) a municipality or a cooperative electric association, organized under the provisions of chapter 308 producing or furnishing natural, manufactured or mixed gas or electric service or (2) a retail seller of compressed natural gas used as a vehicular fuel which purchases the gas from a public utility. Except for *in-trastate pipelines* and as otherwise provided, the provisions of this chapter shall not be applicable to any sale of natural, manufactured or mixed gas or electricity by a public utility to another public utility for resale. In addition, the provisions of this chapter shall not apply to a public utility whose total natural gas business consists of supplying natural, manufactured or mixed gas to not more than 650 customers within a city pursuant to a franchise granted by the city, provided a resolution of the city council requesting exemption from regulation is filed with the commission. The city council may rescind the resolution requesting exemption at any time, and, upon the filing of the rescinding resolution with the commission, the provisions of this chapter shall apply to the public utility. No person shall be deemed to be a public utility if it furnishes its services only to tenants or cooperative or condominium owners in buildings owned, leased or operated by such person. No person shall be deemed to be a public utility if it furnishes service to occupants of a manufactured home or trailer park owned, leased, or operated by such person. No person shall be deemed to be a public utility if it produces or furnishes service to less than 25 persons."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, after the semicolon insert "regulating certain intrastate gas pipelines;"

Page 1, line 4, delete "section" and insert "sections 216B.02, subdivision 4; and"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. moved to amend H.F. No. 1037 as follows:

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1984, section 216B.243, is amended by adding a subdivision to read:

Subd. 9. [NUCLEAR FISSION ELECTRICAL GENERATING POWER PLANT.] The commission must not issue a certificate of need for construction of a nuclear fission electrical generating power plant until the following conditions are met:

(1) *the commission finds that the construction of the nuclear generating plant is economically feasible;*

(2) *the commission finds that there has been developed and the United*

States through its authorized agency has approved, and there exists a demonstrated method for the permanent disposition of high-level nuclear waste; and

(3) the commission reports its findings to the legislature and the legislature expressly permits the commission by law to grant a certificate of need to construct a nuclear fission electrical generating power plant."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "requiring legislative approval prior to granting a certificate of need for a nuclear fission electrical generating plant"

Page 1, line 5, before the period insert ", and by adding a subdivision"

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.

The roll was called, and there were yeas 43 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Lessard	Peterson, D.C.	Spear
Berglin	Freeman	Luther	Peterson, R.W.	Stumpf
Dahl	Hughes	Merriam	Petty	Taylor
Davis	Johnson, D.J.	Moe, D.M.	Pogemiller	Vega
DeCramer	Jude	Moe, R.D.	Ramstad	Waldorf
Dicklich	Knaak	Nelson	Reichgott	Wegscheid
Diessner	Kroening	Novak	Renneke	Willet
Dieterich	Langseth	Pehler	Samuelson	
Frank	Lantry	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Bertram	Johnson, D.E.	McQuaid	Schmitz
Belanger	Brataas	Kamrath	Mehrkens	Sieloff
Benson	Frederick	Knutson	Olson	Storm
Berg	Gustafson	Kronebusch	Peterson, D.L.	
Bernhagen	Isackson	Laidig	Purfeerst	

The motion prevailed. So the amendment was adopted.

H.F. No. 1037 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger Benson Frederick Knutson Sieloff

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

SPECIAL ORDER

S.F. No. 806: A bill for an act relating to the environment; providing for the regulation of underground storage tanks; proposing coding for new law in Minnesota Statutes, chapter 116.

Mr. Novak moved to amend S.F. No. 806 as follows:

Page 2, line 8, delete "is" and insert "are ten percent or more beneath the surface of the ground and are"

Page 2, line 9, delete everything after "substances" and insert a period

Page 2, delete line 10

Page 3, line 1, delete "January 1, 1974,"

The motion prevailed. So the amendment was adopted.

S.F. No. 806 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:

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

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

SPECIAL ORDER

S.F. No. 1458: A bill for an act relating to traffic regulations; removing certain restrictions on special permits to move manufactured homes; amending Minnesota Statutes 1984, section 169.86, subdivision 1.

Mr. Sieloff moved to amend S.F. No. 1458 as follows:

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1984, section 505.04, is amended to read:

505.04 [RECORDING.]

Every plat, when duly certified, signed, and acknowledged, as provided in

section 505.03, and upon presentation of a certificate from the county treasurer that the current year's taxes have been paid, shall be filed and recorded in the office of the county recorder.

Sec. 3. [REPEALER.]

Minnesota Statutes 1984, section 272.12, is repealed."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "repealing a prohibition on transferring property;" and delete "section" and insert "sections"

Page 1, line 5, after "1" insert "; and 505.04; repealing Minnesota Statutes 1984, section 272.12"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 61, as follows:

Those who voted in the affirmative were:

Benson	Berg	Knutson	Peterson, D.L.	Sieloff
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Those who voted in the negative were:

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

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

S.F. No. 1458 was read the third time 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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Frederickson and Kamrath voted in the negative.

So the bill passed and its title was agreed to.

RECESS

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

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

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. 756:

H.F. No. 756: A bill for an act relating to taxation; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; providing for timely payment of certain taxes; changing the estate tax; changing corporate income tax provisions; rescheduling payments and reducing the budget reserve; reducing sales tax rates and providing sales tax exemptions; authorizing lodging taxes for towns; reducing the basic maintenance mill rate; changing the computation of or eliminating certain property tax credits; changing property tax exemptions, classes, and classification ratios; changing the taxation of telephone companies; providing for studies; imposing duties on the commissioner of revenue and commissioner of natural resources; providing for changes in the levy limit base; changing property tax provisions relating to collection of property tax, confessions of judgment, and sale of tax forfeit lands; changing property tax refund benefit schedules, eligible claimants, and definition of property taxes payable; changing local government aids; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 16A.15, subdivision 6; 41.55; 60A.15, subdivision 12; 60A.199, subdivision 8; 92.46, subdivision 1; 117.55; 124.2137, subdivision 1; 124A.02, subdivision 7; 270A.07, subdivision 5; 271.12; 272.02, subdivision 1; 272.03, subdivision 1; 273.111, subdivision 11; 273.115, subdivisions 2 and 3; 273.116, subdivisions 2 and 3; 273.13, subdivisions 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 14a, 16, 17, 17b, 17c, 17d, 19, 20, and 21; 273.133, by adding a subdivision; 273.135, subdivisions 1, 2, and 5; 273.1391, subdivisions 1, 2, and 4; 273.1392; 273.40; 273.42, subdivision 2; 275.50, by adding a subdivision; 275.51, subdivision 3h; 277.03; 277.10; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 290.01, subdivisions 20, 20a, 20b, 20d, 20e, and 20f; 290.032, subdivision 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 3f, 3g, 11, and by adding a subdivision; 290.067, subdivision 1; 290.069, subdivision 4; 290.07, subdivision 1; 290.08, subdivision 26, and by adding a subdivision; 290.089, subdivision 2; 290.09, subdivisions 1 and 7; 290.091; 290.095, subdivisions 3, 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.14; 290.17, subdivision 2; 290.175; 290.18, subdivision 2; 290.21, subdivisions 3 and 4;

290.34, subdivision 1, and by adding a subdivision; 290.37, subdivision 1; 290.38; 290.39, subdivision 1a; 290.41, subdivision 2; 290.50, subdivisions 1, 5, and 6; 290.92, subdivisions 2a, 6, 11, 13, and 19; 290.93, subdivision 9; 290.932, subdivision 1; 290.933, subdivision 1; 290.936; 290A.03, subdivisions 3 and 13; 290A.04, subdivisions 1, 2, 3, and by adding a subdivision; 290A.06; 290A.07, subdivisions 2a and 3; 290A.10; 290A.19; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.18; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.34, subdivision 1; 297A.01, subdivisions 15 and 16; 297A.02, subdivisions 1, 2, and 3; 297A.03, subdivision 2; 297A.14; 297A.25, subdivision 1; 297A.26, subdivision 1, and by adding a subdivision; 297A.27, subdivision 1; 297A.35, subdivision 1; 298.09, subdivision 4; 298.40, by adding a subdivision; 299.05; 299F.26, subdivision 1; 473.556, subdivision 4; 477A.011, subdivision 3, and by adding subdivisions; 477A.013; 477A.018; 524.3-1202; amending Laws 1984, chapter 644, section 85; proposing coding for new law in Minnesota Statutes, chapters 16A; 124A; 270; 290; and 297A; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2; 270.75, subdivision 7; 273.115, subdivisions 1, 5, 6, and 7; 273.116, subdivisions 1, 5, 6, and 7; 273.1311; 273.1315; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 2f, 3d, 3e, 14, 15, 16, 17, 18, and 19; 290.067, subdivisions 2 and 4; 290.068, subdivision 6; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 1, 3, 4, 5, and 6; 290.09, subdivision 29; 290.101; 290.18, subdivision 4; 290.21, subdivision 8; 290.34, subdivision 2; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34, subdivision 2; 297A.15, subdivision 5; 297A.26, subdivision 3; 297A.275; 385.36; 477A.011, subdivision 10; and 477A.0131; repealing Laws 1982, chapter 523, article 7, section 3.

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

Schreiber, Dempsey, McKasy, Kvam and Himle have been appointed as such committee on the part of the House.

House File No. 756 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1985

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 756, 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.

RECESS

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

the President. The motion prevailed.

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

APPOINTMENTS

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

S.F. No. 1398: Messrs. Wegscheid, Freeman and Ms. Olson.

H.F. No. 1382: Messrs. Sieloff, Jude and Lessard.

H.F. No. 786: Messrs. Pogemiller, Storm and Dieterich.

H.F. No. 756: Messrs. Johnson, D.J.; Novak; Peterson, C.C.; Merriam and Petty.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Merriam; Bernhagen; Peterson, C.C.; Berg and Lessard introduced—

S.F. No. 1526: A bill for an act relating to natural resources; recodifying laws governing wild animals in general, the taking and possession of game and fish, and the management of natural resources; providing penalties; amending Minnesota Statutes 1984, sections 9.071; 14.02, subdivision 4; 14.38, subdivision 6; 18.021, subdivision 3; 84.0274, subdivision 6; 84.88, subdivision 2; 84.89; 84A.02; 85.018, subdivision 8; 86A.06; 97.42; 98.45, subdivision 1; 105.391, subdivisions 3 and 12; 105.417, subdivision 4; 105.74; 111.81, subdivision 1; 343.21, subdivision 8; 343.30; 347.011; 352B.01, subdivision 2; 361.25; 383C.13; 477A.12; 477A.13; 609.661; 624.719; proposing coding for new law in Minnesota Statutes, chapters 84; 97A; 97B; 97C; 347; 609; and 624; repealing Minnesota Statutes 1984, sections 97.40; 97.41; 97.43 to 97.47; 97.48, subdivisions 1 to 17 and 19 to 28; 97.481 to 97.487; 97.49 to 97.54; 97.55, subdivisions 1 to 6 and 8 to 16; 98.45, subdivisions 2, 3, and 5 to 8; 98.455 to 98.457; 98.46, subdivisions 1 to 2b, 4 to 17, and 19 to 26; 98.465 to 98.47; 98.48, subdivisions 1 to 8 and 10 to 16; 99.25; and 99.26 to 99.29; and chapters 100; 101; and 102.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Johnson, D.J.; Dicklich; Lessard; Johnson, D.E. and Gustafson introduced—

S.F. No. 1527: A resolution memorializing the governments of the United States and Canada to take prompt action to ensure that all travel on water routes between the United States and Canada by motorized watercraft be allowed.

Referred to the Committee on Veterans and General Legislation. Mr. Johnson, D.J. questioned the reference thereon and, under Rule 35, the resolution was referred to the Committee on Rules and Administration.

Messrs. Solon, Dicklich and Johnson, D.J. introduced—

S.F. No. 1528: A bill for an act relating to human services; establishing a program of equestrian activities for disabled persons; appropriating money.

Referred to the Committee on Health and Human Services.

MEMBERS EXCUSED

Mr. Berg was excused from the Session of today from 2:00 to 3:30 p.m. Mr. Johnson, D.J. was excused from the Session of today from 3:45 to 6:00 p.m. Mr. Solon was excused from the Session of today from 4:00 to 4:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Tuesday, May 7, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FOURTH DAY

St. Paul, Minnesota, Tuesday, May 7, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Arnold Weber.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 459: A bill for an act relating to probate; adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse's elective share, and omitted spouses and children; clarifying provisions relating to the award of costs in guardianship and conservatorship proceedings; providing for the payment of reasonable fees and expenses for

certain guardians and conservators; amending Minnesota Statutes 1984, sections 257.34, subdivision 1; 525.13; 525.145; and 525.703; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1984, sections 525.16; 525.17; 525.171; 525.172; 525.173; 525.20; 525.201; 525.202; 525.212 to 525.216.

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

Vanasek, Bishop and Seaberg.

Senate File No. 459 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 78:

H.F. No. 78: A bill for an act relating to crimes; defining the crime of owning or operating a disorderly house; requiring a mandatory fine for a person owning or operating a disorderly house; amending Minnesota Statutes 1984, section 609.33.

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

Staten, McLaughlin and Clark have been appointed as such committee on the part of the House.

House File No. 78 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1985

Ms. Berglin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 78, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 674:

H.F. No. 674: A bill for an act relating to human services; adoption; regulating adoptions by relatives; providing for procedural changes; amending Minnesota Statutes 1984, sections 259.21, by adding a subdivision; and 259.23, subdivisions 1 and 2; 259.27, subdivision 1; repealing Minnesota Statutes 1984, section 259.27, subdivision 2.

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

Clausnitzer, Skoglund and Seaberg have been appointed as such committee on the part of the House.

House File No. 674 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1985

Ms. Berglin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 674, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1523: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, board of regents of the University of Minnesota, the Mayo medical foundation, and the College of Saint Thomas, with certain conditions; providing for state board of education membership and staff assistance, a different source for an annual appropriation, student financial aid, course equivalency, common numbering, general education requirements, fees and licenses, vocational programs and budgets, vocational board policymaking, and emergency rulemaking; amending Minnesota Statutes 1984, sections 121.02, subdivision 1; 123.743; 125.08; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 16, and by adding a subdivision; 136A.132, subdivisions 3, 4, 5, and 6; 136A.162; 136C.04, subdivision 15; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 4 and 5; 136C.28, subdivision 2; 136C.33, subdivision 1; 136C.34; 136C.36; 141.25, subdivision 8; and 141.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; and 136; repealing Minnesota Statutes 1984, sections 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

Senate File No. 1523 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1985

Mr. Waldorf moved that the Senate do not concur in the amendments by the House to S.F. No. 1523, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1639 and 1641.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 1639: A bill for an act relating to state government; appropriating money to the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; prescribing funds, accounts, bonding, and fees; amending Minnesota Statutes 1984, sections 15.0591, subdivision 2; 17.101, subdivision 2; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11; 25.39, subdivision 4; 138.94; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 299A.01, subdivision 6; 340.14, subdivision 2; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.14; 349.151; 349.16; 349.161; 349.162; 349.17; 349.18, subdivisions 1 and 2; 349.19, subdivisions 5, 6, and by adding a subdivision; 349.20; 349.21; 349.211, subdivisions 3 and 4; 349.213, subdivision 1; 349.214, subdivisions 1 and 2; 349.22, subdivision 2; 349.31, subdivision 1; 352D.02, subdivision 1; 360.024; 473.373, subdivision 4; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 6; 473.386, subdivision 2; 473.388; 473.39; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivision; 473.435, subdivision 2; 473.446, subdivisions 1, 1a, 2a, and 3; 609.75, subdivision 3; 609.761; proposing coding for new law in Minnesota Statutes, chapters 219; and 473; proposing coding for new law as Minnesota Statutes, chapter 297C; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 349.19, subdivision 4; 349.212; 349.213, subdivision 2; 473.373, subdivisions 2 and 7; 473.384, subdivision 7; 473.408, subdivisions 3, 3A, 3B, and 5; 473.436; 473.438; and 473.446, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1524, now on the Calendar.

H.F. No. 1641: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; providing for the compensation of metropolitan government personnel; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1; 3.21; 3.85, subdivision 11; 3.9223, subdivision 1; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 15.50, subdivision 3; 16A.055, subdivision 1; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 16B.09, by adding a subdivision; 16B.29; 43A.07, subdivision 2; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, 16, and by adding subdivisions; 85A.04, subdivision 3; 86.72; 86.75; 97.4841, subdivision 3; 97.4842, subdivision 2; 97.50, subdivision 1; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and by

adding a subdivision; 98.47, subdivision 1; 100.271, subdivision 2; 115.03, by adding a subdivision; 115A.05, subdivision 1; 115A.908, subdivisions 2 and 3; 116J.76; 116M.03, by adding a subdivision; 179A.03, subdivision 17; 179A.04, subdivision 3; 179A.13; 179A.16; 179A.21; 179A.25; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.07, subdivision 2a; 268.38, subdivisions 1, 2, 6, 7, and 8; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 361.03, subdivision 5; 361.27; 462C.05, subdivision 2, and by adding a subdivision; 462C.07, subdivision 1, and by adding a subdivision; 473.123, subdivision 5; 473.129, subdivision 2; 473.141, subdivisions 7 and 12; 473.605, subdivision 2; 473.606, subdivisions 1 and 5; 473.704, by adding a subdivision; 473.714; 487.01, subdivision 5; 609.101; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 85A; 97; 116; 139; and 270; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1984, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 46.15; 48.87; 69.031, subdivision 2; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 1; 115A.05, subdivision 3; 115A.201, subdivision 2; 115A.22, subdivision 4; 116M.06, subdivision 5; 116M.07, subdivision 3; 124.471; 179A.03, subdivision 3; 179A.05; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; 360.389; 403.01, subdivision 1; and Laws 1982, chapter 489, section 11.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Mr. Peterson, R.W. introduced—

Senate Resolution No. 83: A Senate resolution congratulating Chisago Lakes High School on participating in the 1985 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Mr. Frederick introduced—

Senate Resolution No. 84: A Senate resolution congratulating the Future Farmers of America dairy team from Owatonna High School for winning the state title.

Referred to the Committee on Rules and Administration.

Ms. Reichgott and Mr. Jude introduced—

Senate Resolution No. 85: A Senate resolution congratulating the Robbinsdale-Armstrong Senior High School Team for placing second in the Fourth Annual Minnesota Future Problem Solving State Bowl.

Referred to the Committee on Rules and Administration.

Ms. Reichgott and Mr. Jude introduced—

Senate Resolution No. 86: A Senate resolution congratulating Robbins-

dale-Armstrong High School on participating in the 1985 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 1109: A bill for an act relating to state government; concerning the state procurement of goods and services from small businesses; removing geographical distribution requirements and preference program limitations; including sheltered workshops in definition of socially or economically disadvantaged persons; amending Minnesota Statutes 1984, sections 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5.

Mr. Moe, D.M. moved to amend H.F. No. 1109 as follows:

Page 2, line 9, delete "must" and insert "may" and delete everything after "aside"

Page 2, line 12, delete "five-percent" and after "preference" insert "not to exceed 12-1/2 percent,"

Page 2, line 15, after the period, insert "In awarding any preference under this subdivision, the commissioner shall set the percentage at a rate that will further the purposes of this subdivision at the least cost to the state."

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

Mr. Frederickson moved to amend H.F. No. 1109 as follows:

Page 6, line 5, after "that" insert "except for sheltered workshops and work activity programs,"

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend H.F. No. 1109 as follows:

Page 4, after line 27, insert:

"Sec. 5. Minnesota Statutes 1984, section 16B.19, is amended by adding a subdivision to read:

Subd. 11. [WARRANTY.] The commissioner shall require agreements providing not less than a one-year warranty to accompany all offers or bids under this section. The commissioner may adopt rules relative to the warranty provided for in this subdivision."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing for a warranty for certain small business preferences and set-asides;"

Page 1, line 7, delete "a subdivision" and insert "subdivisions"

The motion prevailed. So the amendment was adopted.

Ms. Peterson, D.C. moved to amend H.F. No. 1109 as follows:

Page 6, line 7, strike everything after "years"

Page 6, line 8, strike "first set-aside award" and insert "*during which the business receives set-aside awards*"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Berglin	Kroening	Moe, R. D.	Petty	Vega
Dieterich	Lantry	Nelson	Pogemiller	
Freeman	Luther	Peterson, C.C.	Reichgott	
Hughes	Merriam	Peterson, D.C.	Spear	
Knaak	Moe, D. M.	Peterson, R.W.	Storm	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Stumpf
Anderson	DeCramer	Jude	Olson	Taylor
Belanger	Dicklich	Kamrath	Pehler	Waldorf
Benson	Diessner	Knutson	Peterson, D.L.	Wegscheid
Berg	Frank	Kronebusch	Purfeerst	Willet
Bernhagen	Frederick	Laidig	Ramstad	
Bertram	Frederickson	Langseth	Samuelson	
Brataas	Gustafson	Lessard	Schmitz	
Chmielewski	Isackson	McQuaid	Sieloff	

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

H.F. No. 1109 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 876: A bill for an act relating to hazardous waste; establishing a hazardous substance compensation trust account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

Mr. Diessner moved to amend H.F. No. 876, the unofficial engrossment, as amended by the Ramstad amendment adopted by the Senate May 2, 1985, as follows:

Delete the Ramstad amendment

Page 6, line 33, delete "subdivision 4" and insert "subdivisions 4 and 5"

Page 7, after line 32, insert:

"Subd. 5. [USE OF FUND PROCEEDS PROHIBITED.] A claimant who receives compensation from the fund and who brings an action in court for additional damages not compensated by the fund must not use money received from the fund to pay for any costs, disbursements, or attorney fees in the court action. The payment of attorney fees in the court action must be on a contingency basis."

Mr. Sieloff requested division of the amendment.

The President ruled that the amendment was not divisible.

Mr. Sieloff appealed the decision of the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 876. The Sergeant at Arms was instructed to bring in the absent members.

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

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

So the decision of the President was sustained.

Mr. Sieloff raised a point of order that the Diessner amendment was out of order because it was the equivalent question of the Ramstad amendment.

The President ruled that the point of order was not well taken.

Mr. Sieloff appealed the decision of the President.

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

judgment of the Senate?"

The roll was called, and there were yeas 40 and nays 25, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

So the decision of the President was sustained.

H.F. No. 876 was then progressed.

SPECIAL ORDER

H.F. No. 848: A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; changing the crimes of "intrafamilial sexual abuse" to "criminal sexual abuse" and limiting the discretion of courts to stay sentences for these crimes; requiring that investigative interviews with child abuse victims be tape-recorded; providing a training program for child protection workers and requiring a new job classification in child protection; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1, and by adding subdivisions; 260.301; 595.02, subdivision 3; 609.364 to 609.3644; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.

Mr. Merriam moved to amend H.F. No. 848, the unofficial engrossment, as follows:

Page 14, after line 3, insert:

"Sec. 17. [626.559] [RECORDING OF INTERVIEWS WITH CHILD ABUSE VICTIMS.]

When an interview is conducted with a child who is an alleged victim of physical or sexual abuse, as defined under section 626.556, subdivision 2, by the prosecuting attorney, or any person designated by him, the interview must be recorded on audio or video tape. The tape recording must be maintained by the prosecuting attorney or law enforcement agency while the investigation is active and is subject to section 13.82, subdivision 5. The tape

recording is confidential data."

Renumber the sections in sequence

Page 16, line 33, delete "19" and insert "20"

Page 16, line 35, delete "18, and 20" and insert "19, and 21"

Amend the title as follows:

Page 1, line 17, after the semicolon, insert "requiring that investigative interviews with child abuse victims be tape-recorded;"

Page 1, line 33, after "244" insert "; 626;"

CALL OF THE SENATE

Ms. Reichgott imposed a call of the Senate for the vote on the Merriam amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 43 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Olson	Solon
Anderson	Dicklich	Knaak	Pehler	Stumpf
Belanger	Diessner	Kronebusch	Peterson, C.C.	Taylor
Benson	Dieterich	Langseth	Peterson, D.L.	Vega
Berg	Frank	Lessard	Peterson, R.W.	Waldorf
Bertram	Frederickson	Mehrkens	Ramstad	Wegscheid
Chmielewski	Gustafson	Merriam	Renneke	Willet
Dahl	Johnson, D.E.	Nelson	Samuelson	
Davis	Jude	Novak	Schmitz	

Those who voted in the negative were:

Berglin	Isackson	Lantry	Peterson, D.C.	Reichgott
Bernhagen	Knutson	Luther	Petty	Spear
Frederick	Kroening	McQuaid	Pogemiller	Storm
Hughes	Laidig	Moe, D.M.	Purfeerst	

The motion prevailed. So the amendment was adopted.

H.F. No. 848 was then progressed.

SPECIAL ORDER

H.F. No. 191: A bill for an act relating to local and state government; requiring prompt payment of local government bills; amending Minnesota Statutes 1984, section 16A.124, subdivisions 1, 5, and 8, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471.

Mr. Wegscheid moved to amend H.F. No. 191, as amended pursuant to Rule 49, adopted by the Senate April 23, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 445.)

Page 4, line 7, delete "30" and insert "ten"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend H.F. No. 191, as amended pursuant to Rule 49, adopted by the Senate April 23, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 445.)

Page 4, line 12, after "except" insert "as"

Page 4, lines 13 and 35, delete "calculate and"

Page 4, line 22, delete "calculated and"

Page 5, line 2, delete "calculate and"

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

Mr. Renneke moved to amend H.F. No. 191, as amended pursuant to Rule 49, adopted by the Senate April 23, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 445.)

Page 3, delete lines 29 to 32

Page 3, line 33, delete "(b)" and insert "(a)" and delete everything after "municipalities"

Page 3, line 34, delete everything before the comma

Page 3, line 35, delete "15" and insert "30"

Page 3, line 36, delete "board" and insert "body of the municipality"

Page 4, line 1, delete everything after the first period

Page 4, line 2, delete "(c)" and insert "(b)"

The motion prevailed. So the amendment was adopted.

H.F. No. 191 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 54 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Davis	Knutson	Merriam	Petty
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So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 755: A bill for an act relating to horseracing; authorizing the

commission to adopt certain medication rules; amending Minnesota Statutes 1984, section 240.24.

Mr. Purfeerst moved that the amendment made to H.F. No. 755 by the Committee on Rules and Administration in the report adopted April 17, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 755 was then progressed.

SPECIAL ORDER

S.F. No. 966: A bill for an act relating to health; requiring a study and a report on the needs of persons with brain impairments.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 649: A bill for an act relating to St. Louis county; fixing the maximum amount of the county emergency fund; amending Minnesota Statutes 1984, section 383C.016.

Was read the third time 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 231: A bill for an act relating to St. Louis county; authorizing a private sale of certain tax-forfeited land.

Mr. Solon moved to amend H.F. No. 231, the unofficial engrossment, as follows:

Page 2, after line 1, insert:

“Sec. 2. [BONDS AUTHORIZED; TAX LEVY.]

Subdivision 1. The city council of the city of Carlton in Carlton county may by resolution authorize, sell, and issue general obligation bonds of the city in an amount not exceeding \$555,000 to finance the acquisition and betterment of a new fire hall. The bonds shall be authorized, sold, and issued in accordance with Minnesota Statutes, chapter 475, except that no election shall be required to authorize their issuance except as provided in subdivision 2, and the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53.

Subd. 2. Before the issuance of the bonds, the council shall publish in the official newspaper of the city a resolution authorizing their issuance, and if within ten days after the publication a petition is filed with the city clerk requesting an election on the proposition of issuing the bonds signed by a number of qualified voters equal to ten percent of the number voting at the last general election in the city, the bonds shall not be issued until the proposition has been approved by a majority of the votes cast on it at a regular or special election.

Subd. 3. Before the issuance of the bonds, the council shall levy ad valorem taxes for their payment in accordance with Minnesota Statutes, section 475.61. The taxes shall not be subject to any limitation as to rate or amount, and shall not be taken into account in determining the amount of any other taxes the city is authorized to levy.

Sec. 3. [CONTRIBUTIONS BY OTHER POLITICAL SUBDIVISIONS.]

Carlton county, any town, and any city, no matter how organized, within the county may enter into binding contracts with the city of Carlton: (a) to secure from the city of Carlton fire protection service for all or part of the area within their boundaries, and (b) to provide for the payment by the county or contracting town or city to the city of Carlton, specified amounts of the principal of and interest on bonds or other obligations issued by the city of Carlton to finance the cost of fire fighting facilities or equipment, on the terms and conditions and for the period their governing bodies shall determine. They may levy ad valorem taxes for the purpose on all taxable property within their boundaries or the area to be served. The taxes shall not be taken into account in determining the amount of any other taxes the county or any town or city within the county may levy, and taxes levied to provide money to pay a portion of the debt service on bonds or other obligations of the city of Carlton shall not be subject to limitation as to rate or amount. The contracts shall not constitute net debt of the county or the contracting town or city within the meaning of Minnesota Statutes, chapter 475.

Sec. 4. [CITY OF MCGREGOR; DEBT LIMIT.]

The city of McGregor may incur net debt of \$100,000 in excess of that permitted by Minnesota Statutes, chapter 475, for the construction of a library and related facilities.

Sec. 5. [FOND DU LAC RESERVATION LANDS.]

If a parcel of land subject to sale under Minnesota Statutes, sections 282.01 to 282.13, includes land within the Fond du Lac Indian reservation, the county auditor shall first offer the land to the Fond du Lac band of Chippewa Indians for sale at the appraised value. The cost of any survey or appraisal must be added to and made a part of the appraised value. To determine whether the band wants to buy the land, the county auditor shall give written notice to the band. If the band wants to buy the land, it shall submit a written offer to the county auditor within two weeks after receiving the notice. If the offer is for at least the appraised value, the county auditor shall accept it.

Sec. 6. [EFFECTIVE DATE.]

Sections 2 to 4 are effective the day following final enactment. Section 5 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Carlton county for land in Carlton county and by the governing body of St. Louis county for land in St. Louis county."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition and betterment of a new fire hall; permitting participation by other local government units; providing for the debt limit of the city of McGregor; requiring land within the Fond du Lac Indian reservation to be offered for sale to the Fond du Lac band; authorizing a private sale of certain tax-forfeited land in St. Louis county."

Mr. Pehler questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

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

Mr. Gustafson moved to amend H.F. No. 231, the unofficial engrossment, as follows:

Page 2, after line 1, insert:

"Sec. 2. [CITY OF THOMSON; LEVY LIMIT INCREASE.]

For taxes levied in 1985 only, the city of Thomson may levy an amount exceeding the limitations imposed by Minnesota Statutes 1984, section 275.11, by an amount not to exceed \$6,843."

Amend the title as follows:

Page 1, line 2, delete "St. Louis county" and insert "local government"

Page 1, line 3, before the period, insert "in St. Louis county; authorizing the city of Thomson to levy in excess of its per capita limitation for 1985"

Mr. Pehler questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

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

H.F. No. 231 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 54 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Pehler	Peterson, C.C.	Spear	Waldorf
Kroening				

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

The question recurred on H.F. No. 755.

SPECIAL ORDER

H.F. No. 755: A bill for an act relating to horseracing; authorizing the commission to adopt certain medication rules; amending Minnesota Statutes 1984, section 240.24.

Mr. Dieterich moved to amend H.F. No. 755 as follows:

Page 1, line 23, before "The" insert "*Subdivision 1. [PROHIBITION.]*"

Page 1, line 27, delete the comma

Page 2, lines 1 to 14, delete the new language

Page 2, after line 17, insert:

"Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, the commission by rule may allow the use of: (1) topical external applications that do not contain anesthetics or steroids; (2) food additives; (3) Furosemide or other pulmonary hemostatic agents if the agents are administered under the visual supervision of the veterinarian or assistant veterinarian employed by the commission; and (4) nonsteroidal anti-inflammatory drugs, provided that the test sample does not contain more than five micrograms of the substance or metabolites thereof per milliliter of blood plasma. For purposes of this clause, "test sample" means any bodily substance including blood, urine, saliva, or other substance as directed by the commission, taken from a horse

under the supervision of the commission veterinarian and in such manner as prescribed by the commission for the purpose of analysis."

Page 2, line 19, delete "section" and insert "subdivision"

Page 2, line 31, after the period insert "Section 2, subdivision 2, is repealed effective December 31, 1987."

The motion prevailed. So the amendment was adopted.

H.F. No. 755 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 25 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Isackson	Nelson	Schmitz
Bertram	Dicklich	Langseth	Novak	Solon
Chmielewski	Diessner	Lessard	Pehler	Stumpf
Dahl	Frederick	Mehrkens	Peterson, D.L.	Vega
Davis	Freeman	Moe, R.D.	Pogemiller	Willet

Those who voted in the negative were:

Anderson	Frank	Kronebusch	Peterson, C.C.	Spear
Belanger	Frederickson	Laidig	Peterson, D.C.	Storm
Benson	Gustafson	Lantry	Petty	Taylor
Berg	Johnson, D.E.	Luther	Purfeerst	Waldorf
Berglin	Jude	McQuaid	Ramstad	Wegscheid
Bernhagen	Kamrath	Merriam	Reichgott	
Brataas	Knaak	Moe, D.M.	Renneke	
Dieterich	Kroening	Olson	Sieloff	

So the bill, as amended, failed to pass.

RECONSIDERATION

Mr. Wegscheid moved that the vote whereby H.F. No. 191 was passed by the Senate on May 7, 1985, be now reconsidered. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Mr. Renneke moved that the vote whereby the Renneke amendment to H.F. No. 191 was adopted on May 7, 1985, be now reconsidered. The motion prevailed.

H.F. No. 191: A bill for an act relating to local and state government; requiring prompt payment of local government bills; amending Minnesota Statutes 1984, section 16A.124, subdivisions 1, 5, and 8, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471.

Mr. Renneke moved to amend H.F. No. 191, as amended pursuant to Rule 49, adopted by the Senate April 23, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 445.)

Page 3, line 31, delete "30" and insert "35"

Page 3, delete lines 33 to 36

Page 4, delete line 1 and insert:

“(b) For municipalities whose governing boards do not regularly meet at least once a month, the standard payment period is defined as 45 days after receipt of the goods or services or the invoice for the goods or services, whichever is later.”

The motion prevailed. So the amendment was adopted.

H.F. No. 191 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Kronebusch	Merriam	Petty	Vega
Davis				

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

SPECIAL ORDER

H.F. No. 374: A bill for an act relating to crimes; providing that persons guilty of failing to comply with fire security measures are guilty of obstructing legal process; redefining arson in the second and third degrees and negligent fires; prescribing penalties; amending Minnesota Statutes 1984, sections 299F.08, by adding a subdivision; 609.562; 609.563; and 609.576; proposing coding for new law in Minnesota Statutes, chapter 609.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 352: A bill for an act relating to taxation; providing for an annual compressed natural gas user permit; establishing compressed natural gas user permit fees in lieu of gas taxes; requiring a report to the legislature; providing a penalty; amending Minnesota Statutes 1984, sections 296.01, by adding a subdivision; 296.02, subdivision 1a; and 296.025, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 296.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1431: A resolution memorializing the negotiators for the United States at the Geneva arms talks to demand Soviet action to stop anti-Jewish discrimination and to allow Jews to emigrate.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 216: A bill for an act relating to financial institutions; credit unions; specifying certain powers; amending Minnesota Statutes 1984, sec-

tion 52.04, subdivision 1; repealing Minnesota Statutes 1984, section 52.04, subdivision 2.

Mr. Storm moved to amend H.F. No. 216, as amended pursuant to Rule 49, adopted by the Senate April 3, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 229.)

Page 6, after line 6, insert:

“Sec. 2. [CITY OF SAVAGE; DETACHED BANKING FACILITIES.]

Notwithstanding the limitations of Minnesota Statutes, section 47.52, and upon the approval of the commissioner of commerce, any state-chartered bank and its existing detached facility operating in the city of Savage as of July 1, 1983, which were acquired by merger with a national bank prior to January 1, 1984, may be operated as detached facilities of the acquiring bank and the acquiring national bank may continue to operate its existing detached facilities.”

Page 6, after line 9, insert:

“Sec. 4. [LOCAL APPROVAL.]

Section 2 is effective the day after approval by the Savage city council and compliance with Minnesota Statutes, section 645.021, subdivision 3, by the chief clerical officer of the city of Savage.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “authorizing the establishment of detached banking facilities in the city of Savage;”

The motion prevailed. So the amendment was adopted.

H.F. No. 216 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 50 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Schmitz
Anderson	DeCramer	Kamrath	Moe, R.D.	Sieloff
Belanger	Dicklich	Knaak	Olson	Solon
Berg	Diessner	Kroening	Peterson, D.C.	Spear
Berglin	Dieterich	Kronebusch	Peterson, D.L.	Storm
Bernhagen	Frank	Langseth	Petty	Stumpf
Bertram	Frederick	Lantry	Purfeerst	Taylor
Brataas	Gustafson	Lessard	Ramstad	Vega
Chmielewski	Isackson	Luther	Reichgott	Waldorf
Dahl	Johnson, D.E.	McQuaid	Renneke	Willit

Mr. Benson voted in the negative.

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

MEMBERS EXCUSED

Mr. Nelson was excused from the Session of today from 1:00 to 1:50 p.m.

Mr. Johnson, D.J. was excused from the Session of today from 2:00 to 3:00 p.m. and from 4:00 to 6:30 p.m. Mr. Frank was excused from the Session of today from 4:30 to 5:15 p.m. and from 5:30 to 6:05 p.m. Mr. Moe, D.M. was excused from the Session of today at 4:52 p.m. Mr. Hughes was excused from the Session of today at 5:30 p.m. Mr. Peterson, R.W. was excused from the Session of today at 6:00 p.m. Messrs. Laidig and Wegscheid were excused from the Session of today at 6:15 p.m. Mr. Mehrkens was excused from the Session of today at 6:25 p.m. Mr. Storm was excused from the Session of today at 6:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Wednesday, May 8, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIFTH DAY

St. Paul, Minnesota, Wednesday, May 8, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Raymond J. Zweber.

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

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

The President declared a quorum present.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 756 at 1:00 p.m.:

Messrs. Johnson, D.J.; Peterson, C.C.; Novak; Petty and Merriam. The motion prevailed.

MESSAGES FROM THE HOUSE

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. 1398: A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66, subdivision 1; and 475.76, subdivision 1.

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

Schreiber, Knickerbocker and Voss.

Senate File No. 1398 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 227:

H.F. No. 227: A bill for an act relating to horse racing; providing for racing days at county fairs; amending Minnesota Statutes 1984, section 240.14, subdivision 3.

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

Minne, Redalen and Frerichs have been appointed as such committee on the part of the House.

House File No. 227 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1985

Mr. Dicklich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 227, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 889:

H.F. No. 889: A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

The House respectfully requests that a Conference Committee of three

members be appointed thereon.

Frederickson, Solberg and Uphus have been appointed as such committee on the part of the House.

House File No. 889 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1985

Mr. Bertram moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 889, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1037:

H.F. No. 1037: A bill for an act relating to utilities; exempting small, qualifying energy facilities from the certificate of need process; amending Minnesota Statutes 1984, section 216B.243, subdivision 8.

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

Tjornhom, Redalen and Jacobs have been appointed as such committee on the part of the House.

House File No. 1037 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1985

Mr. Vega moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1037, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 88.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 88: A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contribu-

tions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of summer program aid, transportation aid, special education aid, secondary vocational aid, and other aids; establishing an aid and levy formula for excellence in teaching and curriculum; providing for a temporary definition of school bus; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivision 3, and by adding a subdivision; 121.88; 121.882, subdivision 2, and by adding a subdivision; 121.904, subdivisions 4a and 4c; 121.912, subdivision 1; 122.86, subdivision 1; 123.33, by adding a subdivision; 123.36, subdivision 1; 123.58, by adding a subdivision; 123.705, subdivision 1; 123.742, subdivision 7, and by adding subdivisions; 123.7431, subdivision 1; 124.09; 124.14, subdivision 4; 124.17, by adding subdivisions; 124.19, subdivision 1; 124.195, subdivision 9; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivisions 1 and 6; 124.271, subdivision 2b, and by adding a subdivision; 124.2711, subdivision 1; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, and 10; 124.48, by adding a subdivision; 124.573, subdivision 2; 124.574, subdivision 2b; 124.646, subdivision 1; 124A.02, subdivisions 6, 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2 and 3, and by adding a subdivision; 124A.037; 124A.06, subdivisions 1 and 3a; 124A.08, subdivisions 3a and 5; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivision 5a; 124A.16, subdivisions 2 and 4; 125.05, subdivisions 1 and 5; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36; 129B.38, subdivision 1; 129B.39; 129B.40; 134.31, subdivisions 2 and 3; 134.35; 134.351, subdivision 1; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5b, 5d, 8, 8a, and 8b, and by adding subdivisions; 290.06, by adding a subdivision; 298.28, subdivision 1; 354.06, subdivision 1; 354.43, subdivision 3; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; 355.46, subdivision 3; and Laws 1973, chapter 683, section 26, subdivision 17, as amended; Laws 1984, chapter 463, article 9, section 9; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 124A; 126; 129B; 134; and 136A; repealing Minnesota Statutes 1984, sections 120.17, subdivision 1a; 120.172, subdivision 3; 122.84; 122.85; 122.89; 123.3511; 123.3512; 123.3513; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2 and 2a; 124.273, subdivisions 2b and 5; 124.32, subdivision 9a; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.33; 129B.34; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47.

Mr. Moe, R.D. moved that H.F. No. 88 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

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

S.F. No. 905: A bill for an act relating to insurance; authorizing the receiver of an insolvent insurer to accelerate the distribution of available assets in payment of claims against the insurer; establishing priority of certain claims; providing for recoupment of assessments; amending Minnesota Statutes 1984, sections 60B.44, subdivision 1; 60B.46, by adding subdivisions; 60C.05, subdivision 1; 60C.18; and 61B.07, by adding a subdivision.

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

Page 1, after line 25, insert:

“Sec. 2. Minnesota Statutes 1984, section 60B.44, subdivision 4, is amended to read:

Subd. 4. [LOSS CLAIMS.] *All claims of a guaranty association, all claims under policies or contracts of coverage for losses incurred including third party claims, and all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which are not under policies or contracts, except the first \$200 of losses otherwise payable to any claimant under this subdivision. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. Claims may not be cumulated by assignment to avoid application of the \$200 deductible provision. That portion of any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by the claimant shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment made by an employer to his employee shall be treated as a gratuity.*”

Page 2, line 30, after the semicolon, insert “and”

Page 3, line 3, delete “such”

Page 3, line 4, after “estimated” insert “to be”

Page 3, line 6, delete “, and” and insert “. The proposal”

Pages 4 to 6, delete sections 7 and 8

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything before “amending”

Page 1, line 7, delete “subdivision” and insert “subdivisions”

Page 1, line 8, after “1” insert “and 4” and after “subdivisions;” insert “and”

Page 1, line 9, delete “; 60C.18; and 61B.07, by adding a subdivision”

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

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

S.F. No. 1455: A bill for an act relating to taxation; property; extending the exemption for certain property held by a municipality.

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

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert "relating to the city of Little Falls; extending the duration of the tax exemption for certain property held by the municipality."

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

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

S.F. No. 1512: A bill for an act relating to tax increment financing; transferring duties to the state auditor; imposing financial reporting and accounting requirements; repealing the authority to provide interest reduction programs; amending Minnesota Statutes 1984, sections 273.74, subdivisions 2, 5, and by adding a subdivision; and 298.2211, subdivision 1; repealing Minnesota Statutes 1984, section 462.445, subdivisions 10, 11, 11a, 12, and 13.

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

Page 2, line 9, reinstate the stricken language and delete "*state auditor*"

Page 2, line 10, delete "*state auditor*" and insert "*commissioner*"

Page 2, delete section 2

Page 4, line 12, delete "*sold to*" and insert "*paid by*"

Pages 4 and 5, delete sections 4 to 7 and insert:

"Sec. 3. Minnesota Statutes 1984, section 273.75, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, by a housing and redevelopment authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums

for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. *Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 462.445, subdivisions 10 to 13, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (a) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (b) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 273.77 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (c) not more than 50 percent of the estimated tax increment derived from a project may be used to finance an interest reduction program for owner-occupied single-family dwellings unless a project is located in an area which would qualify as a redevelopment district.* These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment shall be used for the construction or renovation of a municipally owned building used primarily and regularly for conducting the business of the municipality; this provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park or a facility used for social, recreational or conference purposes and not primarily for conducting the business of the municipality.

Sec. 4. Minnesota Statutes 1984, section 475.52, subdivision 6, is amended to read:

Subd. 6. [CERTAIN PURPOSES.] Any municipality may issue bonds for paying judgments against it; for refunding outstanding bonds; ~~or~~ for funding floating indebtedness; *or for funding all or part of the municipality's current and future unfunded liability for a pension or retirement fund or plan referred to in section 356.20, subdivision 2, as those liabilities are most recently computed pursuant to sections 356.215 and 356.216 by purchasing from an insurance company or financial corporation a contractual obligation providing for the deposit annually in the pension or retirement fund or plan the amount required to liquidate all or part of the liability within the period required by law. A pension or relief association referred to in section 69.77 shall be a party to any contractual obligation made under this section that affects the funding of liabilities for pension and retirement benefits for which it is responsible.*

Sec. 5. Minnesota Statutes 1984, section 475.54, is amended by adding a subdivision to read:

Subd. 5a. *Any obligation may be issued giving its owner the right to tender, or its issuer to demand tender of, the obligation to the issuing municipality or other person designated by the municipality, for purchase by the*

issuing municipality or person at the time or times determined by the governing body, if the municipality has first entered into an agreement with a suitable financial institution obligating the financial institution to provide funds to the municipality on a timely basis for purchase of bonds tendered to it. The purchase of a tendered obligation by or on behalf of the municipality shall not be deemed a payment or discharge of the obligation. Obligations tendered for purchase may be remarketed by or on behalf of the municipality or any other purchaser. The municipality may enter into agreements deemed appropriate to provide for the purchase of tendered obligations, including provisions under which undelivered obligations may be deemed tendered for purchase and new obligations may be substituted for them, the reimbursement to any person of amounts provided to purchase tendered obligations on behalf of the municipality, the remarketing of tendered obligations, and similar or related agreements. Obligations subject to tender for purchase shall not be deemed to mature within the meaning of subdivision 1 on any date for tender.

Sec. 6. Minnesota Statutes 1984, section 475.56, is amended to read:

475.56 [INTEREST RATE.]

Any municipality issuing obligations under any law may issue obligations bearing interest at a single rate or at rates varying from year to year which may be lower or higher in later years than in earlier years. Such higher rate for any period prior to maturity may be represented in part by separate coupons designated as additional coupons, extra coupons, or B coupons, but the highest aggregate rate of interest contracted to be so paid for any period shall not exceed the maximum rate authorized by law. Such higher rate may also be represented in part by the issuance of additional obligations of the same series, over and above but not exceeding two percent of the amount otherwise authorized to be issued, and the amount of such additional obligations shall not be included in the amount required by section 475.59 to be stated in any bond resolution, notice, or ballot, or in the sale price required by section 475.60 or any other law to be paid; but if the principal amount of the entire series exceeds its cash sale price, such excess shall not, when added to the total amount of interest payable on all obligations of the series to their stated maturity dates, cause the average annual rate of such interest to exceed the maximum rate authorized by law. This section does not authorize a provision in any such obligations for the payment of a higher rate of interest after maturity than before. *Any obligation of an issue of obligations otherwise subject to section 475.55, subdivision 1, may bear interest at a rate varying periodically at the time or times and on the terms, including convertibility to a fixed rate of interest, determined by the governing body of the municipality, but the rate of interest for any period shall not exceed the maximum rate of interest for the obligations determined in accordance with section 475.55, subdivision 1. For purposes of section 475.61, subdivisions 1 and 3, the interest payable on variable rate obligations for their term shall be determined as if their rate of interest is the maximum rate permitted for the obligations under section 475.55, subdivision 1, or the lesser maximum rate of interest payable on the obligations in accordance with their terms, but if the interest rate is subsequently converted to a fixed rate the levy may be modified to provide at least five percent in excess of amounts necessary to pay principal of and interest at the fixed rate on the obligations when due.*

Sec. 7. Minnesota Statutes 1984, section 475.58, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY MAJORITY OF ELECTORS; EXCEPTIONS.] Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

- (1) to pay any unpaid judgment against the municipality;
- (2) for refunding obligations;
- (3) for an improvement, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement is to be assessed against benefited property or is estimated to be received from such taxes within the district;
- (4) payable wholly from the income of revenue producing conveniences;
- (5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election; ~~and~~
- (6) under the provisions of a law which permits the issuance of obligations of a municipality without an election; *and*
- (7) *to fund unfunded pension liabilities.*

Sec. 8. Minnesota Statutes 1984, 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 \$300,000 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; *and*
- (5) *Obligations issued to fund unfunded pension liabilities, obligations referred to in section 475.54, subdivision 5a, obligations referred to in section 475.67, subdivision 13, and any issue of obligations comprised in whole*

or in part of obligations bearing interest at a rate or rates which vary periodically.

Sec. 9. Minnesota Statutes 1984, section 475.67, subdivision 8, is amended to read:

Subd. 8. Securities purchased for the escrow account shall be limited to:

(a) general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association; or

(b) obligations issued or guaranteed by any state or any political subdivision of a state, which at the date of purchase are rated the highest or the next highest rating given by Standard and Poor's Corporation, Moody's Investors Service, or a similar nationally recognized rating agency, but not less than the rating on the refunded bonds immediately prior to the refunding.

Sec. 10. Minnesota Statutes 1984, section 475.67, is amended by adding a subdivision to read:

Subd. 13. Crossover refunding obligations may be issued by a municipality without regard to the limitations in subdivisions 4 to 10. The proceeds of crossover refunding obligations, less any proceeds applied to payment of the costs of their issuance, shall be deposited in a debt service fund irrevocably appropriated to the payment of principal of and interest on the refunding obligations until the date the proceeds are applied to payment of the obligations to be refunded. The debt service fund shall be maintained as an escrow account with a suitable financial institution within or without the state and amounts in it shall be invested in securities described in subdivision 8 maturing or callable at the option of the holder on the dates and bearing interest at the rates required to provide funds sufficient, with any cash retained or deposited in the escrow account, to pay when due principal and interest to become due on the refunding obligations on or before the next date on which the refunding of the obligations to be refunded may be effected. Excess proceeds, if any, of the tax levy pursuant to section 475.61, subdivision 1, made with respect to the obligations to be refunded, may be deposited in the escrow account. In the resolution authorizing the issuance of crossover refunding obligations, the governing body may pledge to their payment any sources of payment of the obligations to be refunded. The pledge shall become effective on the date of payment of the obligations to be refunded. Subdivisions 11 and 12 shall not apply to any crossover refunding obligations, or the obligations to be refunded, if the resolution or ordinance authorizing the issuance of the obligations to be refunded states that the obligations are issued in contemplation of the issuance of crossover refunding obligations. No tax levy shall be required under section 475.61, subdivision 1, for the refunding obligations for years prior to the date on which the refunding of the obligations to be refunded is effected.

Sec. 11. [REPEALER.]

Minnesota Statutes 1984, section 462.445, subdivision 13, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1985. Section 3 is effective for all interest reduction programs established after December 31, 1985. The other sections are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public finance; imposing financial reporting and accounting requirements; allowing municipalities to issue bonds for pension liabilities; allowing municipalities to issue bonds on various conditions; limiting use of tax increments in interest reduction programs; removing limitation on duration of interest reduction programs; amending Minnesota Statutes 1984, sections 273.74, subdivision 2, and by adding a subdivision; 273.75, subdivision 4; 475.52, subdivision 6; 475.54, by adding a subdivision; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; and 475.67, subdivision 8, and by adding a subdivision; repealing Minnesota Statutes 1984, section 462.445, subdivision 13."

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

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

S.F. No. 1424: A bill for an act relating to the metropolitan sports facilities commission; renaming it the metropolitan sports and convention facilities commission; authorizing it to acquire, design, construct, equip, improve, control, operate, and maintain convention and trade show facilities and related facilities in the city of Minneapolis and to expend certain money for it; authorizing it to exercise eminent domain; authorizing it to issue bonds to finance the acquisition and betterment of convention and trade show facilities and related facilities; authorizing the city of Minneapolis to expend certain funds, including taxes and tax increments, for commission purposes; authorizing the city of Minneapolis and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes and to issue bonds to finance the acquisition and betterment of the facility; authorizing the city to proceed with the convention and trade show facilities if the commission does not; authorizing the council to issue bonds to finance the acquisition and betterment of convention and trade show facilities or to refund outstanding bonds issued to finance certain sports facilities, and to levy taxes; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Delete everything after the enacting clause and insert:

"Section 1. [473.5961] [CONVENTION AND RELATED FACILITIES.]

Subdivision 1. [PURPOSE.] Sections 1 to 8 are enacted to establish and provide for the construction, financing, and operation of a Minnesota metropolitan convention center of a size and character competitive in the national and international market for conventions and trade shows, at the site

of the existing convention hall and auditorium in the city of Minneapolis, substantially in accordance with design criteria set forth in the "Report on a Minnesota Convention and Trade Show Facility" dated February 5, 1985, which was prepared and submitted to the governor and legislature pursuant to Laws 1984, chapter 654, article 2, section 152, together with desirable related facilities. It is determined that this is an initiative of major concern to the state, the city of Minneapolis and its surrounding metropolitan area regarding their common objectives of economic development, increase in employment and increase in the bases for income, sales, and property taxes to pay costs of government, and is therefore an appropriate purpose for the allocation of resources of each of these levels of government as authorized below.

Subd. 2. [DEFINITIONS.] For purposes of sections 1 to 8, the following terms have the following meanings:

(a) "Board" means the convention construction board established by section 2.

(b) "Bonds" means any bonds, notes, or other obligations, including obligations to pay under a financing lease or installment contract of an issuer.

(c) "City" means the city of Minneapolis.

(d) "Commission" means the Minnesota sports and convention facilities commission.

(e) "Convention facilities" means all property, real or personal, tangible or intangible, located in the city of Minneapolis, to be used as part of convention and trade show facilities located on the facility site, and additions or extensions of the facilities.

(f) "Council" means the metropolitan council.

(g) "Facility site" means the land on which the existing convention hall and auditorium of the city of Minneapolis is located and which is owned by the city, together with any adjacent property the commission determines to be necessary and appropriate for the construction or improvement of convention and trade show facilities.

(h) "Related facilities" means all property, real or personal, tangible or intangible, located on or within 1,000 feet of the boundary of the facility site which facilitates the use of the convention facilities, including but not limited to parking, pedestrian, and meeting facilities and any other facilities related and or useful in the fulfillment of the purposes of the convention facilities.

Sec. 2. [473.5962] [CONVENTION AND CONSTRUCTION BOARD.]

Subdivision 1. [ESTABLISHMENT.] A convention construction board is established to oversee construction of the convention facilities. The board shall not be deemed a state agency. The board shall design, construct, equip, furnish, and improve convention facilities, and at the request of the commission, related facilities. The board shall consist of five members. Notwithstanding any other provision of law, the governor shall initially appoint five members and designate one member as chair within 30 days following the effective date of this section and members may be appointed without regard to residence, office, position, or employment but shall have in their individ-

ual capacities no direct or indirect interest in any contract for the acquisition or betterment of any convention and trade show facilities. Not more than one member of the commission and no member of the city council of the city may be appointed. The appointments are not subject to section 15.0597, but the terms and removal of board members and the filling of vacancies on the board are as provided in section 15.0575. A person shall not be deemed to have an interest in any contract because of any public office held by the person. Each member of the board shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the officer administering it, shall be filed with the chairperson of the commission.

Subd. 2. [ACTIONS; DURATION.] The board shall act by a majority of members, adopt rules and bylaws, including procedural rules for the conduct of its meetings, appoint officers, and hold meetings to carry out the duties and functions assigned to it by sections 1 to 8. The provisions of section 471.705 do not apply to meetings of the board, but the board shall make tape recordings or other electronic records of its meetings and shall adopt rules under which the meeting records are to be available to the public. The board shall continue in existence until the board determines (1) that construction of the convention facilities is substantially complete, or (2) that the convention facilities cannot be constructed. In exercising its powers under sections 1 to 8, the board shall not be subject to sections 473.161, 473.165, 473.173, and 473.556, subdivision 6.

Subd. 3. [BOARD COMPENSATION.] Members of the board shall be paid \$50 for each day or part of a day devoted to board business. The chair of the board shall be paid a salary as the board shall establish. The members and chair shall be reimbursed for reasonable expenses incurred in connection with board business.

Subd. 4. [RELATIONSHIP OF BOARD TO COMMISSION.] To the extent the board does not have other funds available for the purpose, the commission shall from available funds pay or reimburse the board for all costs incurred by the board within the scope of its authority and the compensation required to be paid to board members. Upon termination of the board the commission shall be the successor in interest to the board for all rights, privileges and duties of the board created in sections 1 to 8 or arising under any contracts entered into by the board within the scope of its authority. The board and commission shall cooperate to the greatest extent practicable to permit each to discharge its duties under sections 1 to 8.

Subd. 5. [POWERS OF THE BOARD.] The board shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to the following:

(a) The board may sue and be sued, and shall be a public body within the meaning of chapter 562.

(b) The board may employ, without public bidding, persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for either design or construction, with respect to all or any part of the convention facilities or related facilities. Notwithstanding the foregoing, contractors for actual construction services shall be selected through a process of public bidding determined by

the board and approved by the commissioner of administration, but the board may narrow the listing of eligible bidders to those that the board determines to possess sufficient expertise to perform the intended functions. The board's determination of eligible bidders must be made according to criteria adopted by the board and made public before the process of public bidding begins. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the board and shall post a bond in an amount at least equal to 100 percent of the certified price, including but not limited to costs incurred by the board or the commission or loss of revenues by the commission resulting from incomplete construction on the completion date. The board shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien under the provisions of sections 514.01 to 514.16.

(c) The board may employ persons and contract for services necessary to carry out its functions. The board shall adopt a personnel policy in accordance with the guidelines adopted by the council under section 473.141, subdivision 9. Employees of the board are not public employees for purposes of chapters 43A and 179A and are not members of a public pension fund.

(d) The board may, subject to approval by the commission, accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection with them, and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, loan, or related agreement.

(e) The board may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the board or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

(f) In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to sections 1 to 8, the board shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16B.19 to 16B.22.

Subd. 6. [ENVIRONMENTAL IMPACT STATEMENT.] The board shall be the responsible governmental unit for preparation of an environmental assessment worksheet for the convention facilities. The board shall complete the environmental assessment worksheet within 30 days of notifying the environmental quality board of the facility site and scope of the convention facilities. If an environmental impact statement is necessary, the board shall prepare it. The final statement shall be accepted by the environmental quality board no later than 180 days following the determination that

an environmental impact statement is necessary. The environmental assessment worksheet and any environmental impact statement for the proposed convention center shall be prepared in accordance with sections 1 to 8, and to the extent consistent with this act, in accordance with chapter 116D and rules issued pursuant to it. Any declaratory judgment action pursuant to section 116D.04, subdivision 10, shall be heard and decided within 60 days of the decision challenged and shall be initiated within 15 days of the decision. The board may engage the department of transportation, the pollution control agency, or any other department or agency of the state, or private consultant to conduct studies necessary to the preparation of the worksheet or statement. The board shall reimburse state departments or agencies for costs incurred in conducting the studies.

Subd. 7. [PERMITS.] Within 60 days following the acceptance of the environmental impact statement by the environmental quality board, or a decision that an environmental impact statement is not required, the pollution control agency and any other department, agency, or unit of government shall take final action to approve or deny any permits necessary for the proposed convention center.

Subd. 8. [COMMENCEMENT OF CONSTRUCTION; CONDITIONS.] The construction or improvement of convention facilities in accordance with the contracts and applicable law shall commence as promptly as practicable following issuance of bonds for them authorized in sections 1 to 8, but the board shall not authorize the commencement of construction or improvement of any convention facilities until the commission has determined that each of the following has occurred or is satisfied:

(a) Demolition and construction costs under construction contracts, not including costs for construction managers, architectural, engineering, and other professional fees, insurance, bonds, permits, licenses, taxes, and similar costs for constructing or improving the convention facilities are not reasonably expected to require more than \$126,000,000 in public funds.

(b) The city has conveyed to the commission without cost the city's title to all parcels of land on which the existing convention hall and auditorium in the city are located and which are owned by the city on the date this section becomes effective, together with title to all structures and improvements on them and furnishings and equipment used in the operation of the facility. The title shall be free and clear of all liens and encumbrances not acceptable to the commission.

(c) In addition to the conveyance referred to in paragraph (b), the city has conveyed or has entered into arrangements satisfactory to the commission to convey to the commission without cost the fee title to other parcels of land satisfactory to the commission for all of the facility site or the city by binding contract has agreed to incur \$25,000,000 for acquisition, relocation, condemnation, demolition, clearance, and related costs, including professional fees, concerning any or all of the parcels. The title shall be free and clear of all liens and encumbrances not acceptable to the commission.

(d) The design plans for the convention facilities will be in substantial conformity with design criteria set forth in a "Report on a Minnesota Convention and Trade Show Facility" dated February 5, 1985, prepared by the Minnesota convention facility commission and submitted to the governor and

legislature.

(e) *Proceeds of the bonds, net of issuance costs, reserves and proceeds for the payment of interest on the bonds, will be paid, loaned, or otherwise made available to the board and will be sufficient, together with all other funds available to the commission or board for such purpose, to acquire, construct, improve, equip, and furnish the convention facilities in accordance with plans or designs which will be approved by the board.*

(f) *The board has executed agreements which will provide for the construction or improvement of the convention facilities for a certified construction price and a stated completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or board or loss of revenues resulting from incomplete construction on the completion date.*

(g) *The board has executed agreements with the appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay, or impede construction or improvement of the convention facilities.*

(h) *The revenues available to the commission will be sufficient to pay projected operating expenses, including any appropriate reserves for operations, repairs and replacements, and improvements of the convention facilities.*

Sec. 3. [473.5963] [ACQUISITION AND OPERATION; COMMISSION POWERS.]

The commission may acquire, own, lease, control, operate, and maintain convention facilities and related facilities. The commission may equip, furnish, and improve convention facilities. The commission may design, construct, equip, and improve related facilities at locations selected by the commission and approved by the city council of the city. With respect to contracts related to convention facilities and related facilities, the commission shall have the same rights and obligations of the commission that are provided by section 473.556, subdivisions 7 and 14, with respect to contracts related to sports facilities. For purposes of sections 1 to 8, including paying amounts owing under contracts entered into by the board, paying costs of operation and maintenance and paying or securing debt service and maintenance of reserves for any bonds issued pursuant to sections 1 to 8, the commission may expend money received by it from any source not required by law or contract to be expended for another purpose and enter into contracts to that effect with any persons, including the city, the council, or bondholders. The board shall maintain public financial records according to a system approved by the legislative auditor and make the records available to the legislative auditor upon request. The legislative auditor may conduct financial or performance audits of the board. The commission may pledge any of its property or funds, not otherwise restricted by law or contract, to the payment of principal of, premium, if any, or interest on bonds or other debt incurred in connection with the convention facilities or related facilities. The acquisition of any convention facilities or related facilities may be pursuant to a lease, lease with option to purchase agreement, installment sale contract, contract for deed, mortgage note, loan agreement, or other similar

contract or direct purchase, which may be secured by or payable from any property or money available to the commission not pledged or required by law or contract to be applied for another purpose. The commission may acquire all property and property rights necessary or desirable for convention facilities or related facilities by exercise of the power of eminent domain pursuant to chapter 117. In exercising its powers under sections 1 to 8, the commission shall not be subject to sections 473.161, 473.165, 473.173, and 473.556, subdivision 6.

Sec. 4. [473.5964] [TRANSFER OF CONVENTION HALL AND AUDITORIUM AND CITY EMPLOYEES.]

Subdivision 1. [CONVEYANCE AND ASSUMPTION OF CONTRACTS.] The city may transfer to the commission without consideration all right, title, and interest in the existing convention hall and auditorium in the city, together with any furnishings or equipment related to them, pursuant to agreements, instruments, and actions as the parties may agree upon. The commission shall thereupon assume and become obligated to perform all contracts of the city with respect to the operation, maintenance, and use of the facilities other than contracts of employment with city employees and collective bargaining agreements; provided that before the transfer the city shall have provided copies of all the contracts to the commission and advised the commission of all material terms of any contracts which are not in writing.

Subd. 2. [CONVEYANCE NOT RESTRICTED.] The property conveyed pursuant to this section shall not constitute a violation of any restrictions, reservations, rights of reentry, possibilities of reverter, forfeiture clauses, or other conditions arising from any previous conveyance of all or part of the property to the city from the state. After the conveyance to the commission, the commission's title shall not be subject to any restrictions, reservations, rights of reentry, possibilities of reverter, forfeiture clauses or other conditions contained in any previous state conveyance to the city, except for any reservation of minerals or mineral rights in the state.

Subd. 3. [REDUCTION IN CITY PARTICIPATION.] The amount of \$25,000,000 referred to in section 2, subdivision 8, paragraph (c), shall be reduced by any amount by which the city's net operating income from the facility for the city's fiscal year to date of transfer is negative, after adjustment for accounts receivable and accounts payable by the city from operation of the facility and only to the extent the city can establish that the city's net operating income from the facility for the entire fiscal year would have been more than the net operating income to the date of such transfer.

Subd. 4. [CITY EMPLOYEES.] Upon transfer by the city to the commission of the existing convention hall and auditorium contemplated in subdivision 1, all employees of the city who are appointed, classified full time, or on the effective date of this section are classified part time with at least 2,080 cumulative hours of employment with the city, and who work primarily in the administration, operation, or maintenance of the facility shall continue to be employees of the city without impairment of their civil service and other status as city employees and continue, under the direction of the commission, to be employed at the facility. The commission shall reimburse the city for their compensation and all other costs incurred by the city related to city

employees at the facility. The employment of other persons at the facility who are not city employees shall be on conditions that do not impair the status of the city employees.

Sec. 5. [473.5965] [FINANCING AND AID FOR FACILITIES.]

Subdivision 1. [CITY AND COUNCIL CONTRACTS.] The city or the council, collectively or individually, may enter into contracts with either the commission or board to exercise any power of the commission or board, granted under sections 1 to 8 or to perform any activity in which the commission or board may engage under sections 1 to 8. The city or the council may pledge, lease, sell, or transfer to, or lease, purchase, or acquire from the commission all or part of any convention facilities, related facilities, sports facilities, or property to be used or useful in these facilities or for their financing on the terms and conditions their governing bodies shall determine, but subject to the approval of the commission in regard to its properties. The city and council may exercise all powers conferred upon them by law to carry out the contracts.

Subd. 2. [PARTICIPATION BY THE CITY.] Before or after issuance of bonds pursuant to sections 1 to 8, the city may incur or pay costs relating to preliminary architectural, design, engineering, planning, financial, and legal services relevant to the acquisition, financing, construction, or operation of convention facilities and related facilities. The commission shall reimburse the city or otherwise pay for the costs in an amount up to \$300,000, but only to the extent of amounts received pursuant to section 6, subdivision 3. The city shall at the request of the council pay or reimburse the council for the payment of any costs incurred by the council with the prior approval of the city in connection with the financing of the convention facilities or any related facilities. The city may provide or pledge funds to pay all or part of the cost of acquisition and betterment of the convention facilities, related facilities or sports facilities, including any debt service or other borrowing costs incurred and costs relating to related refunding obligations. The city may provide or pledge funds to pay all or part of the costs to be incurred for the operation, leasing, maintenance, administration, or promotion of the convention facilities, or related facilities. Funds may be paid to the commission or the board for the purposes of this section. Funds referred to in this section are all money of the city not required by law or contract to be otherwise applied, and may include the proceeds of the tax levied pursuant to subdivision 7 and tax increments available to the city under any law and not required by contract or pledge to be otherwise applied. The acquisition and betterment of all or part of the convention facilities, any related facilities, or sports facilities, including any debt service or rental payments with respect to them, shall be a project for purposes of sections 273.71 to 273.78, and the costs related to the project shall constitute costs of redevelopment with respect to any industrial development district located in the city pursuant to chapter 458, public redevelopment costs of any project located in the city pursuant to chapter 462, capital and administration costs of any development district located in the city pursuant to chapter 472A and costs of the type referred to in Laws 1971, chapter 677, section 7, paragraph (c), with respect to any development district established pursuant to Laws 1971, chapter 677. The city may pledge or apply or, if the council is the issuer, enter into an agreement with the council pledging or applying any or all such tax incre-

ments to the payment of principal of, premium, if any, and interest on bonds issued pursuant to this section throughout the term of the bonds.

Subd. 3. [BONDS.] Subject to this section, the city may by resolution authorize, sell, and issue its bonds to finance all or a portion of the costs of acquisition or betterment of the convention facilities. Subject to this section, if the city council of the city should determine not to issue bonds to fund all costs for the acquisition and betterment of the convention facilities, the council, upon notice of the determination, shall by resolution authorize, sell, and issue its bonds to finance the costs not so financed by the city. Either or both of the city and the council may also authorize, sell, and issue bonds to finance the costs of acquisition and betterment of related facilities or sports facilities or to refund in accordance with section 475.67 bonds issued pursuant to this section or section 473.581. Before the city or the council issue bonds under this section, the commissioner of finance shall review the principal amount, terms, and conditions of the issuance. The bonds issued by the council shall be general obligation bonds, and bonds issued by the city may, but need not, be general obligations. If bonds are general obligations, taxes for them shall be levied and canceled in accordance with section 475.61 or section 6, as applicable. Bonds issued by the city may be limited obligations made payable from any or all funds available to the city, funds of the commission or the board (but only with the consent of the commission), taxes levied under subdivision 6 and appropriations received under section 6. Bonds issued by the council may also be payable from taxes levied under subdivision 7, appropriations received under section 6, and tax increments of the city. The bonds may be issued in one or more series and sold without election at public or private sale and at the price the issuer may determine. The bonds shall be secured, bear the interest rate or rates, have the rank or priority, be executed in the manner, be payable in the manner, mature and be subject to the redemptions, repurchases, tender options or other terms as the issuer may determine. The issuer may enter into and perform all contracts deemed necessary or desirable by it to issue the bonds and apply the proceeds of the bonds, including an indenture of trust with a trustee within or without the state and any related collateral security agreements. The resolution or indenture pursuant to which the bonds are issued may have the provisions and terms deemed necessary or desirable by the issuer to pay or secure payment of the bonds, to apply the proceeds of the bonds, or to aid the issuance or sale of the bonds or the acquisition or betterment of the facilities financed by them. In addition to other provisions, the resolution or indenture may provide for:

(a) the escrow, pledge, application, and disbursement of any bond proceeds or other funds;

(b) the mortgage or pledge of any funds or property;

(c) the custody, collection, securing, investment, payment, or transfer of any funds or property;

(d) the creation and maintenance of any reserves, sinking funds, or other special funds;

(e) the manner of amending the resolution or indenture;

(f) events of default and remedies for defaults;

(g) *the maintenance of insurance and application of insurance proceeds; and*

(h) *the appointment, duties, and rights of any trustee, paying agent, receiver, or other fiduciary and their successors.*

Bond proceeds for the acquisition or betterment of convention facilities, net of issuance costs, reserves, and proceeds for the payment of interest on the bonds shall be loaned or otherwise deposited for the benefit of the commission or the board. Any cost of acquisition and betterment referred to in sections 1 to 8 shall include all costs of acquisition or betterment referred to in section 475.65, capitalized interest for a period not longer than 36 months, any underwriter's discount, reserves for debt service, repair, or operations or costs for credit enhancement of the bonds. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, the council, or any county and any levy of taxes required by section 475.61 or section 6 to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city, the council, or any county. Subject to this section, bonds authorized by this section shall be sold, issued, and secured in the manner provided in chapter 475, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter.

Subd. 4. [VARIABLE RATE DEMAND BONDS.] *Any bond may be issued pursuant to this section giving the owner of the bond the right to tender or the issuer of the bonds to demand tender of the bond to the issuer, or other person designated by the issuer, for purchase by the issuer or the person at the time or times determined by the issuer, if the issuer has first entered into an agreement with a financial institution obligating the financial institution to provide funds on a timely basis for purchase of bonds tendered to the issuer. The purchase of any tendered bonds by or on behalf of the issuer shall not be deemed a payment or discharge of the bonds. Bonds tendered for purchase may be remarketed by or on behalf of the issuer or any other purchaser. The issuer may enter into agreements deemed necessary or appropriate to provide for the purchase of tendered bonds, including provisions under which undelivered bonds may be deemed tendered for purchase and new bonds may be substituted for them, the reimbursement to any person of amounts provided to purchase tendered bonds, the remarketing of tendered bonds, and similar or related agreements. Bonds subject to tender for purchase shall not be deemed to mature within the meaning of section 475.54, subdivision 1, on any date for tender. Any bond may bear interest at a rate varying at the time or times and on the terms, including convertibility to a fixed rate of interest, determined by the issuer, but with respect to any general obligation bonds the rate of interest for any period shall not exceed the maximum rate of interest for the bonds determined in accordance with section 475.55, subdivision 1. For purposes of section 475.61, subdivisions 1 and 3, and section 6, subdivisions 1 and 2, the interest payable on such variable rate general obligation bonds for the term of the bonds shall be determined as if the rate of interest on the bonds is the maximum rate permitted for the bonds under section 475.55, subdivision 1, or the lesser maximum rate of interest payable on the bonds in accordance with their terms, but if the interest rate is subsequently converted to a fixed rate the levy may*

be modified to provide at least five percent in excess of amounts necessary to pay principal of and interest at the fixed rate on the bonds when due.

Subd. 5. [LIMITATIONS.] (a) No bonds may be issued under this section for the initial construction or improvement of the convention facilities unless the commission has determined that all conditions to commencement of construction provided in section 2, subdivision 8, are reasonably expected to be satisfied.

(b) No bonds may be issued under this section for construction or improvement of the convention facilities unless the issuer and the commission have each determined that the anticipated revenue available to pay the principal of, premium, if any, and interest on the bonds will be sufficient to pay when due all such debt service on the bonds and to maintain any required debt service reserves.

(c) No bonds issued by the council are required to be issued under this section unless the council has determined that it reasonably expects that any appropriations to be made under section 6 and deposited in the debt service account for the bonds, together with any taxes levied under subdivision 7 or tax increments from the city which are irrevocably pledged or appropriated to the payment of principal of, premium, if any, and interest on the bonds, will be sufficient if timely deposited (i) to pay when due all such debt service on the bonds, (ii) to maintain any required debt service reserves, (iii) to provide additional debt service coverage satisfactory to the council, and (iv) to permit cancellation of any levy made pursuant to section 6, subdivision 1, for each year during the term of the bonds in accordance with section 6, subdivision 2.

(d) No bonds may be issued by the council under this section unless the city and the commission consent to the bond resolution or indenture pursuant to which the bonds are issued.

Any written determination pursuant to this subdivision shall be conclusive and the validity of any bonds or the obligations of the issuer or any other person or body with respect to them shall not be impaired by any determination which is erroneous.

Subd. 6. [SECURITY.] The pledge of any tax or other funds to the payment of principal of, premium, if any, or interest on bonds pursuant to this section or pursuant to a bond resolution or trust indenture shall be a valid charge on the tax and other funds from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premium due and the maintenance at all times of any reserves securing the payment. Except by express mortgage or pledge, no mortgage of or security interest in any tangible real or personal property shall arise from the pledge of the tax or other funds in favor of bondholders or the trustee, but they shall have a valid security interest in the tax and other funds received and receivable, as against the claims of all other persons in tort, contract or otherwise, irrespective of whether the parties have notice of it, and without possession or filing as provided in the uniform commercial code or any other law. Any covenants made in the bond resolution or trust indenture (if approved by the commission or board, respectively) shall be binding upon the commission and the board, respectively, and the board and commission may observe and perform the cove-

nants. The commission and the board may pledge or apply any or all of their property or funds available to them to the payment of principal of, premium, if any, and interest on the bonds. No pledge, mortgage, covenant, or agreement securing bonds issued pursuant to this section may be impaired, revoked, amended by law, or by action of the city, council, commission, or board except in accordance with the terms of the resolution or indenture under which the bonds are issued until the obligations of the issuer under it are fully discharged.

Subd. 7. [LIQUOR AND LODGING TAXES.] The city may, in addition to taxes authorized by chapter 297A and section 473.592, levy a sales tax of not more than four percent on the gross receipts described in section 473.592 from sales that occur within two miles of the facility site and not more than two percent from sales that occur elsewhere in the city to provide money for the purposes stated in subdivision 1 or this subdivision. Before the issuance of any bonds under this section payable from the tax, the city shall levy the tax at whatever rate or rates are necessary to produce revenues from year to year which are determined by the issuer of the bonds to be required, together with all other funds available for the purpose or pledged to the payment of principal of, premium, if any, and interest on the bonds, to pay when due all such debt service on the bonds and to accumulate and maintain any debt service reserves for them. If the city is not the issuer, the city shall pay to the issuer the proceeds of the tax required to be so levied. The tax required to be imposed by the preceding sentence shall be suspended, reimposed, reduced, or increased upon the determination of the issuer, and if the issuer is not the city, written notice of the determination by the issuer to the city that the actions are necessary or appropriate for the purposes for which the tax was imposed, provided that the covenants in the resolution or indenture of trust pursuant to which the bonds were issued are not violated by the action. The tax shall be collected and remitted as provided in section 473.592, except the commissioner of revenue shall remit collections, less refunds and collection costs, to the city for application as required by this subdivision. When the purpose for which the tax is levied has been accomplished, the tax shall be canceled and any excess tax proceeds paid to the city. If the issuer of any bonds payable from or secured in whole or part by the tax is the council, before issuance of bonds under this subdivision, an agreement shall be entered into between the city, the council, and the commission implementing this subdivision, and the agreement shall constitute a contract with and for the benefit and security of all holders of the bonds.

Sec. 6. [473.5966] [COUNCIL TAX AND STATE APPROPRIATION.]

Subdivision 1. [TAX LEVY.] Section 475.61 shall not apply to general obligation bonds issued by the council pursuant to section 5. Before issuance and delivery of general obligation bonds or the pledge of taxes to pay any bonds pursuant to subdivision 4, in accordance with section 473.08 and this section, the metropolitan council shall by resolution levy a direct general ad valorem tax upon all taxable property in the metropolitan counties named in section 473.121 to be levied and collected for each year of the term of the bonds. The tax levies for all years shall be in amounts that if collected in full they, together with any other estimated collection of funds pledged for their payment, will produce at least five percent in excess of the amount needed to pay when due the principal of and interest on the bonds. The resolution of the

council shall irrevocably appropriate taxes levied to a debt service fund created for the payment of the bonds.

Subd. 2. [LEVY REDUCTION.] Tax levies imposed pursuant to subdivision 1 shall be irrevocable, except that if amounts are deposited in the debt service fund for the applicable bonds pursuant to appropriation under subdivision 3 or other amounts are held in the debt service fund in excess of all principal and interest coming due on the applicable bonds before the council's expected receipt of taxes levied for them, no earlier than October 1 or later than October 10 of each year, the secretary of the council shall certify to the auditor of each county the county's share of the excess, which shall be in proportion to the share of the levy borne by the county, and the auditor shall reduce the county's next levy by 105 percent of that amount and the treasurer may reduce by 105 percent of that amount the taxes otherwise required to be remitted to the council.

Subd. 3. [STATE APPROPRIATION.] \$6,000,000 is appropriated from the general fund of the state treasury to be paid to the board on or before July 1, 1985, for the board's preconstruction costs and other initial operating costs, with any amounts not expected to be so applied to be provided to the commission for any convention facilities operating reserve. \$6,000,000 is annually appropriated to the board on July 1, 1986, and each following July 1 from the general fund, of which an amount equal to the scheduled payment of principal and interest coming due in the following calendar year on any bonds payable from receipts from this appropriation shall be deposited in the debt service fund for the bonds, (or the lesser amount as determined by the resolution or indenture pursuant to which the bonds were issued) and the remainder shall be remitted to the commission for any of its or the board's purposes. This subdivision does not constitute a binding covenant or agreement with the council, the city, the commission or the holders of any bonds issued under sections 1 to 8 or a debt or obligation of the state and may be repealed, amended, or modified in accordance with law.

Subd. 4. [MODIFICATIONS REGARDING PRIOR BONDS.] The council may by resolution pledge the tax authorized by subdivision 1 to pay when due the principal of, premium, if any, and interest on all bonds issued pursuant to section 473.581, but only upon the release of (a) all security interests, pledges, and restrictions on encumbrances or transfer of sports facilities owned by the commission created in favor of or for the benefit of holders of the issue of bonds or (b) all pledges to pay the debt service or costs of the commission from taxes levied under section 473.592, subdivision 1. The releases shall occur upon the written consent of all holders of bonds of the issue, notwithstanding any other law. Upon the release of the pledge of taxes levied pursuant to section 473.592, subdivision 1, the taxes shall not be imposed for payment of the debt service and any pledge or application of the taxes for payment of the debt service or maintenance of a reserve for the issue required under section 473.581, subdivision 4, shall be repealed. Any pledge by the council under this subdivision may be made without election and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any debt limitation. Upon the pledge of taxes for payment of an issue of bonds pursuant to this subdivision, with the consent of all holders of the issue, any reserves or other funds pledged to secure the issue may be reduced or eliminated by the council and the funds so

released remitted to the commission.

Sec. 7. [473.5967] [PROPERTY TAX EXEMPT.]

Any real or personal property acquired, owned, and used, by the commission, board, the council, or the city pursuant to sections 1 to 8 is exempt from taxation to the same extent as property referred to under section 473.556, subdivision 4.

Sec. 8. [473.5968] [POWERS GRANTED HEREIN NOT LIMITED.]

Except as specifically provided in sections 1 to 7, the exercise of the powers granted in sections 1 to 7 shall not be limited by the provisions of chapters 273, 462, 472A, 475, or of any city charter.

Sec. 9. [NAME CHANGE.]

The metropolitan sports facilities commission is renamed the Minnesota sports and convention facilities commission. The revisor of statutes shall change the name of the commission and any related terms accordingly wherever they appear in Minnesota Statutes.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and are effective the day after final enactment without the approval of any local governmental unit."

Delete the title and insert:

"A bill for an act relating to a Minnesota convention facility and related facilities; authorizing the metropolitan council and the city of Minneapolis to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain convention and trade show facilities and related facilities in the city of Minneapolis and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city of Minneapolis and the metropolitan council to issue bonds to finance the acquisition and betterment of convention and trade show facilities and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip a convention center and trade show facility; authorizing the transfer of certain city property and employees to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington; authorizing the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473."

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 Finance, to which was re-referred

S.F. No. 928: A bill for an act relating to occupations and professions; providing for licensure of persons engaged in the sale of hearing instruments; requiring the commissioner of health to reconsider the application of speech language pathologists and audiologists for credentialing; appropriating money; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 153A.

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

Delete everything after the enacting clause and insert:

“Section 1. [153A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 12, the terms defined in this section have the meanings given to them.

Subd. 2. [HEARING INSTRUMENT.] “Hearing instrument” means an instrument designed for or represented as aiding defective human hearing, and its parts, attachments, or accessories, including but not limited to ear molds. Batteries and cords are not parts, attachments, or accessories of a hearing instrument. Surgically implanted hearing instruments, and assistive listening devices that do not require testing, fitting, or the use of ear molds and are not worn within the ear canal, are not hearing instruments.

Subd. 3. [HEARING INSTRUMENT DISPENSER.] “Hearing instrument dispenser” means a natural person who engages in hearing instrument dispensing.

Subd. 4. [HEARING INSTRUMENT DISPENSING.] “Hearing instrument dispensing” means fitting and dispensing hearing instruments, assisting the consumer in instrument selection, selling hearing instruments at retail, and testing human hearing in connection with these activities.

Subd. 5. [COMMISSIONER.] “Commissioner” means the commissioner of commerce.

Sec. 2. [153A.02] [POWERS AND DUTIES.]

Subdivision 1. [REGULATION.] The commissioner shall:

- (1) regulate hearing instrument dispensing;*
- (2) examine applicants for a hearing instrument dispensing license and grant licenses to qualified applicants;*
- (3) deny, suspend, or revoke a license on any of the following grounds:*
 - (a) fraud or deception in obtaining a license or in the practice of hearing instrument dispensing;*
 - (b) conviction of a felony;*
 - (c) conviction of an offense involving moral turpitude;*
 - (d) employing, assisting, or enabling in any manner an unlicensed person to engage in hearing instrument dispensing;*
 - (e) violation of sections 1 to 12 or rules adopted under these sections;*

(4) ensure that hearing instruments are dispensed in compliance with the requirements of the United States Food and Drug Administration;

(5) perform any other duties and exercise other powers required by sections 1 to 12; and

(6) adopt rules to implement sections 1 to 12.

Subd. 2. [CONTESTED CASES.] *The commissioner shall comply with the contested case provisions of chapter 13 when suspending, revoking, or failing to issue a license under sections 1 to 12.*

Subd. 3. [REINSTATEMENT OF LICENSE.] *A license that has been suspended or revoked may be reinstated by the commissioner if the former licensee pays all costs of the proceedings that resulted in the suspension or revocation and a fee set by the commissioner.*

Sec. 3. [153A.03] [EXEMPTIONS.]

Persons licensed under chapter 147 and audiologists who hold the certificate of clinical competence of the American Speech, Language, and Hearing Association are exempt from examination and education requirements under sections 1 to 12. These persons must obtain a license and pay a fee determined by the commissioner, but sections 1 to 12 do not otherwise preclude or limit the testing of hearing by these persons.

Sec. 4. [153A.04] [PROHIBITED ACTS; ENFORCEMENT; PENALTY.]

Subdivision 1. [PROHIBITED ACTS.] *A person must not:*

(1) engage in hearing instrument dispensing without a current license;

(2) falsely assume or pretend to the title of hearing instrument dispenser;

(3) receive any portion of the profits from the fitting, dispensing, or sale of hearing instruments at retail unless the person is licensed under sections 1 to 12 or employs a person licensed under sections 1 to 12;

(4) conduct a business engaged in hearing instrument dispensing except under the direction of a licensed hearing instrument dispenser, audiologist, or person licensed under chapter 147;

(5) engage in hearing instrument dispensing exclusively by telephone or mail, or both; or

(6) prescribe or otherwise recommend to any person the use of a hearing instrument unless the prescription or recommendation is in writing, is delivered to the person to whom it relates, and bears the following information in 12 point or larger bold type: "HEARING INSTRUMENTS MAY BE PURCHASED FROM ANY LICENSED HEARING INSTRUMENT DISPENSER OR PHYSICIAN. THIS PRESCRIPTION MAY BE FILLED BY THE DISPENSER OR PHYSICIAN OF YOUR CHOICE." A prescription or written recommendation must include, upon patient authorization, an audiogram upon which the prescription or recommendation is based.

Subd. 2. [ENFORCEMENT.] *The attorney general shall enforce this section in the manner provided by section 8.31, except that there is no private remedy as provided by section 8.31, subdivision 3a.*

Subd. 3. [PENALTY.] A person violating this section is guilty of a misdemeanor.

Sec. 5. [153A.05] [EXAMINATIONS; FEES.]

The commissioner shall give reasonable notice of all examinations by mail to known applicants. Testing must occur at least three times annually at intervals no greater than five calendar months. The commissioner shall record the names of persons licensed as hearing instrument dispensers and the grounds upon which the right of each to licensure was claimed. The commissioner may establish a fee under section 16A.128 to cover the cost of the examination. Fee receipts must be deposited in the state treasury and credited to the special revenue fund. The fee may, in the discretion of the commissioner, be returned to applicants who do not take the examination.

Sec. 6. [153A.06] [CONTENTS OF EXAMINATION.]

Examinations for licensure as a hearing instrument dispenser must consist of written, oral, and practical tests. The tests must be objective and applied in a consistent manner. The tests must include the following subjects: (1) basic physics of sound; (2) the structure and function of hearing instruments; (3) the fitting of hearing instruments; (4) puretone audiometry, including air conduction testing and bone conduction testing; (5) live voice or record voice speech audiometry, or both; (6) recording and evaluation of audiograms and speech audiometry to determine the hearing instrument candidacy; (7) selection and adaptation of hearing instruments; (8) the taking of ear mold impressions; (9) indications suggesting the need for referral to competent medical personnel for diagnosis or treatment of a disease or injury; and (10) knowledge of the federal and state laws regarding hearing instrument dispensing. The examination must not test knowledge of the diagnosis or treatment of a disease or injury to the human body. The commissioner shall consult with the commissioner of health, otolaryngologists, audiologists and hearing instrument dispensers in connection with preparation of the examination.

Sec. 7. [153A.07] [QUALIFICATIONS OF APPLICANTS.]

In order to be examined as a hearing instrument dispenser, an applicant must be of good moral character, be at least 18 years old, and meet educational criteria for licensure established by the commissioner.

Sec. 8. [153A.08] [RECIPROCITY; LICENSURE.]

The commissioner may grant a license without an examination to a hearing instrument dispenser licensed by another state that gives similar recognition to licensees of this state, if the commissioner finds that the requirements for licensure in the other state are equivalent to those provided in sections 1 to 12. The commissioner may set the fee for licensure by rule.

Sec. 9. [153A.09] [BOND REQUIRED.]

A sole proprietor, partnership, association, or corporation engaged in hearing instrument dispensing shall provide a surety bond in favor of the state of Minnesota in the amount of \$10,000 for every five or fewer of its licensees engaged in the practice of hearing instrument dispensing, up to a maximum of \$20,000.

Sec. 10. [153A.10] [EXPENSES.]

The expenses of administering sections 1 to 12 must be paid from the appropriations made to the department.

Sec. 11. [153A.11] [ADVERTISING.]

The commissioner shall adopt rules concerning advertising of the fitting, dispensing, and sale of hearing instruments. The rules must not:

- (1) restrict the use of any medium for advertising;*
- (2) restrict a licensee's personal appearance or voice in an advertisement;*
- (3) relate to the size or duration of an advertisement; or*
- (4) restrict advertisement under a trade name.*

Sec. 12. [153A.12] [INTERNSHIP.]

The commissioner shall license as an intern any natural person who has satisfied the commissioner that the person is of good moral character, is not physically or mentally unfit, and meets the requirements for intern licensure prescribed by the commissioner. The intern must be supervised by a licensed hearing instrument dispenser. A person must not be licensed as an intern for more than 12 calendar months and the license must not be renewed or otherwise extended by the commissioner. No more than three intern licensees may hold an intern license to practice hearing instrument dispensing under the supervision of a single licensed hearing instrument dispenser. A document evidencing the fitting, selection, sale, or delivery of a hearing instrument at retail must bear the name of the supervising licensee in addition to the name of the intern involved in the transaction.

Sec. 13. [CREDENTIALING STUDY.]

The commissioner of health shall reconsider the application of speech language pathologists and audiologists for credentialing. The reconsideration must be conducted according to section 214.13 and must be conducted before considering any application for credentialing received after July 1, 1984. The commissioner of health shall include a study of hearing instrument dispensing by physicians, audiologists, and hearing instrument dispensers in connection with the application. The commissioner of commerce shall cooperate with the commissioner of health with respect to the study of the dispensing of hearing instruments.

Sec. 14. [REPEALER.]

Sections 1 to 12 are repealed effective July 1, 1987.

Sec. 15. [APPROPRIATION.]

\$50,000 is appropriated from the special revenue fund to the commissioner of commerce for purposes of sections 1 to 12, to be available until June 30, 1987.

Sec. 16. [EFFECTIVE DATES.]

Sections 1 to 3; section 4, subdivisions 1 and 2; and sections 5 to 13 are effective July 1, 1985. Section 4, subdivision 3, is effective July 1, 1986.'

Amend the title as follows:

Page 1, line 7, delete "penalties" and insert "a penalty"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 119: A bill for an act relating to state government; creating the Council on Asian-Pacific Minnesotans; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Page 4, line 13, after the dollar sign, insert "200,000"

Page 4, line 16, after the period, insert "*Ten percent of this amount must be matched dollar-for-dollar by nonstate contributions.*"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 492: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1984, section 197.23.

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

Page 2, line 6, after the dollar sign, insert "42,000"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 588: A bill for an act relating to the University of Minnesota; appropriating money for road improvements in the city of Falcon Heights.

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

Page 1, line 8, after the dollar sign, insert "200,000"

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

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

H.F. No. 1639 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.
				1639	1524

Pursuant to Rule 49, the Committee on Rules and Administration recom-

mends that H.F. No. 1639 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1639 and insert the language after the enacting clause of S.F. No. 1524, the first engrossment; further, delete the title of H.F. No. 1639 and insert the title of S.F. No. 1524, the first engrossment.

And when so amended H.F. No. 1639 will be identical to S.F. No. 1524, and further recommends that H.F. No. 1639 be given its second reading and substituted for S.F. No. 1524, 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. 905, 1455, 1512, 928, 119, 492 and 588 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1639 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 151. The motion prevailed.

Mr. Frederick introduced—

Senate Resolution No. 87: A Senate resolution congratulating the Owatonna Christian School for its successful participation at competitive events of the American Association of Christian Schools National Convention.

Referred to the Committee on Rules and Administration.

Mr. Spear moved that S.F. No. 1027, No. 31 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Spear moved that S.F. No. 1026, No. 35 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Spear moved that S.F. No. 283, No. 48 on General Orders, be stricken and re-referred to the Committee on Public Utilities and State Regulated Industries. The motion prevailed.

Mr. Frank moved that S.F. No. 1043, No. 3 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Willet moved that S.F. No. 1051, No. 50 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Willet moved that S.F. No. 1050, No. 52 on General Orders, be stricken and re-referred to the Committee on Health and Human Services. The motion prevailed.

Mr. Willet moved that S.F. No. 846, No. 57 on General Orders, be stricken and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Mr. Willet moved that S.F. No. 1091, No. 61 on General Orders, be stricken and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Mr. Frederickson moved that S.F. No. 778, No. 10 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Frederickson moved that S.F. No. 467, No. 30 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Frederickson moved that S.F. No. 1151, No. 45 on General Orders, be stricken and re-referred to the Committee on Elections and Ethics. The motion prevailed.

Mr. Solon moved that S.F. No. 756, No. 58 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Vega moved that S.F. No. 1270, No. 79 on General Orders, be stricken and re-referred to the Committee on Energy and Housing. The motion prevailed.

Mr. Vega moved that S.F. No. 1189, No. 55 on General Orders, be stricken and re-referred to the Committee on Energy and Housing. The motion prevailed.

Ms. Peterson, D.C. moved that S.F. No. 1007, No. 26 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Purfeerst moved that S.F. No. 1192, No. 81 on General Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

Mr. Chmielewski moved that S.F. No. 193, No. 17 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Chmielewski moved that S.F. No. 1064, No. 129 on General Orders, be stricken and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Davis moved that S.F. No. 598, No. 49 on General Orders, be stricken and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Mr. Solon moved that S.F. No. 769, No. 9 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Solon moved that S.F. No. 1262, No. 38 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Peterson, R.W. moved that S.F. No. 931, No. 66 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Chmielewski moved that S.F. No. 1375, No. 78 on General Orders, be stricken and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Mr. Chmielewski moved that S.F. No. 749, No. 86 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Jude moved that S.F. No. 835, No. 32 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Diessner moved that S.F. No. 823, No. 5 on General Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Mr. Diessner moved that S.F. No. 188, No. 39 on General Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Mr. Dahl moved that S.F. No. 853, No. 15 on General Orders, be stricken and re-referred to the Committee on Transportation. The motion prevailed.

Mr. Anderson moved that S.F. No. 1165, No. 56 on General Orders, be stricken and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Dahl moved that S.F. No. 584, No. 37 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Nelson moved that H.F. No. 88 be taken from the table. The motion prevailed.

H.F. No. 88: A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of summer program aid, transportation aid, special education aid, secondary vocational aid, and other aids; establishing an aid and levy formula for excellence in teaching and curriculum; providing for a temporary definition of school bus; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivision 3, and by adding a subdivision; 121.88; 121.882, subdivision 2, and by adding a subdivision;

121.904, subdivisions 4a and 4c; 121.912, subdivision 1; 122.86, subdivision 1; 123.33, by adding a subdivision; 123.36, subdivision 1; 123.58, by adding a subdivision; 123.705, subdivision 1; 123.742, subdivision 7, and by adding subdivisions; 123.7431, subdivision 1; 124.09; 124.14, subdivision 4; 124.17, by adding subdivisions; 124.19, subdivision 1; 124.195, subdivision 9; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivisions 1 and 6; 124.271, subdivision 2b, and by adding a subdivision; 124.2711, subdivision 1; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, and 10; 124.48, by adding a subdivision; 124.573, subdivision 2; 124.574, subdivision 2b; 124.646, subdivision 1; 124A.02, subdivisions 6, 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2 and 3, and by adding a subdivision; 124A.037; 124A.06, subdivisions 1 and 3a; 124A.08, subdivisions 3a and 5; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivision 5a; 124A.16, subdivisions 2 and 4; 125.05, subdivisions 1 and 5; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36; 129B.38, subdivision 1; 129B.39; 129B.40; 134.31, subdivisions 2 and 3; 134.35; 134.351, subdivision 1; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5b, 5d, 8, 8a, and 8b, and by adding subdivisions; 290.06, by adding a subdivision; 298.28, subdivision 1; 354.06, subdivision 1; 354.43, subdivision 3; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; 355.46, subdivision 3; and Laws 1973, chapter 683, section 26; subdivision 17, as amended; Laws 1984, chapter 463, article 9, section 9; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 124A; 126; 129B; 134; and 136A; repealing Minnesota Statutes 1984, sections 120.17, subdivision 1a; 120.172, subdivision 3; 122.84; 122.85; 122.89; 123.3511; 123.3512; 123.3513; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2 and 2a; 124.273, subdivisions 2b and 5; 124.32, subdivision 9a; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.611, subdivisions 3; 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.33; 129B.34; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47.

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. 88 and that the rules of the Senate be so far suspended as to give H.F. No. 88 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 88 was read the second time.

Mr. Nelson moved to amend H.F. No. 88 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 88, and insert the language after the enacting clause, and the title, of S.F. No. 172, the fourth engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 88 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 35 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Luther	Peterson, C.C.	Samuelson
Berglin	Gustafson	Merriam	Peterson, D.C.	Schmitz
Bertram	Hughes	Moe, D. M.	Peterson, D.L.	Solon
Chmielewski	Johnson, D.J.	Moe, R. D.	Peterson, R.W.	Spear
Dahl	Langseth	Nelson	Petty	Stumpf
DeCramer	Lantry	Novak	Pogemiller	Wegscheid
Dicklich	Lessard	Pehler	Purfeerst	Willet

Those who voted in the negative were:

Anderson	Dieterich	Jude	McQuaid	Storm
Belanger	Frank	Kamrath	Mehrkens	Vega
Benson	Frederick	Knaak	Olson	Waldorf
Berg	Frederickson	Knutson	Ramstad	
Bernhagen	Freeman	Kroening	Reichgott	
Brataas	Isackson	Kronebusch	Renneke	
Davis	Johnson, D.E.	Laidig	Sieloff	

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

Mr. Nelson moved that S.F. No. 172, No. 1 on the Calendar, be stricken and laid on the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Langseth 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. 1639 and that the rules of the Senate be so far suspended as to give H.F. No. 1639, now on the Calendar, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1639: A bill for an act relating to state government; appropriating money to the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; prescribing funds, accounts, bonding, and fees; amending Minnesota Statutes 1984, sections 15.0591, subdivision 2; 17.101, subdivision 2; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11; 25.39, subdivision 4; 138.94; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 299A.01, subdivision 6; 340.14, subdivision 2; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.14; 349.151; 349.16; 349.161; 349.162; 349.17; 349.18, subdivisions 1 and 2; 349.19, subdivisions 5, 6, and by adding a subdivision; 349.20; 349.21; 349.211, subdivisions 3 and 4; 349.213, subdivision 1; 349.214, subdivisions 1 and 2; 349.22, subdivision 2; 349.31, subdivision 1; 352D.02, subdivision 1; 360.024; 473.373, subdivision 4; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 6; 473.386, subdivision 2; 473.388; 473.39; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivi-

sion; 473.435, subdivision 2; 473.446, subdivisions 1, 1a, 2a, and 3; 609.75, subdivision 3; 609.761; proposing coding for new law in Minnesota Statutes, chapters 219; and 473; proposing coding for new law as Minnesota Statutes, chapter 297C; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 349.19, subdivision 4; 349.212; 349.213, subdivision 2; 473.373, subdivisions 2 and 7; 473.384, subdivision 7; 473.408, subdivisions 3, 3A, 3B, and 5; 473.436; 473.438; and 473.446, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stumpf moved that S.F. No. 1272, No. 96 on General Orders, be stricken and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Dahl moved that S.F. No. 684, No. 120 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Luther moved that S.F. No. 774, No. 34 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Luther moved that S.F. No. 1113, No. 59 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 558: A bill for an act relating to metropolitan government; providing conditions for the disposal of certain sports facilities property; requiring the metropolitan mosquito control district to establish a research program to evaluate the effects of its control program on other fauna; amending Min-

nesota Statutes 1984, sections 473.556, subdivision 6; and 473.704, by adding a subdivision.

Mr. Freeman moved to amend H.F. No. 558, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 541.)

Page 2, after line 29, insert:

“Sec. 3. [BLOOMINGTON HIGHWAY IMPROVEMENT.]

Subdivision 1. [CONTRACT AUTHORIZED.] To expedite and facilitate the construction of a highway improvement project on Trunk Highway No. 77 from the intersection of I-494 to the intersection of east 86th street within the city of Bloomington, the city and the commissioner of transportation on behalf of the state may enter into a contract under which the city agrees to advance to the commissioner, in consideration of the undertaking of the project by the state at a time specified in the contract, all or part of the cost of the engineering services, construction, or other costs attributable to the project. The project shall be fully described in the contract, and the advance by the city shall not exceed the total amount of the actual contract prices for performing the work on the project and may be made in installments during the performance of the project, or otherwise, as specified in the contract. The contract may provide for repayment by the state to the city of the principal amount or value of the advance, without interest, in not more than ten annual installments, out of the trunk highway fund. Repayment may commence at the time the state would otherwise have undertaken the project. The cash agreed to be advanced by the city shall not affect the amount otherwise agreed to be paid by the city as its share of the cost of the project. The contract may include all other terms necessary to comply with laws relating to cooperative agreements between the commissioner of transportation and municipalities.

Subd. 2. [BONDS AUTHORIZED.] At any time after a contract has been executed by the commissioner and the city of Bloomington by which the city agrees to advance to the commissioner cash for the purpose stated in subdivision 1, the city council may by resolution issue and sell general obligation bonds of the city in an aggregate amount not exceeding the advance to the commissioner provided for in the contract and the cost of issuing the bonds. The bonds shall be issued and sold in accordance with Minnesota Statutes, chapter 475, except that an election shall not be required to authorize their issuance, and the bonds shall not be included in net debt within the meaning of Minnesota Statutes, section 475.51. Money repaid to the city by the commissioner under the contract may be pledged for payment of principal of and interest on the bonds and shall be credited by the city to a separate fund and used solely to pay principal of and interest on any bonds issued pursuant to this section. With the consent of the commissioner of transportation, the city may use money allotted to it out of municipal state-aid street funds to repay interest on the bonds. The money allotted to the city out of the municipal state-aid street funds may be pledged for payment of interest on the bonds.

Subd. 3. [LOCAL APPROVAL.] This section takes effect the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the

governing body of the city of Bloomington."

Page 2, line 31, delete "This act applies" and insert "Sections 1 and 2 apply"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "permitting the city of Bloomington and the transportation department to contract for a highway improvement;"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. moved to amend H.F. No. 558, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 541.)

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1984, section 15A.081, subdivision 1, is amended to read:

15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.]

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of education;	\$57,500-\$70,000
Commissioner of finance;	
Commissioner of transportation;	
Commissioner of human services;	
Chancellor, community college system;	
Chancellor, state university system;	
Director, vocational technical education	
Executive director, state board of investment;	
Commissioner of administration;	\$50,000-\$60,000
Commissioner of agriculture;	
Commissioner of commerce;	
Commissioner of corrections;	
Commissioner of economic security;	
Commissioner of employee relations;	
Commissioner of energy and economic development;	
Commissioner of health;	
Commissioner of labor and industry;	
Commissioner of natural resources;	
Commissioner of revenue;	
Commissioner of public safety;	
Chairperson, waste management board	

Chief administrative law judge; office of administrative hearings;
 Director, pollution control agency;
 Director, state planning agency;
 Executive director, higher education coordinating board;
 Executive director, housing finance agency;
 Executive director, teacher's retirement association;
 Executive director, state retirement system;
Chairman, metropolitan council;
Chairman, regional transit board;
 Commissioner of human rights;
 Director, department of public service;
 Commissioner of veterans' affairs;
 Director, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
 Director, zoological gardens.

\$40,000-\$52,500

Sec. 2. Minnesota Statutes 1984, section 15A.081, is amended by adding a subdivision to read:

Subd. 7a. The governor shall set the salary rate within the range listed below for the part-time positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	<i>Salary Range Effective July 1, 1983</i>
<i>Chairman, metropolitan airports commission;</i>	<i>\$15,000-\$25,000</i>
<i>Chairman, metropolitan waste control commission.</i>	

Sec. 3. Minnesota Statutes 1984, section 473.129, is amended by adding a subdivision to read:

Subd. 7. [PROCEDURES; ETHICS; ADMINISTRATION.] The council shall adopt uniform standards and procedures for codes of ethics and for other administrative functions of the metropolitan commissions as it finds appropriate.

Sec. 4. Minnesota Statutes 1984, section 473.141, subdivision 9, is amended to read:

Subd. 9. [PERSONNEL CODE; MERIT SYSTEM.] (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commissions, except that nothing in Laws 1974, Chapter 422 shall impair the rights of any commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, each commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems

appropriate. In addition, the code shall provide for the development by each commission of affirmative action plans, which shall be submitted for approval to the appropriate agency or office of the state. The plans shall include a yearly progress report to the agency or office. The chief administrator of each commission shall administer the code, and no commission shall take any action inconsistent with the personnel code.

(b) All employees of the commission except those expressly designated for the unclassified service, shall serve in the classified service. The unclassified service shall include: members of the commission, the chief administrator of the commission, all officers of the commission, any employee of the commission who is determined by the commission to have a confidential relationship to the commission or the council; and any employee of the commission expressly exempted from the classified service by law. Each code shall also include procedures for open competitive examinations to test the relative skill or ability of all applicants for positions in the classified service. Such examinations may consist of written or oral tests of the subjective or objective type, physical tests, and practical or demonstration tests for the evaluation of past training and experience. Oral tests may be used to test the applicant's knowledge of the position applied for or his personal fitness for the position. Where there is more than one applicant for a position, each code shall provide for the employment of one of the three applicants best qualified for it.

(c) When a commission employee has been demoted, suspended or dismissed by the chief administrator, he may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which he was dismissed, the date of dismissal, and the reason for requesting the hearing, his full name and his present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the administrator. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at his present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the administrator, and in the case of approval the action of the administrator shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

(d) A person who is a member, officer, or employee of the council; the regional transit board; or the metropolitan agencies defined in section 473.121, subdivisions 7, 12, 15, 21, and 32, may not be paid for goods or services that he or she provides as an individual or through a business entity to another individual or business entity that sells or rents goods or services to or buys or leases them from the person's council, commission, or board.

Sec. 5. Minnesota Statutes 1984, section 473.141, subdivision 13, is amended to read:

Subd. 13. [COMMISSION OPERATING PROCEDURES.] (a) ~~The~~ Each commission shall adopt resolutions and bylaws, an administrative code establishing procedures for commission action, keeping records, approving

claims, authorizing and making disbursements, authorizing contracts, safe-keeping funds and audit of all financial operations of the commission. *The code shall address matters for which the council has adopted uniform standards and procedures and be in general conformance with the uniform standards and procedures adopted by the council.*

(b) *The Each 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.*

Sec. 6. Minnesota Statutes 1984, section 473.141, is amended by adding a subdivision to read:

Subd. 15. [ANNUAL REPORTS.] Each commission shall annually submit a report to the metropolitan council, detailing its performance for the previous year. The report shall be in the form and detail and submitted at the time reasonably required by the council. By September 15 of each year, after consultation with the council, the commission shall submit to the council a set of performance objectives respecting service delivery, finances, and management that the commission intends to meet during the subsequent year. If the council concurs with the objectives, it shall include them in its annual report pursuant to section 473.245. If the council does not concur with them, it shall notify the commission within 30 days, with comments. The commission shall consider the council's comments and resubmit performance objectives to the council within 30 days. The council shall then include them in its annual report.

Sec. 7. Minnesota Statutes 1984, section 473.163, is amended by adding a subdivision to read:

Subd. 3a. Each year, with its annual budget, the commission shall prepare a financial plan for the succeeding three calendar years. The financial plan must be consistent with the commission's development program and contain:

(a) a schedule of expected levels of public expenditure, both capital and operating, for the services and facilities planned;

(b) a schedule showing the expected sources of funds, user charges, and state and federal subsidies; and

(c) a plan and schedule showing the distribution of funds among various services, service areas and markets, and providers.

The commission shall submit its financial plan to the council for review at a time to be determined by the council.

Sec. 8. Minnesota Statutes 1984, section 473.245, is amended to read:

473.245 [REPORTS.]

On or before January 15, of each year the metropolitan council shall report to the legislature. The report shall include:

(1) A statement of the metropolitan council's receipts and expenditures by category since the preceding report;

(2) A detailed budget for the year in which the report is filed and the following year including an outline of its program for such period three-year projected expenditures and revenues, including the total revenues needed and the sources of revenues;

(3) A statement of what the metropolitan council has established as the metropolitan agenda for the year in which the report is filed, including at least the objectives and priorities that the metropolitan council intends to accomplish during the year and the performance objectives established for the metropolitan commissions and the regional transit board for the year in which the report is filed;

(4) An evaluation of the performance of the metropolitan council with respect to the metropolitan agenda for the previous year, and of the metropolitan commissions and the regional transit board with respect to their performance objectives for the previous year;

(5) An explanation of any policy plan and other comprehensive plan adopted in whole or in part for the metropolitan area and the review comments of the affected commission;

(4) (6) Summaries of any studies and the recommendations resulting therefrom made by the metropolitan council, and a listing of all applications for federal moneys made by governmental units within the metropolitan area submitted to the metropolitan council;

(5) (7) A listing of plans of local governmental units and proposed matters of metropolitan significance submitted to the metropolitan council;

(6) (8) A detailed report on the progress of any project undertaken by the council pursuant to sections 473.193 to 473.201; and

(7) (9) Recommendations of the metropolitan council for metropolitan area legislation, including the organization and functions of the metropolitan council and, the commissions, and the regional transit board; and

(10) A report covering the current budget year and three-year projected expenditures and revenues of the metropolitan commissions and the regional transit board, including the total revenues needed and the sources of revenues.

Sec. 9. Minnesota Statutes 1984, section 473.373, subdivision 7, is amended to read:

Subd. 7. [EMPLOYEES.] (a) The council shall by resolution adopt guidelines for a personnel code of the regional transit board and the metropolitan agencies defined in section 473.121, subdivisions 7, 12, 15, 21, and 32. After adoption of the guidelines, the board and other agencies covered by this subdivision shall by resolution adopt a personnel code in general conformance with them.

(b) The board has the authority of a chief administrator to make all decisions on the appointment, promotion, demotion, suspension, and removal of all subordinate officers and regular employees of the board. The board may not take any action inconsistent with its personnel code. The board may authorize the chair or executive director to recommend employment decisions. The board shall act within 30 days on employment decisions recom-

mended by the chair or executive director.

Sec. 10. Minnesota Statutes 1984, section 473.375, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The transit board has the power and duties imposed by law. The exercise of any powers by the board must be consistent with the exercise by the metropolitan council of any of its powers and in general conformance with the uniform standards and procedures adopted by the council under section 473.129, subdivision 7. *The board shall adopt procedures addressing matters for which the council has adopted uniform standards and procedures.*

Sec. 11. Minnesota Statutes 1984, section 473.375, subdivision 16, is amended to read:

Subd. 16. [REPORT.] The board shall annually submit a report to the metropolitan council, ~~the governor, and the legislature~~ detailing its activities and finances for the previous year. *The report shall be in the form and detail and submitted at the time reasonably required by the council. By September 15 of each year after consultation with the council, the board shall submit to the council a set of performance objectives respecting service delivery, finances, and management that the board intends to meet during the following year. If the council concurs with the objectives, it shall include them in its annual report made pursuant to section 473.245. If the council does not concur with them, it shall notify the board within 30 days, with comments. The board shall consider the council's comments and resubmit performance objectives to the council within 30 days. The council shall then include them in its annual report.*

Sec. 12. Minnesota Statutes 1984, section 473.375, is amended by adding a subdivision to read:

Subd. 17. [AUDIT.] *The legislative auditor shall audit the books and accounts of the board once each year or as often as the legislative auditor's funds and personnel permit. The board shall pay the total cost of the audit pursuant to section 3.9741.*

Sec. 13. Minnesota Statutes 1984, section 473.38, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The regional transit board shall prepare, submit for review, adopt, and implement budgets and conduct its financial affairs in the same manner, with the same requirements and restrictions, and to the same effect as provided in section 473.163, subdivisions 1 to 4, *except that the board may develop and adopt its budget on a fiscal year basis to coincide with the fiscal year of the departments of the state government and except as otherwise provided in this section.*

Sec. 14. Minnesota Statutes 1984, section 473.435, subdivision 2, is amended to read:

Subd. 2. [AUDIT.] ~~The transit commission shall employ a certified public accountant or firm to legislative auditor shall~~ make an annual audit of the commission's financial accounts and affairs ~~for the last fiscal year on or before November 30 of each year, and or as often as the legislative auditor's funds and personnel permit.~~ Copies of the report thereof shall be filed and

kept open to public inspection in the offices of the secretary of the commission, the board, and the secretary of state. The information in the audit shall be contained in the annual report and distributed in accordance with section 473.445. *The commission shall pay the total cost of the audit pursuant to section 3.9741.*"

Page 2, after line 32, insert:

"Sec. 18. [REPEALER.]

Minnesota Statutes 1984, section 15A.081, subdivision 7, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "permitting the metropolitan council to set standards for certain agencies; requiring reports;"

Page 1, line 8, after "sections" insert "15A.081, subdivision 1, and by adding a subdivision; 473.129, by adding a subdivision; 473.141, subdivisions 9 and 13, and by adding a subdivision; 473.163, by adding a subdivision; 473.245; 473.373, subdivision 7; 473.375, subdivisions 1 and 16, and by adding a subdivision; 473.38, subdivision 1; 473.435, subdivision 2;"

Page 1, line 9, before the period, insert "repealing Minnesota Statutes 1984, section 15A.081, subdivision 7"

Mr. Benson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 558 was then progressed.

SPECIAL ORDER

S.F. No. 879: A bill for an act relating to economic development; adding definitions to the Minnesota energy and economic development authority law; clarifying purposes of the economic development fund; adding development power and authority; restricting the duties of the energy and economic development authority and enlarging the duties of the commissioner of energy and economic development; extending the life of the Minnesota manufacturing growth council; amending Minnesota Statutes 1984, sections 116J.58, subdivision 1; 116M.03, subdivisions 10, 11, 13, and by adding subdivisions; 116M.04, subdivision 1; 116M.06, subdivisions 2, 4, and 11; 116M.07, subdivisions 1, 2, 11, 12, and by adding a subdivision; 116M.08, subdivisions 11, 13, 16, 19, 20, and by adding subdivisions; 116M.10, subdivision 5; 474.01, subdivisions 6, 7b, 8, and 11; and Laws 1984, chapter 654, article 2, section 151, subdivision 5.

Mr. Freeman moved to amend S.F. No. 879 as follows:

Page 11, line 14, after the comma, insert "*health care equipment loans,*"

Page 12, after line 21, insert:

"Sec. 22. Minnesota Statutes 1984, section 116M.07, is amended by adding a subdivision to read:

Subd. 7a. [HEALTH CARE EQUIPMENT LOANS; AUTHORITY.] The

authority may make or participate in making health care equipment loans in any amount and may enter into commitments therefor. The loans may be made only from the proceeds of bonds or notes issued pursuant to subdivision 7b. Before making a commitment for a loan, the authority shall forward the application to the commissioner of health for review under subdivision 7c. The authority must not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.

Sec. 23. Minnesota Statutes 1984, section 116M.07, is amended by adding a subdivision to read:

Subd. 7b. [HEALTH CARE EQUIPMENT LOANS; BONDS AND NOTES.] The authority may issue its bonds and notes to provide money for the purposes specified in subdivision 7a. For this purpose, the authority may exercise all of the powers conferred on it by sections 116M.03 and 116M.06 to 116M.08 with respect to business loans, except as limited by subdivisions 7a to 7c. The principal amount of bonds and notes issued and outstanding under this subdivision at any time, computed as specified in section 116M.08, subdivision 11, may not exceed \$95,000,000. This authorization is in addition to the authorization contained in section 116M.08, subdivision 11. The bonds and notes issued to make the loans may not be insured by the authority but shall be insured by a letter of credit or bond insurance issued by a private insurer.

Sec. 24. Minnesota Statutes 1984, section 116M.07, is amended by adding a subdivision to read:

Subd. 7c. [HEALTH CARE EQUIPMENT LOANS; ADMINISTRATION.] (a) The commissioner of health shall review each loan application received from the authority to determine whether the application is an approvable application. An application is approvable if the following criteria are satisfied:

(1) the hospital is owned and operated by a county, district, municipality or nonprofit corporation;

(2) the loan would not be used to refinance existing debt;

(3) the hospital was unable to obtain suitable financing from other sources;

(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from that facility; and

(5) the project to be financed by the loan is cost-effective and efficient.

(b) The commissioner shall determine whether the allocation available for the health care equipment loan program for a period of time specified in a rule is sufficient for all approvable applications received during the period of time. If the allocations are sufficient, the commissioner shall approve all approvable applications. If the allocations are not sufficient, the commissioner shall compare the relative merits of the approvable applications in relation to the criteria in clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.

(c) The commissioner of energy and economic development may charge a

reasonable fee under section 16A.128 to an applicant for the costs of the departments of health and energy and economic development in the review of the application. The commissioner of energy and economic development shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications effective July 1, 1985. The commissioner of health may adopt permanent rules to implement subdivisions 7a to 7c of this section. The commissioner of energy and economic development may adopt permanent rules to implement subdivisions 7a to 7c."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, delete "a subdivision" and insert "subdivisions"

The motion prevailed. So the amendment was adopted.

Mr. Anderson moved to amend S.F. No. 879 as follows:

Page 13, line 5, reinstate "\$10,000,000" and delete "\$30,000,000"

Page 16, delete section 25

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, delete "11,"

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

Mr. Benson moved to amend S.F. No. 879 as follows:

Page 14, line 16, delete "\$2,000,000" and insert "\$1,000,000"

CALL OF THE SENATE

Mr. Freeman imposed a call of the Senate for the vote on the Benson amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Jude	McQuaid	Sieloff
Anderson	Frederick	Kamrath	Mehrkens	Solon
Belanger	Frederickson	Knaak	Olson	Storm
Benson	Gustafson	Knutson	Peterson, D.L.	Taylor
Berg	Isackson	Kronebusch	Ramstad	
Bertram	Johnson, D.E.	Laidig	Renneke	

Those who voted in the negative were:

Berglin	Diessner	Lantry	Peterson, D.C.	Vega
Bernhagen	Dieterich	Lessard	Peterson, R.W.	Waldorf
Chmielewski	Frank	Luther	Purfeerst	Wegscheid
Dahl	Freeman	Moe, D. M.	Reichgott	Willet
Davis	Hughes	Moe, R. D.	Schmitz	
DeCramer	Kroening	Nelson	Spear	
Dicklich	Langseth	Pehler	Stumpf	

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

S.F. No. 879 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.

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

The roll was called, and there were yeas 35 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lantry	Pehler	Solon
Berglin	Diessner	Lessard	Peterson, C.C.	Spear
Bertram	Frank	Luther	Peterson, D.C.	Stumpf
Chmielewski	Freeman	Moe, D. M.	Petty	Vega
Dahl	Hughes	Moe, R. D.	Pogemiller	Waldorf
Davis	Kroening	Nelson	Purfeerst	Wegscheid
DeCramer	Langseth	Novak	Schmitz	Willet

Those who voted in the negative were:

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

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

SPECIAL ORDER

S.F. No. 295: A bill for an act relating to counties; authorizing a special levy for county agricultural society and park and recreation purposes for Hubbard county; authorizing a special levy for support of the Clearwater county hospital; authorizing a special levy for tourism and agriculture promotion in Cass county; requiring a reverse referendum under certain circumstances; increasing the amount of loans available to certain counties for design and construction costs of district heating and qualified energy improvements; allowing municipalities to accelerate repayment of principal of energy loans; authorizing county regulation of pawnbrokers, second-hand, and junk dealers; amending Minnesota Statutes 1984, section 116J.36, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 471.

Mr. Johnson, D.E. moved to amend S.F. No. 295 as follows:

Page 7, line 1, delete the new language

Page 7, line 2, delete "*municipality under subdivision 9, but*"

Page 7, line 3, strike the first "the" and strike "25 year"

Page 7, line 4, strike "with the" and insert ". *The loan may be amortized in accordance with repayment schedules not exceeding 25 years in length. Any outstanding*"

Page 7, line 4, strike "to be retired with"

Page 7, line 5, strike "the payment due 20 years after receipt of the loan" and insert "*at the end of the repayment period must be repaid along with the final scheduled payment*"

The motion prevailed. So the amendment was adopted.

Mr. Willet moved to amend S.F. No. 295 as follows:

Page 8, after line 27, insert:

“Sec. 15. [HUBBARD COUNTY FISCAL AGENT.]

The Hubbard county board may serve as the fiscal agent to receive money from the state for the Viking Epic Drama Amphitheater economic development project. The Hubbard county board shall establish the procedures and payment schedules necessary to make any required repayments to the state.”

Amend the title as follows:

Page 1, line 14, after the semicolon insert “designating Hubbard county as a fiscal agent;”

The motion prevailed. So the amendment was adopted.

S.F. No. 295 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 31: A bill for an act relating to watercraft safety; strengthening prohibitions and penalties regarding operation of watercraft while under the influence of alcohol or a controlled substance; providing a penalty; amending Minnesota Statutes 1984, section 361.12; proposing coding for new law in Minnesota Statutes, chapter 361.

Mr. Merriam moved to amend S.F. No. 31 as follows:

Page 1, line 14, strike “watercraft” and insert “*motorboat while underway or in use*”

Page 1, line 23, strike “watercraft” and insert “*motorboat*” and strike “person” and insert “*individual*”

Page 1, line 24, delete “*he*” and insert “*the person*”

Page 1, line 26, strike “watercraft” and insert “*motorboat while underway or in use*”

Page 2, lines 2 and 4, strike “watercraft” and insert “*motorboat*”

Page 2, line 5, strike "watercraft" and insert "motorboat while underway or in use"

Page 2, lines 15, 16, and 35, delete "watercraft" and insert "motorboat"

Page 3, line 19, delete "watercraft" and insert "motorboat"

Page 4, lines 6, 14, and 28, delete "watercraft" and insert "motorboat"

Page 4, lines 8 and 32, delete the first "watercraft" and insert "motorboat"

Page 5, lines 2, 16, 21, and 36, delete "watercraft" and insert "motorboat"

Page 5, line 7, delete "watercraft" and insert "motorboat while underway or in use"

Page 6, lines 1, 3, and 13, delete "watercraft" and insert "motorboat"

Amend the title as follows:

Page 1, lines 2 and 4, delete "watercraft" and insert "motorboat"

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 31. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 47 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.J.	Merriam	Reichgott
Berg	Diessner	Jude	Moe, R. D.	Renneke
Berglin	Dieterich	Kamrath	Novak	Schmitz
Bernhagen	Frank	Knaak	Olson	Spear
Bertram	Frederick	Kroening	Pehler	Stumpf
Brataas	Frederickson	Langseth	Peterson, C.C.	Waldorf
Chmielewski	Freeman	Lantry	Peterson, D.C.	Wegscheid
Dahl	Gustafson	Lessard	Peterson, R.W.	
Davis	Hughes	Luther	Petty	
DeCramer	Johnson, D.E.	McQuaid	Pogemiller	

Those who voted in the negative were:

Anderson	Isackson	Purfeerst	Samuelson	Storm
Belanger	Kronebusch	Ramstad	Sieloff	Willet
Benson	Laidig			

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S.F. No. 31 as follows:

Page 1, after line 9, insert:

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

Subd. 9. "Underway or in use" means any watercraft in operation or use

~~when not~~ unless it is securely fastened to a dock or other permanent mooring. As used in section 361.12 and section 2, "underway and in use" means any motorboat in operation unless it is fastened to a dock or other mooring, anchored, beached, or drifting with the motor turned off."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 361.02, subdivision 9; and"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S.F. No. 31 as follows:

Page 1, line 17, delete the second comma and insert "and" and delete "and (e)"

Page 3, delete lines 15 to 23

Page 3, line 24, delete "(e)" and insert "(d)"

Page 3, lines 27 and 28, delete "tests obtained more than two hours after the alleged violation and"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S.F. No. 31 as follows:

Page 4, lines 2 and 4, after "or" insert "civil liability under"

Page 4, line 24, after "and" insert "criminal and civil"

Page 5, line 28, delete "guilty of a misdemeanor;"

Page 5, delete lines 29 to 33

Page 5, line 34, delete "(b)" and insert "subject to a civil penalty not to exceed \$700 and," and delete "to any penalties imposed under this"

Page 5, line 35, delete "subdivision"

Page 6, line 1, delete "(c)" and insert "(b)"

Page 6, line 3, delete "(b)" and insert "(a)"

Page 6, line 10, delete everything after "that"

Page 6, line 11, delete "provided under subdivision 2, to refuse" and insert "a person is subject to a civil penalty not to exceed \$700 for refusing"

Page 6, line 12, delete "to other penalties which a court may impose"

The motion prevailed. So the amendment was adopted.

Mr. Ramstad moved to amend S.F. No. 31 as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1984, section 361.03, is amended by adding a subdivision to read:

Subd. 1a. [INSURANCE REQUIRED.] Except as provided in subdivision 1b, every owner of watercraft that is required to be registered or licensed in this state shall maintain a liability insurance policy during the period of its

use or operation. The policy must contain limits of liability of not less than \$50,000 per occurrence. Failure to maintain the required insurance is grounds for revocation of a watercraft license.

Sec. 2. Minnesota Statutes 1984, section 361.03, is amended by adding a subdivision to read:

Subd. 1b. [INSURANCE NOT REQUIRED FOR CERTAIN WATERCRAFT.] *Subdivision 1a does not apply to:*

- (1) outboard motor boats of 25 horsepower or less;
- (2) sailboats 26 feet or less in length; and
- (3) non-powered watercraft, other than sailboats, including but not limited to canoes, rafts, or rowboats.

Sec. 3. Minnesota Statutes 1984, section 361.03, is amended by adding a subdivision to read:

Subd. 2a. [PROOF OF INSURANCE.] *Every owner of watercraft in this state, when applying for registration, reregistration, or transfer of ownership shall supply any information the commissioner reasonably requires to determine that the watercraft is covered by an insurance policy as required under subdivision 1a or that the watercraft is exempt from the insurance requirement. No license may be issued or renewed unless the information required under this subdivision is provided to the commissioner. The commissioner may adopt rules necessary to implement this subdivision.*

Page 8, line 8, delete "This act is" and insert "Sections 4 and 5 are"

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon insert "requiring liability insurance on watercraft;"

Page 1, line 6, delete "section" and insert "sections 361.03, by adding subdivisions; and"

Mr. Samuelson questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Kronebusch	Novak	Renneke
Belanger	Freeman	Laidig	Olson	Schmitz
Benson	Gustafson	Lantry	Peterson, D.C.	Sieloff
Bernhagen	Hughes	Luther	Peterson, D.L.	Spear
Brataas	Johnson, D.E.	McQuaid	Peterson, R.W.	Storm
Dahl	Jude	Merriam	Petty	Taylor
Dieterich	Kamrath	Moe, D.M.	Ramstad	Waldorf

Those who voted in the negative were:

Anderson	DeCramer	Kroening	Pehler	Stumpf
Berg	Dicklich	Langseth	Peterson, C.C.	Wegscheid
Berglin	Frank	Lessard	Pogemiller	Willet
Bertram	Isackson	Mehrkens	Purfeerst	
Chmielewski	Johnson, D.J.	Moe, R.D.	Reichgott	
Davis	Knaak	Nelson	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend the second Merriam amendment to S.F. No. 31, adopted by the Senate May 8, 1985, as follows:

Page 1, line 8, after "*motorboat*" insert "*of 36 horsepower or more*"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 31 as follows:

Page 2, line 9, delete the second "*without*"

Page 2, line 10, delete "*regard to whether*" and insert "*if*"

Page 2, line 11, after the period, insert "*If the violation did not occur in the officer's presence, the officer may arrest the person if the person was involved in a watercraft accident resulting in personal injury or property damage.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 42 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Isackson	McQuaid	Sieloff
Anderson	Davis	Johnson, D.E.	Mehrkens	Storm
Belanger	DeCramer	Johnson, D.J.	Olson	Stumpf
Benson	Dicklich	Jude	Peterson, C.C.	Taylor
Berg	Dieterich	Kamrath	Peterson, D.L.	Waldorf
Bernhagen	Frank	Kronebusch	Peterson, R.W.	Wegscheid
Bertram	Frederick	Langseth	Renneke	
Brataas	Frederickson	Lantry	Samuelson	
Chmielewski	Gustafson	Lessard	Schmitz	

Those who voted in the negative were:

Berglin	Kroening	Nelson	Pogemiller	Willet
Diessner	Laidig	Novak	Purfeerst	
Freeman	Luther	Pehler	Ramstad	
Hughes	Merriam	Peterson, D.C.	Reichgott	
Knaak	Moe, R.D.	Petty	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend S.F. No. 31 as follows:

Page 1, line 13, strike "*Subdivision 1.*" and delete "[ACTS PROHIBITED.]"

Page 2, delete lines 6 to 36

Page 3, delete lines 1 to 36

Page 4, delete lines 1 to 36

Page 5, delete lines 1 to 4

Pages 5 to 8, delete section 2

ReNUMBER the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "*strengthening*" and insert "*clarifying*"

Page 1, line 3, delete "*and penalties*"

Page 1, line 6, delete “; proposing”

Page 1, line 7, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 44, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederickson	Knaak	Sieloff
Benson	Davis	Gustafson	Lessard	Storm
Berg	Dicklich	Isackson	Mehrkens	Taylor
Bertram	Frederick	Kamrath	Samuelson	

Those who voted in the negative were:

Adkins	Freeman	Luther	Peterson, C.C.	Schmitz
Belanger	Hughes	McQuaid	Peterson, D.C.	Solon
Berglin	Johnson, D.E.	Merriam	Peterson, R.W.	Spear
Bernhagen	Jude	Moe, D.M.	Petty	Stumpf
Dahl	Kroening	Moe, R.D.	Pogemiller	Vega
DeCramer	Kronebusch	Nelson	Purfeerst	Waldorf
Diessner	Laidig	Novak	Ramstad	Wegscheid
Dieterich	Langseth	Olson	Reichgott	Willet
Frank	Lantry	Pehler	Renneke	

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

Mr. Waldorf moved to amend S.F. No. 31, as amended by the Sieloff and Merriam amendments, as follows:

Page 1, line 8, of the second Merriam amendment, delete “36 horsepower” and insert “16 horsepower”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Belanger	Dieterich	Lantry	Pehler	Schmitz
Berglin	Frank	Luther	Peterson, D.C.	Spear
Bertram	Hughes	McQuaid	Peterson, R.W.	Stumpf
Dahl	Jude	Merriam	Petty	Waldorf
Davis	Knaak	Moe, R.D.	Pogemiller	Wegscheid
DeCramer	Kroening	Nelson	Ramstad	Willet
Diessner	Langseth	Olson	Reichgott	

Those who voted in the negative were:

Anderson	Frederickson	Kronebusch	Purfeerst	Taylor
Benson	Freeman	Laidig	Renneke	Vega
Berg	Gustafson	Lessard	Samuelson	
Bernhagen	Isackson	Mehrkens	Sieloff	
Chmielewski	Johnson, D.E.	Peterson, C.C.	Solon	
Frederick	Kamrath	Peterson, D.L.	Storm	

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend S.F. No. 31 as follows:

Page 1, line 15; delete “the waters of this state” and insert “Lake Minnetonka”

Amend the title as follows:

Page 1, line 2, delete "strengthening" and insert "limiting"

Page 1, line 5, before the first semicolon, insert "to Lake Minnetonka"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Chmielewski	Isackson	Peterson, C.C.	Solon
Benson	Davis	Lessard	Purfeerst	Stumpf
Berg	DeCramer	Mehrrens	Samuelson	Vega
Bertram	Gustafson	Pehler	Sieloff	Willet

Those who voted in the negative were:

Adkins	Frederickson	Laidig	Olson	Schmitz
Belanger	Freeman	Langseth	Peterson, D.C.	Spear
Berglin	Hughes	Lantry	Peterson, D.L.	Storm
Bernhagen	Johnson, D.E.	Luther	Peterson, R.W.	Taylor
Dahl	Jude	McQuaid	Petty	Waldorf
Diessner	Kamrath	Merriam	Pogemiller	Wegscheid
Dieterich	Knaak	Moe, D.M.	Ramstad	
Frank	Kroening	Moe, R.D.	Reichgott	
Frederick	Kronebusch	Nelson	Renneke	

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

S.F. No. 31 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 25, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Langseth	Peterson, D.C.	Solon
Belanger	Freeman	Lantry	Peterson, D.L.	Spear
Berglin	Hughes	Luther	Peterson, R.W.	Storm
Bernhagen	Isackson	McQuaid	Petty	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Pogemiller	Wegscheid
Dahl	Jude	Moe, D.M.	Ramstad	
Diessner	Kroening	Nelson	Reichgott	
Dieterich	Kronebusch	Novak	Renneke	
Frank	Laidig	Olson	Schmitz	

Those who voted in the negative were:

Anderson	Davis	Johnson, D.J.	Moe, R.D.	Sieloff
Benson	DeCramer	Kamrath	Pehler	Stumpf
Berg	Dicklich	Knaak	Peterson, C.C.	Taylor
Bertram	Frederick	Lessard	Purfeerst	Vega
Brataas	Gustafson	Mehrrens	Samuelson	Willet

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was

instructed to bring in the absent members.

APPOINTMENTS

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

H.F. No. 1037: Messrs. Vega, Moe, D.M. and Frederickson.

H.F. No. 889: Messrs. Bertram, DeCramer and Isackson.

H.F. No. 227: Messrs. Dicklich, Dieterich and Benson.

H.F. No. 78: Ms. Berglin, Messrs. Spear and Johnson, D.E.

H.F. No. 674: Ms. Berglin, Messrs. Spear and Johnson, D.E.

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 9: A Senate concurrent resolution relating to joint rules; adopting permanent joint rules of the Senate and House of Representatives.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1985

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. 1382, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 1382: A bill for an act relating to courts; providing for transcript fees; amending Minnesota Statutes 1984, section 486.06.

House File No. 1382 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1985

Mr. Sieloff moved that H.F. No. 1382 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 567: A bill for an act relating to real property; changing notice

period required for cancellation of contract for deed; designating vendor's attorney as an agent; eliminating the mortgage registration tax on contracts for deed; amending Minnesota Statutes 1984, section 559.21, subdivisions 3, 4, and 6, and by adding subdivisions; repealing Minnesota Statutes 1984, sections 287.02; and 559.21, subdivisions 1, 1a, and 2.

Mr. Luther moved to amend S.F. No. 567 as follows:

Page 1, lines 16, 17, and 23, delete "vendor" and insert "seller"

Page 1, line 21, after "days" insert ", or a shorter period allowed in subdivision 4,"

Page 1, line 26, after "than" insert "the final"

Page 1, line 27, delete "for deed"

Page 2, line 2, delete "\$150" and insert "\$125"

Page 2, lines 3 and 4, delete "\$1,000" and insert "\$750"

Page 2, line 7, delete "; and"

Page 2, line 8, delete "further provided that no" and insert ". No"

Page 2, line 9, delete "vendor" and insert "seller"

Page 2, line 11, after the period insert "Reasonable costs of service may be recovered regardless of whether the notice of cancellation is served by the sheriff or other public officer or by a private process server."

Page 3, line 13, strike "FOR DEED"

Page 3, line 20, before "TOGETHER" insert "(TO BE SENT TO YOU)"

Page 3, line 21, before "TWO" insert "WHICH IS"

Page 3, line 22, after "DEFAULT" insert "OTHER THAN THE FINAL BALLOON PAYMENT"

Page 4, line 3, after the comma, insert "except that earnest money contracts, purchase agreements, and exercised options may, by their terms, provide for a shorter termination period, not less than 30 days"

Page 4, line 4, strike "and" and insert ". The notice"

Page 4, line 5, after "court," insert "and"

Page 4, lines 24 and 33, reinstate the stricken "90" and delete "60"

Page 4, line 28, strike "vendor" and insert "seller"

Page 4, line 31, after "than" insert "the final"

Page 5, lines 2, 15, and 17, strike "vendor" and insert "seller"

Page 5, line 5, after "than" insert "the final"

Page 5, line 9, strike "vendor" and insert "seller" in both places

Page 5, line 33, delete "for" and insert "to terminate"

Page 5, line 35, strike "borrower" and insert "purchaser"

Page 6, line 2, strike "section" and insert "subdivision"

Page 6, lines 7 and 9, delete "vendor" and insert "seller"

Page 6, line 10, delete "conjunction" and insert "conjunction"

Page 6, line 11, delete "vendee" and insert "purchaser"

The motion prevailed. So the amendment was adopted.

Mr. Dicklich moved to amend S.F. No. 567 as follows:

Page 1, after line 11, insert:

"ARTICLE 1"

Page 6, after line 18, insert:

"ARTICLE 2"

Section 1. Minnesota Statutes 1984, section 47.20, subdivision 15, is amended to read:

Subd. 15. Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 583.02, mailed after May 24, 1983 and prior to May 1, 1985, to which the provisions of chapter 583 apply shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale under sections 583.04 to 583.12 chapter 583.

Sec. 2. Minnesota Statutes 1984, section 559.21, subdivision 6, is amended to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 583.02, to which the provisions of chapter 583 apply shall terminate until 60 days after service of notice if the notice is served after May 24, 1983, and prior to May 1, 1985, or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60- or 90-day period. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale termination under sections 583.04 to 583.12 chapter 583. This section does not apply to earnest money contracts, purchase agreements or exercised options.

Sec. 3. Minnesota Statutes 1984, section 580.031, is amended to read:

580.031 [TEMPORARY MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead, as defined in section 583.02, if the notice is published for the first time after May 24, 1983 and prior to May 1, 1985 to which the provisions of chapter 583 apply. The notice must contain the information specified in section 580.04. At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

Sec. 4. Minnesota Statutes 1984, section 583.02, is amended to read:

583.02 [DEFINITIONS.]

As used in sections ~~583.01 to 583.12~~ *this chapter*, the term "homestead" means residential or agricultural real estate, a portion or all of which, *at the time of the filing of the petition under section 583.04; is occupied by the owner and is entitled to receive homestead credit under section 273.13, subdivision 15a or would be entitled to receive the credit if it remained the residence of the owner on June 1 of the current year or January 2 of the next year.*

Sec. 5. Minnesota Statutes 1984, section 583.03, is amended to read:

583.03 [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 583.02, including: (1) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (2) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION APPLICABILITY.] *(a) Except as provided in paragraph (b), sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12 apply to:*

(1) mortgages or contracts for deed made before May 24, 1983, until July 1, 1987, but postponement or other relief ordered by a court is effective for the period ordered by the court; and

(2) first mortgages and contracts for deed on homestead property made after May 1, 1985.

(b) The provisions of sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12 do not apply to (1) mortgages or contracts for deed made after May 24, 1983, ~~nor to~~ and before May 1, 1985, (2) mortgages or contracts for deed made before May 24, 1983, which are renewed or extended after May 24, 1983, and before May 1, 1985, for a period longer than one year, ~~nor to~~ (3) mortgages, judgments, or contracts for deed, ~~regardless of when made~~ made before May 1, 1985, if a second or subsequent mortgage is made against the property after May 24, 1983.

No court shall allow a stay, or postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Sec. 6. Minnesota Statutes 1984, section 583.04, is amended to read:

583.04 [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises *including farm homestead premises*, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings default and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified ~~complaint~~ *petition* requesting that the

sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of May 24, 1983, may petition the district court in the same manner, requesting that the contract termination be ~~delayed~~ *postponed* for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings *or contract termination* until after the hearing on the petition. ~~As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid. The court may order costs and attorney fees to be paid by the person applying for relief. If the court orders attorney fees to be paid, the amount may not exceed \$150 or one-half of the attorney fees allowed in section 582.01, whichever is less. The court may order the attorney fees to be prorated and combined with payments ordered under section 583.08. The court may not order attorney fees to be paid by the person applying for relief, if the person is receiving public assistance or legal aid for their own legal representation.~~

Sec. 7. Minnesota Statutes 1984, section 583.05, is amended to read:

583.05 [COURT MAY ORDER ~~DELAY IN~~ POSTPONEMENT OF SALE; FINDINGS.]

The court may consider the following criteria in determining whether or not to order a ~~delay in~~ *postponement* of the sale or contract termination:

(1) that the petitioner is unemployed, underemployed, facing catastrophic medical expenses, or facing economic problems due to low farm commodity prices; and

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed.

If the court ~~grants or denies a delay in~~ *postponement* of the sale, the mortgagee shall publish notice of the new sale date as provided in section 580.03. ~~If the court grants a postponement of the sale, the mortgagee shall not publish notice of a new sale date as provided in section 580.03 until the postponement period has expired, except as provided in section 583.08.~~ Section 580.07 does not apply to foreclosure sales postponed by a court pursuant to sections 583.01 to 583.12.

Sec. 8. Minnesota Statutes 1984, section 583.07, is amended to read:

583.07 [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a ~~delay in~~ *postponement* of the foreclosure sale pursuant to sections 583.01 to 583.12, the redemption period pursuant to section 580.23 ~~shall may~~ be reduced by an equivalent period of time provided, that in

no event shall the redemption period be less than 30 days. If the court does not grant a ~~delay~~ *in postponement* of the foreclosure sale, the redemption period shall be as provided in section 580.23.

Sec. 9. Minnesota Statutes 1984, section 583.10, is amended to read:

583.10 [HEARING.]

The *court shall schedule and hold a hearing on the petition must be held* within 30 days after the filing of the petition. The order therein must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 10. [REPEALER.]

Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, is repealed.

Sec. 11. [EFFECTIVE DATE.]

This article is effective May 1, 1985.

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "extending the provisions authorizing courts to approve postponements of mortgage foreclosure and contract for deed terminations and making them permanent law in certain cases; abolishing certain exclusionary provisions; clarifying certain provisions;"

Page 1, line 6, delete "section" and insert "sections 47.20, subdivision 15;"

Page 1, line 7, after the semicolon, insert "580.031; 583.02; 583.03; 583.04; 583.05; 583.07; and 583.10;"

Page 1, line 9, before the period, insert "and Laws 1983, chapter 215, section 16, as amended"

Mr. Isackson questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 47 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Pehler	Storm
Benson	Dicklich	Kamrath	Peterson, D.C.	Stumpf
Berg	Diessner	Kroening	Peterson, D.L.	Taylor
Berglin	Dieterich	Kronebusch	Peterson, R.W.	Vega
Bernhagen	Frank	Laidig	Purfeerst	Waldorf
Bertram	Frederick	Langseth	Reichgott	Wegscheid
Brataas	Frederickson	Lantry	Renneke	Willet
Chmielewski	Gustafson	Lessard	Schmitz	
Dahl	Isackson	Luther	Sieloff	
Davis	Johnson, D.E.	Moe, R.D.	Spear	

Those who voted in the negative were:

Anderson	Knaak	Mehrkens	Olson	Ramstad
Belanger	McQuaid			

The motion prevailed. So the amendment was adopted.

S.F. No. 567 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Knaak voted in the negative.

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

SPECIAL ORDER

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

Mr. Luther moved to amend S.F. No. 1159 as follows:

Page 10, after line 30, insert:

““Acquiring person” does not include a licensed broker/dealer or licensed underwriter who (1) purchases shares of an issuing public corporation solely for purposes of resale to the public; and (2) is not acting in concert with an acquiring person.”

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend S.F. No. 1159 as follows:

Pages 4 and 5, delete section 6.

Page 5, line 25, strike “or order”

Page 8, after line 33, insert:

“Sec. 9. Minnesota Statutes 1984, section 80B.06, subdivision 2, is amended to read:

Subd. 2. An offeror shall provide that any equity securities of a target company deposited or tendered pursuant to a take-over offer may be withdrawn by or on behalf of any offeree at any time within seven days from the date the offer has become effective under sections 80B.01 to 80B.13 and

after 60 days from the date the offer has become effective under sections 80B.01 to 80B.13, except as the commissioner may otherwise prescribe by rule ~~or order~~ for the protection of investors."

Page 9, line 15, strike "or order"

Page 9, after line 23, insert:

"Sec. 12. Minnesota Statutes 1984, section 80B.09, is amended to read:

80B.09 [INJUNCTIONS.]

Whenever it appears to the commissioner that any person, including a controlling person of an offeror or target company, has engaged or is about to engage in any act or practice constituting a violation of sections 80B.01 to 80B.13 or any rule ~~or order~~ hereunder, (1) he may issue and cause to be served upon any person violating any of the provisions of sections 80B.01 to 80B.13 an order requiring the person guilty thereof to cease and desist therefrom; and (2) he may bring an action in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with sections 80B.01 to 80B.13 or any rule ~~or order~~ hereunder, or he may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, the court may grant a permanent or temporary injunction or restraining order and may order rescission of any sales or purchases of securities determined to be unlawful under sections 80B.01 to 80B.13 or any rule ~~or order~~ hereunder. The court may not require the commissioner to post a bond."

Page 9, line 28, strike the comma

Page 9, strike line 29

Page 9, line 30, strike "notice,"

Page 9, after line 36, insert:

"Sec. 14. Minnesota Statutes 1984, section 80B.10, subdivision 2, is amended to read:

Subd. 2. The commissioner may refer ~~such~~ any evidence as is available concerning violations of sections 80B.01 to 80B.13 or of any rule ~~or order~~ hereunder to the attorney general or the county attorney of the appropriate county who may, with or without any reference, institute the appropriate criminal proceedings under sections 80B.01 to 80B.13. If referred to a county attorney, he shall within 90 days file with the commissioner a statement concerning any action taken or, if no action has been taken, the reasons therefor."

Page 10, line 5, strike "of any provision"

Page 10, line 6, strike everything after "hereunder"

Page 10, line 7, strike "has notice,"

Page 15, line 6, delete "section" and insert "sections 80B.03, subdivision 4a; and"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before "amending" insert "removing the authority of the commissioner of commerce to issue certain orders;"

Page 1, line 6, delete "4a,"

Page 1, line 7, delete the first "subdivision" and insert "subdivisions 2 and" and after "3;" insert "80B.09;"

Page 1, line 8, after "1," insert "2,"

Page 1, line 11, delete "section" and insert "sections 80B.03, subdivision 4a; and"

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the balance of the proceedings on S.F. No. 1159. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Jude	McQuaid	Renneke
Belanger	Frederick	Kamrath	Mehrkens	Samuelson
Benson	Frederickson	Knaak	Novak	Sieloff
Berg	Gustafson	Knutson	Olson	Storm
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	Taylor
Brataas	Johnson, D.E.	Laidig	Ramstad	Waldorf

Those who voted in the negative were:

Adkins	Dicklich	Luther	Peterson, R.W.	Stumpf
Berglin	Diessner	Merriam	Pogemiller	Vega
Bertram	Frank	Moe, D.M.	Purfeerst	Wegscheid
Chmielewski	Kroening	Moe, R.D.	Reichgott	Willet
Dahl	Langseth	Nelson	Schmitz	
Davis	Lantry	Pehler	Solon	
DeCramer	Lessard	Peterson, D.C.	Spear	

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

Mr. Belanger moved to amend S.F. No. 1159 as follows:

Page 5, line 15, before "with" insert "*in consultation with the office of administrative hearings,*"

Page 5, line 17, before the period, insert "*but an administrative law judge must preside at the hearing*"

Page 5, line 20, strike "commissioner's" and insert "*administrative law judge's*"

Page 5, lines 26, 32, and 35, strike "commissioner" and insert "*administrative law judge*"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Laidig	Ramstad
Belanger	Dieterich	Jude	McQuaid	Renneke
Benson	Frederick	Kamrath	Mehrkens	Sieloff
Berg	Frederickson	Knaak	Olson	Storm
Bernhagen	Gustafson	Knutson	Peterson, D.L.	Taylor
Bertram	Isackson	Kronebusch	Purfeerst	Waldorf

Those who voted in the negative were:

Adkins	Diessner	Luther	Peterson, C.C.	Solon
Berglin	Frank	Merriam	Peterson, D.C.	Spear
Chmielewski	Johnson, D.J.	Moe, D.M.	Peterson, R.W.	Stumpf
Dahl	Kroening	Moe, R.D.	Pogemiller	Vega
Davis	Langseth	Nelson	Reichgott	Wegscheid
DeCramer	Lantry	Novak	Samuelson	Willet
Dicklich	Lessard	Pehler	Schmitz	

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

Mr. Knaak moved to amend S.F. No. 1159 as follows:

Pages 10 to 15, delete sections 15 to 19

Page 15, line 5, delete "20" and insert "15"

Page 15, line 6, delete "section" and insert "sections"

Page 15, line 7, after "6" insert "302A.011, subdivisions 37, 38, and 39; 302A.449, subdivision 7; and 302A.671"

Amend the title as follows:

Page 1, line 3, delete "and control share acquisitions"

Page 1, delete lines 9 and 10

Page 1, line 11, delete "section" and insert "sections"

Page 1, line 12, before the period, insert "302A.011, subdivisions 37, 38, and 39; 302A.449, subdivision 7; and 302A.671"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knaak	Olson	Storm
Belanger	Frederickson	Knutson	Peterson, D.L.	Taylor
Benson	Gustafson	Kronebusch	Purfeerst	
Berg	Isackson	Laidig	Ramstad	
Bernhagen	Johnson, D.E.	McQuaid	Renneke	
Diessner	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Dicklich	Luther	Reichgott	Vega
Berglin	Frank	Moe, D.M.	Samuelson	Waldorf
Bertram	Jude	Moe, R.D.	Schmitz	Wegscheid
Dahl	Langseth	Pehler	Solon	Willet
Davis	Lantry	Peterson, D.C.	Spear	
DeCramer	Lessard	Peterson, R.W.	Stumpf	

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

S.F. No. 1159 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 8, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Peterson, C.C.	Sieloff
Benson	Frank	Lanfry	Peterson, D.C.	Solon
Berg	Frederickson	Lessard	Peterson, R.W.	Spear
Berglin	Gustafson	Luther	Petty	Stumpf
Bernhagen	Johnson, D.E.	McQuaid	Pogemiller	Taylor
Bertram	Jude	Merriam	Purfeerst	Vega
Brataas	Kamrath	Moe, D.M.	Ramstad	Waldorf
Dahl	Knaak	Moe, R.D.	Reichgott	Wegscheid
Davis	Knutson	Nelson	Renneke	Willet
DeCramer	Kronebusch	Novak	Samuelson	
Dicklich	Laidig	Olson	Schmitz	

Those who voted in the negative were:

Anderson	Dieterich	Mehrkens	Peterson, D.L.	Storm
Belanger	Frederick	Pehler		

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

CALL OF THE SENATE

Mr. Sieloff imposed a call of the Senate for the balance of this evening's Session. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Sieloff moved that H.F. No. 1382 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1382

A bill for an act relating to courts; providing for transcript fees; amending Minnesota Statutes 1984, section 486.06.

May 6, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1382, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Richard J. Cohen, Charles C. Halberg, Terry Dempsey

Senate Conferees: (Signed) Ron Sieloff, Tad Jude, Bob Lessard

Mr. Sieloff moved that the foregoing recommendations and Conference

Committee Report on H.F. No. 1382 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. 1382 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lantry	Purfeerst	Storm
Belanger	Frederickson	Lessard	Ramstad	Stumpf
Benson	Gustafson	Luther	Reichgott	Taylor
Berg	Jude	McQuaid	Renneke	Vega
Berglin	Kamrath	Mehrrens	Samuelson	Waldorf
Bernhagen	Knaak	Moe, D.M.	Schmitz	Wegscheid
Davis	Knutson	Peterson, D.C.	Sieloff	Willet
DeCramer	Kronebusch	Peterson, D.L.	Solon	
Dicklich	Laidig	Peterson, R.W.	Spear	

Those who voted in the negative were:

Anderson	Dahl	Frank	Johnson, D.E.	Nelson
Bertram	Diessner	Isackson	Moe, R.D.	Pehler

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

RECONSIDERATION

Mr. Purfeerst moved that the vote whereby H.F. No. 755 failed to pass the Senate on May 7, 1985, be now reconsidered. The motion prevailed.

H.F. No. 755: A bill for an act relating to horseracing; authorizing the legislative auditor to perform certain audits; authorizing the commission to adopt certain medication rules; authorizing the attorney general to prosecute certain felonies; amending Minnesota Statutes 1984, sections 240.02, by adding a subdivision; 240.24; and 240.26, by adding a subdivision.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 45 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Nelson	Schmitz
Anderson	Dieterich	Kroening	Peterson, D.C.	Solon
Berg	Frederick	Langseth	Peterson, D.L.	Spear
Bernhagen	Frederickson	Lantry	Peterson, R.W.	Storm
Bertram	Gustafson	Lessard	Pogemiller	Stumpf
Brataas	Isackson	Luther	Purfeerst	Vega
Dahl	Johnson, D.E.	McQuaid	Ramstad	Waldorf
Davis	Jude	Mehrrens	Reichgott	Wegscheid
Dicklich	Kamrath	Moe, R.D.	Samuelson	Willet

Those who voted in the negative were:

Berglin	Knaak	Laidig	Pehler	Renneke
Frank	Kronebusch	Merriam	Petty	

The motion prevailed.

Mr. Benson moved to amend H.F. No. 755 as amended by the Dieterich amendment, adopted by the Senate May 7, 1985, as follows:

Page 1, line 8 of the Dieterich amendment, delete "may" and insert "shall"

Page 2, line 18 of H.F. No. 755, delete "may" and insert "shall"

Page 2, after line 28 of H.F. No. 755, insert:

"Sec. 4. [RULES.]

Notwithstanding chapter 14, the emergency rules adopted under section 2 shall expire on November 15, 1985, and the commission must publish proposed permanent rules under Minnesota Statutes, sections 14.14 to 14.28, by October 1, 1985."

Page 2, line 30 of H.F. No. 755, delete "3" and insert "4"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "authorizing" and insert "requiring"

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend the Dieterich amendment to H.F. No. 755, adopted by the Senate May 7, 1985, as follows:

Page 1, line 15, delete "five" and insert "three"

The motion prevailed. So the amendment was adopted.

H.F. No. 755 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 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Novak	Sieloff
Anderson	Dicklich	Knutson	Olson	Solon
Belanger	Diessner	Kronebusch	Peterson, D.C.	Storm
Benson	Dieterich	Langseth	Peterson, D.L.	Stumpf
Berg	Frank	Lessard	Peterson, R.W.	Taylor
Bertram	Frederick	Luther	Pogemiller	Vega
Brataas	Frederickson	McQuaid	Purfeerst	Wegscheid
Chmielewski	Gustafson	Mehrkens	Ramstad	Willet
Dahl	Isackson	Moe, R.D.	Reichgott	
Davis	Johnson, D.E.	Nelson	Schmitz	

Those who voted in the negative were:

Berglin	Kroening	Merriam	Peterson, C.C.	Samuelson
Bernhagen	Laidig	Moe, D.M.	Petty	Spear
Jude	Lantry	Pehler	Renneke	Waldorf
Knaak				

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

SPECIAL ORDER

H.F. No. 242: A bill for an act relating to commerce; requiring manufac-

turers to make certain new motor vehicle warranty disclosures directly to consumers; amending Minnesota Statutes 1984, section 325F.665, subdivision 3.

Mr. Davis moved to amend H.F. No. 242 as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1984, section 325F.665, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(a) "agricultural vehicle" means:

(1) a farm truck as defined in section 168.011, subdivision 17;

(2) a farm tractor as defined in section 169.01, subdivision 8; and

(3) an implement of husbandry, as defined in section 169.01, subdivision 55, that is self-propelled.

(a) (b) "consumer" means the purchaser, other than for purposes of resale, of a new motor vehicle used for personal, family, or household, or agricultural purposes at least 40 percent of the time, a person to whom the new motor vehicle is transferred for the same purposes during the duration of an express warranty applicable to the motor vehicle, and any other person entitled by the terms of the warranty to enforce the obligations of the warranty; in the case of a second purchase of an agricultural vehicle within the warranty period, the sale must be made through an authorized farm equipment dealer;

(b) (c) "manufacturer" means a person engaged in the business of manufacturing, assembling or distributing motor vehicles, who will, under normal business conditions during the year, manufacture, assemble or distribute to dealers at least ten new motor vehicles;

(c) (d) "manufacturer's express warranty" and "warranty" mean the written warranty of the manufacturer of a new motor vehicle of its condition and fitness for use, including any terms or conditions precedent to the enforcement of obligations under that warranty; and

(d) (e) "motor vehicle" means (1) a passenger automobile as defined in section 168.011, subdivision 7, including pickup trucks and vans, and (2) the self-propelled motor vehicle chassis or van portion of recreational equipment as defined in section 168.011, subdivision 25, and (3) an agricultural vehicle, which is sold to a consumer in this state."

Page 1, line 24, after the comma insert "if applicable"

Page 2, line 2, after the period insert "For agricultural vehicles, "reasonable allowance for prior use" means the fair rental value of the agricultural vehicle calculated in accordance with the "Tractor and Farm Equipment Trade-In Guide" published by the national farm and power equipment dealers association and is the sum of:

(1) the amount attributable to use by the consumer prior to the consumer's first report of the nonconformity to the manufacturer or its authorized

dealers;

(2) *the amount attributable to use by the consumer during any period subsequent to the report when the vehicle is not out of service by reason of repair of the reported nonconformity; and*

(3) *the amount attributable to use by the consumer of the farm tractor provided by the manufacturer or its authorized dealers while the farm tractor is out of service by reason of repair of the reported nonconformity."*

Page 2, line 4, before the period insert "*, or the county recorder of the debtor's residence"*

Page 2, line 24, after "days" insert "*, for agricultural vehicles the vehicle is out of service for a cumulative total of 60 or more business days."*

Page 3, line 2, after "period" insert "*or the 60-day period for an agricultural vehicle"*

Page 3, after line 23, insert:

"(g) For an agricultural vehicle, other than a farm tractor defined in section 169.01, subdivision 8, and a farm truck defined in section 168.011, subdivision 17, the manufacturer's and dealer's duty to repair, replace, or refund under this section applies only to the motor and power train of the agricultural vehicle.

Sec. 3. Minnesota Statutes 1984, section 325F.665, subdivision 4, is amended to read:

Subd. 4. [RESALE OF RETURNED MOTOR VEHICLE.] (a) If a motor vehicle has been returned under the provisions of subdivision 3 or a similar statute of another state, it may not be resold in this state unless:

(1) the manufacturer provides the same express warranty it provided to the original purchaser, except that the term of the warranty need only last for 12,000 miles or 12 months after the date of resale, whichever is earlier, *or for an agricultural vehicle that does not have an odometer, 600 hours or 12 months, whichever is earlier; and*

(2) the manufacturer provides the consumer with a written statement on a separate piece of paper, in ten point all capital type, in substantially the following form: "IMPORTANT: THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY MINNESOTA LAW."

The provisions of this section apply to the resold motor vehicle for full term of the warranty required under this subdivision.

(b) Notwithstanding the provisions of paragraph (a), if a new motor vehicle has been returned under the provisions of subdivision 3 or a similar statute of another state because of a nonconformity resulting in a complete failure of the braking or steering system of the motor vehicle likely to cause death or serious bodily injury if the vehicle was driven, the motor vehicle may not be resold in this state."

Page 3, line 25, delete "Section 1 is" and insert "Sections 1, 2, and 3

are”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon insert “requiring the repair, refund, or replacement of new motor vehicles used for agricultural purposes;”

Page 1, line 5, delete “subdivision 3” and insert “subdivisions 1, 3, and 4”

The motion prevailed. So the amendment was adopted.

H.F. No. 242 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 58 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Bertram and Schmitz voted in the negative.

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

SPECIAL ORDER

H.F. No. 876: A bill for an act relating to hazardous waste; establishing a hazardous substance compensation trust account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

Mr. Luther moved to amend H.F. No. 876, the second unofficial engrossment, as follows:

Page 4, line 28, before the period insert: “;

(4) limit access to information collected and maintained by the board and take any other action necessary to protect privileged or confidential information”

Page 6, line 31, after “PROHIBITED” insert “IN CERTAIN CASES”

Page 6, line 33, delete “upon whose claim the board has made a determination” and insert “who has received and accepted an award from the board”

Page 6, line 35, delete everything after the period

Page 6, delete line 36

Page 7, delete lines 1 to 9

Page 7, after line 16, insert:

"Subd. 3. [SIMULTANEOUS CLAIM AND COURT ACTION PROHIBITED.] A claimant may not commence a court action to recover for any injury or damage for which the claimant seeks compensation from the fund during the time that a claim is pending before the board. A person may not file a claim with the board for compensation for any injury or damage for which the claimant seeks to recover in a pending court action. The time for filing a claim under section 6 or the statute of limitations for any civil action is suspended during the period of time that a claimant is precluded from filing a claim or commencing an action under this subdivision."

Page 12, delete lines 30 to 33

Mr. Sieloff moved to amend the Luther amendment to H.F. No. 876, the second unofficial engrossment, as follows:

Page 1, delete lines 3 to 6 of the Luther amendment, and insert:

"Page 1, line 28, before "DEFINITIONS" insert "PURPOSE;"

Page 1, after line 28, insert:

"Subdivision 1. [PURPOSE.] It is the purpose of sections 3 to 14 to provide an alternative system of compensation for certain persons who have been injured or damaged by the release of a hazardous substance. Nothing in these sections shall be construed to circumvent practices and procedures in court actions, permit the discovery of privileged or confidential information, or otherwise prejudice the rights and interests of parties to judicial proceedings."

Renumber the subdivisions in sequence

Page 2, line 36, after the period insert *"Payment of claims is subject to the limitations contained in section 12."*

Page 4, line 32, delete *"deciding the claim"* and insert *"a standard for determination of a claim under section 9"*

Page 5, after line 14, insert:

"Subd. 4. [TREATMENT OF INFORMATION.] Data collected and maintained by the board are classified as confidential data on individuals or protected nonpublic data, as defined in section 13.02. Written materials and other tangible things given to the board in the investigation of a claim must be returned to the person who provided the material after a final decision is made by the board. If the board applies to a district court for an order to compel compliance with a request for information under subdivision 3, data maintained by the court in the proceeding are classified as confidential or protected nonpublic data, except that the court data are accessible to the person or the person's attorney against whom the order is sought."

Page 5, line 15, delete "4" and insert "5"

Page 1, delete lines 9 to 27 of the Luther amendment, and insert:

"Page 6, line 33, delete "upon whose claim the board has made a determination" and insert "who has received an award from the board"

Page 6, line 35, after the period insert *"A decision by the board to grant or deny compensation is inadmissible as evidence in any court action. Data collected and maintained by the board are inadmissible as evidence in any court action except to the extent that the data are otherwise available to a party or discovered under the applicable rules of civil or criminal procedure."*

Page 12, line 16, after the period insert *"Notwithstanding the provisions of section 471.705, the appearance is not a meeting open to the public."*

Page 12, line 19, after the period insert *"All proceedings of the board, including the taking of testimony, must be closed to the public and the testimony of witnesses other than the claimant must be taken outside of the presence of the claimant or the claimant's attorney."*

Page 12, lines 22 and 23, delete *"and include the reasons for the decision"*

Page 12, line 35, before *"If"* insert *"Subdivision 1. [AMOUNT.]"*

Page 13, delete lines 9 and 10, and insert:

"Subd. 2. [FORM.] Compensation representing medical expenses or other expenses or losses already incurred by the claimant may be awarded in a lump sum. The board shall establish procedures to ensure that compensation representing services, products, or accommodations supplied for the claimant is used to pay for the services, products, or accommodations and may order that all or part of an award be paid directly to a supplier. Compensation representing future losses and expenses shall be paid in installments in the form of a level annuity the duration of which is measured by the duration of the injury sustained."

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Jude	McQuaid	Sieloff
Anderson	Chmielewski	Kamrath	Mehrkens	Storm
Belanger	Frederick	Knutson	Olson	Taylor
Benson	Frederickson	Kronebusch	Peterson, D.L.	Wegscheid
Berg	Gustafson	Laidig	Ramstad	
Bernhagen	Isackson	Langseth	Renneke	
Bertram	Johnson, D.E.	Lessard	Samuelson	

Those who voted in the negative were:

Berglin	Frank	Merriam	Peterson, D.C.	Solon
Dahl	Hughes	Moe, D.M.	Peterson, R.W.	Spear
Davis	Johnson, D.J.	Moe, R.D.	Petty	Stumpf
DeCramer	Knaak	Nelson	Pogemiller	Vega
Dicklich	Kroening	Novak	Purfeerst	Waldorf
Diessner	Lantry	Pehler	Reichgott	Willet
Dieterich	Luther	Peterson, C.C.	Schnitz	

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

The question recurred on the Luther amendment.

The roll was called, and there were yeas 36 and nays 29, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Chmielewski	Jude	Lessard	Renneke
Belanger	Frederick	Kamrath	McQuaid	Sieloff
Berg	Frederickson	Knutson	Mehrkens	Storm
Bernhagen	Gustafson	Kronebusch	Olson	Taylor
Bertram	Isackson	Laidig	Peterson, D.L.	Wegscheid
Brataas	Johnson, D.E.	Langseth	Ramstad	

The motion prevailed. So the amendment was adopted.

Mr. Kamrath moved to amend H.F. No. 876, the second unofficial engrossment, as follows:

Page 2, delete lines 5 to 7

Renumber the subdivisions in sequence

Page 5, line 27, delete "AND PROPERTY DAMAGE"

Page 6, line 11, delete "ELIGIBLE" and after "DAMAGE" insert "IN-ELIGIBLE" and delete "real"

Page 6, line 12, after "is" insert "not"

Page 6, line 13, delete everything after "fund"

Page 6, delete lines 14 to 17

Page 6, line 18, delete "person"

Page 6, line 22, delete "for personal injury"

Page 6, delete lines 25 and 26

Page 6, line 27, before "Notwithstanding" insert "(b)"

Page 8, delete lines 8 to 10 and delete lines 32 to 36

Renumber the clauses in sequence

Page 8, line 20, delete everything before "The"

Page 9, delete lines 1 to 5

Page 9, line 6, delete "3" and insert "2"

Page 9, line 19, delete everything before "Losses"

Page 9, line 20, delete "for personal injury"

Page 10, delete lines 28 to 36

Page 11, delete lines 1 to 24

Page 13, line 3, delete "or damage"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 46, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Isackson	McQuaid	Renneke
Belanger	Frederick	Kamrath	Mehrkens	Sieloff
Benson	Frederickson	Knutson	Olson	Storm
Bernhagen	Gustafson	Kronebusch	Peterson, D.L.	Taylor

Those who voted in the negative were:

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

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

Mr. Laidig moved to amend H.F. No. 876, the second unofficial engrossment, as follows:

Page 3, line 5, before the period insert "with the advice and consent of the senate"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 876, the second unofficial engrossment, as follows:

Page 7, after line 9, insert:

"In any action brought under this section to recover damages for wrongful death, personal injury or disease, or property damage arising out of the release of a hazardous substance, the total fees charged by all attorneys representing the plaintiff shall not exceed 15 percent of the amount awarded to the plaintiff by the court."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	Nelson	Stumpf
Anderson	Davis	Johnson, D.J.	Novak	Taylor
Belanger	DeCramer	Jude	Olson	Vega
Benson	Dicklich	Kamrath	Peterson, D.L.	Waldorf
Berg	Frank	Kronebusch	Petty	Willett
Berglin	Frederick	Langseth	Renneke	
Bernhagen	Frederickson	Lessard	Samuelson	
Bertram	Gustafson	McQuaid	Sieloff	
Brataas	Isackson	Mehrkens	Solon	

Those who voted in the negative were:

Dahl	Knutson	Merriam	Pogemiller	Storm
Diessner	Kroening	Moe, R.D.	Ramstad	Wegscheid
Dieterich	Laidig	Peterson, C.C.	Reichgott	
Hughes	Lantry	Peterson, D.C.	Schmitz	
Knaak	Luther	Peterson, R.W.	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 876, the second unofficial engrossment, as follows:

Page 6, line 35, after the period, insert "*The findings and decision of the board are inadmissible in any court action.*"

Mr. Sieloff moved to amend the second Luther amendment to H.F. No. 876, the second unofficial engrossment, as follows:

Page 1, line 3, after "*The*" and before "*findings*" insert "*documentary evidence,*"

The question was taken on the adoption of the amendment to the amendment.

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

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	Lessard	Sieloff
Anderson	Diessner	Kamrath	McQuaid	Storm
Belanger	Frederick	Knaak	Mehrkens	Taylor
Benson	Frederickson	Knutson	Olson	Waldorf
Berg	Gustafson	Kronebusch	Peterson, D.L.	Wegscheid
Bernhagen	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	Langseth	Renneke	

Those who voted in the negative were:

Berglin	Frank	Moe, D.M.	Peterson, R.W.	Solon
Bertram	Hughes	Moe, R.D.	Petty	Spear
Dahl	Johnson, D.J.	Nelson	Pogemiller	Stumpf
Davis	Kroening	Novak	Purfeerst	Vega
DeCramer	Lantry	Pehler	Reichgott	Willet
Dicklich	Luther	Peterson, C.C.	Samuelson	
Dieterich	Merriam	Peterson, D.C.	Schmitz	

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

The question recurred on the Luther amendment.

The motion prevailed. So the amendment was adopted.

H.F. No. 876 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 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bernhagen Isackson Knutson Peterson, D.L. Sieloff
 Frederick Kamrath

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

SPECIAL ORDER

S.F. No. 1429: A bill for an act relating to state government; providing for indemnification of judges and employees of the legislative and judicial branches from tort, civil, or equitable claims; preserving immunities; amending Minnesota Statutes 1984, sections 3.732, subdivision 1; and 3.736, subdivisions 1 and 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1219: A bill for an act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; providing for appeals; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; 112.401; and 473.882, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, 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 37 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Peterson, R.W.	Sieloff
Berglin	Frank	Luther	Petty	Spear
Bertram	Freeman	Merriam	Pogemiller	Stumpf
Chmielewski	Hughes	Moe, R.D.	Purfeerst	Waldorf
Dahl	Jude	Nelson	Reichgott	Willet
Davis	Knaak	Pehler	Renneke	
DeCramer	Kroening	Peterson, C.C.	Samuelson	
Dicklich	Lantry	Peterson, D.C.	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 345: A bill for an act relating to insurance; no-fault automobile; providing mandatory underinsured motorist coverage; clarifying legislative intent concerning stacking of insurance policies; coordinating the priority of applicability of security for the payment of certain benefits; amending Minnesota Statutes 1984, sections 65B.43, by adding subdivisions; 65B.47, by adding a subdivision; 65B.49, subdivision 4, and by adding a subdivision; and 65B.70, by adding a subdivision.

Mr. Petty moved to amend H.F. No. 345, the unofficial engrossment, as follows:

Page 2, after line 16, insert:

“Sec. 6. Minnesota Statutes 1984, section 65B.44, subdivision 1, is amended to read:

Subdivision 1. [INCLUSIONS.] Basic economic loss benefits shall provide reimbursement for all loss suffered through injury arising out of the maintenance or use of a motor vehicle, subject to any applicable deductibles, exclusions, disqualifications, and other conditions, and shall provide a maximum of ~~\$30,000~~ \$40,000 for loss arising out of the injury of any one person, consisting of:

(a) \$20,000 for medical expense loss arising out of injury to any one person; and

(b) A total of ~~\$10,000~~ \$20,000 for income loss, replacement services loss, funeral expense loss, survivor's economic loss, and survivor's replacement services loss arising out of the injury to any one person.

Sec. 7. Minnesota Statutes 1984, section 65B.44, subdivision 3, is amended to read:

Subd. 3. [DISABILITY AND INCOME LOSS BENEFITS.] Disability and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of ~~\$200~~ \$250 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain his income, which he normally performs himself, and which he cannot perform because of his injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses his eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of ~~\$200~~ \$250 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which he was capable of performing but unreasonably failed to undertake.

For the purposes of this section “inability to work” means disability

which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which he is or may by training become reasonably qualified. If the injured person returns to his employment and is unable by reason of his injury to work continuously, compensation for lost income shall be reduced by the income received while he is actually able to work. The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week."

Page 3, after line 4, insert:

"Sec. 8. Minnesota Statutes 1984, section 65B.49, subdivision 3, is amended to read:

Subd. 3. [RESIDUAL LIABILITY INSURANCE.] (1) Each plan of reparation security shall also contain stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is thereby granted, of not less than ~~\$25,000~~ \$30,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than ~~\$50,000~~ \$60,000 because of injury to two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, of not less than \$10,000 because of such injury to or destruction of property of others in any one accident.

(2) Under residual liability insurance the reparation obligor shall be liable to pay, on behalf of the insured, sums which the insured is legally obligated to pay as damages because of bodily injury and property damage arising out of the ownership, maintenance or use of a motor vehicle if the injury or damage occurs within this state, the United States of America, its territories or possessions, or Canada. A reparation obligor shall also be liable to pay sums which another reparation obligor is entitled to recover under the indemnity provisions of section 65B.53, subdivision 1.

(3) Every plan of reparation security shall be subject to the following provisions which need not be contained therein:

(a) The liability of the reparation obligor with respect to the residual liability coverage required by this clause shall become absolute whenever injury or damage occurs; such liability may not be cancelled or annulled by any agreement between the reparation obligor and the insured after the occurrence of the injury or damage; no statement made by the insured or on his behalf and no violation of said policy shall defeat or void said policy.

(b) The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the reparation obligor to make payment on account of such injury or damage.

(c) The reparation obligor shall have the right to settle any claim covered by the residual liability insurance policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability for the accident out of which such claim arose."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Olson moved to amend H.F. No. 345, the unofficial engrossment, as follows:

Page 2, line 19, delete everything after "7."

Page 2, delete lines 20 and 21 and insert "*Unless a policyholder makes a specific election to have two or more policies added together*"

Page 2, line 23, after "*vehicles*" insert "*may not*"

The motion prevailed. So the amendment was adopted.

H.F. No. 345 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 31 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Kamrath	Mehrkens	Taylor
Anderson	DeCramer	Knaak	Moe, D.M.	Waldorf
Belanger	Frederick	Knutson	Moe, R.D.	Wegscheid
Benson	Frederickson	Kronebusch	Nelson	
Berg	Gustafson	Laidig	Peterson, D.L.	
Bernhagen	Isackson	Lessard	Renneke	
Bertram	Johnson, D.E.	McQuaid	Sieloff	

Those who voted in the negative were:

Berglin	Freeman	Luther	Peterson, R.W.	Schmitz
Chmielewski	Hughes	Merriam	Petty	Solon
Dahl	Johnson, D.J.	Novak	Pogemiller	Spear
Davis	Jude	Olson	Purfeerst	Storm
Dicklich	Kroening	Pehler	Ramstad	Stumpf
Diessner	Langseth	Peterson, C.C.	Reichgott	Vega
Frank	Lantry	Peterson, D.C.	Samuelson	Willet

So the bill, as amended, failed to pass.

Without objection, the Senate reverted to the Orders of Business of Messages From the House, 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. 88:

H.F. No. 88: A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of summer program aid, transportation aid, special education aid, secondary vocational aid, and other aids; establishing an aid and levy formula for excellence in teaching and curriculum; providing for a tem-

porary definition of school bus; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivision 3, and by adding a subdivision; 121.88; 121.882, subdivision 2, and by adding a subdivision; 121.904, subdivisions 4a and 4c; 121.912, subdivision 1; 122.86, subdivision 1; 123.33, by adding a subdivision; 123.36, subdivision 1; 123.58, by adding a subdivision; 123.705, subdivision 1; 123.742, subdivision 7, and by adding subdivisions; 123.7431, subdivision 1; 124.09; 124.14, subdivision 4; 124.17, by adding subdivisions; 124.19, subdivision 1; 124.195, subdivision 9; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivisions 1 and 6; 124.271, subdivision 2b, and by adding a subdivision; 124.2711, subdivision 1; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, and 10; 124.48, by adding a subdivision; 124.573, subdivision 2; 124.574, subdivision 2b; 124.646, subdivision 1; 124A.02, subdivisions 6, 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2 and 3, and by adding a subdivision; 124A.037; 124A.06, subdivisions 1 and 3a; 124A.08, subdivisions 3a and 5; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivision 5a; 124A.16, subdivisions 2 and 4; 125.05, subdivisions 1 and 5; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36; 129B.38, subdivision 1; 129B.39; 129B.40; 134.31, subdivisions 2 and 3; 134.35; 134.351, subdivision 1; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5b, 5d, 8, 8a, and 8b, and by adding subdivisions; 290.06, by adding a subdivision; 298.28, subdivision 1; 354.06, subdivision 1; 354.43, subdivision 3; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; 355.46, subdivision 3; and Laws 1973, chapter 683, section 26, subdivision 17, as amended; Laws 1984, chapter 463, article 9, section 9; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 124A; 126; 129B; 134; and 136A; repealing Minnesota Statutes 1984, sections 120.17, subdivision 1a; 120.172, subdivision 3; 122.84; 122.85; 122.89; 123.3511; 123.3512; 123.3513; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2 and 2a; 124.273, subdivisions 2b and 5; 124.32, subdivision 9a; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.33; 129B.34; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47.

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

Olsen, S.; Erickson; Thiede; Backlund and Kostohryz have been appointed as such committee on the part of the House.

House File No. 88 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1985

Mr. Nelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 88, 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 that the House refuses to concur in the Senate amendments to House File No. 1639:

H.F. No. 1639: A bill for an act relating to state government; appropriating money to the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; prescribing funds, accounts, bonding, and fees; amending Minnesota Statutes 1984, sections 15.0591, subdivision 2; 17.101, subdivision 2; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11; 25.39, subdivision 4; 138.94; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 299A.01, subdivision 6; 340.14, subdivision 2; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.14; 349.151; 349.16; 349.161; 349.162; 349.17; 349.18, subdivisions 1 and 2; 349.19, subdivisions 5, 6, and by adding a subdivision; 349.20; 349.21; 349.211, subdivisions 3 and 4; 349.213, subdivision 1; 349.214, subdivisions 1 and 2; 349.22, subdivision 2; 349.31, subdivision 1; 352D.02, subdivision 1; 360.024; 473.373, subdivision 4; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 6; 473.386, subdivision 2; 473.388; 473.39; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivision; 473.435, subdivision 2; 473.446, subdivisions 1, 1a, 2a, and 3; 609.75, subdivision 3; 609.761; proposing coding for new law in Minnesota Statutes, chapters 219; and 473; proposing coding for new law as Minnesota Statutes, chapter 297C; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 349.19, subdivision 4; 349.212; 349.213, subdivision 2; 473.373, subdivisions 2 and 7; 473.384, subdivision 7; 473.408, subdivisions 3, 3A, 3B, and 5; 473.436; 473.438; and 473.446, subdivision 6.

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

Valan, Seaberg, Johnson, Poppenhagen and Kalis have been appointed as such committee on the part of the House.

House File No. 1639 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1985

Mr. Langseth moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1639, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1525: A bill for an act relating to the organization and operation of state government; authorizing cost containment programs in medical assistance and general assistance medical care programs; establishing a permanency planning program for children at risk of out-of-home placement; appropriating money for human services, corrections, health, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62D.12, by adding a subdivision; 62E.06, subdivision 1; 129A.03; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 254.05; 256.045, subdivision 3, and by adding a subdivision; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.19, subdivision 1; 256B.48, by adding a subdivision; 256B.69, subdivision 4; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 260.311, subdivision 5; 260.38; 268.38, subdivisions 2, 10, and 11; 268.685; 290.089, subdivision 2; 363.03, by adding a subdivision; 390.11, by adding a subdivision; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.22; and 611A.34, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 1984, sections 256.045, subdivision 2; 256.966, subdivision 2; 256.967; 259.405; and 268.686.

Senate File No. 1525 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1985

Mr. Samuelson moved that the Senate do not concur in the amendments by the House to S.F. No. 1525, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 304: A bill for an act relating to transportation; motor carriers; establishing a gross vehicle weight limitation for state trunk highways; revising the gross weight seasonal zone; providing for ten percent overweight allowance for movement of potatoes and sugar beets; requiring a local programming plan to upgrade market arteries; providing that 12 citizens may challenge a seasonal weight restriction imposed by the commissioner; amending Minnesota Statutes 1984, sections 169.81, subdivision 2; 169.825, subdivisions 10 and 11, and by adding a subdivision; 169.86, subdivisions 1a, 2, and by adding a subdivision; and 169.87, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, after line 16, insert:

"Section 1. Minnesota Statutes 1984, section 168.013, subdivision 1e, is amended to read:

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

Minnesota Base Rate Schedule

Scheduled taxes include five percent surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS		TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 26,000	270
K	26,001 - 33,000	360
L	33,001 - 39,000	470
M	39,001 - 45,000	590
N	45,001 - 51,000	710
O	51,001 - 57,000	860
P	57,001 - 63,000	1010
Q	63,001 - 69,000	1180
R	69,001 - 73,280	1320
S	73,281 - 78,000	1520 1595
T	78,001 - 81,000	1620 1760

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

For the registration year 1987 and each subsequent registration year through 1991, the commissioner of revenue shall recompute and publish the tax rates provided in the Minnesota base rate schedule, including the tax provided for vehicles with a gross weight in excess of 81,000 pounds. The commissioner shall calculate the new rates by increasing each rate in effect at the time of the calculation by four percent. The calculation for each registration year must be published by the previous July 1. The rates calculated under this subdivision must be rounded to the nearest dollar and are effective for all vehicles taxed under the Minnesota base rate schedule.

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

Commercial zone trucks include only trucks, truck-tractors, and semi-trailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or,

(2) operated by an interstate carrier registered under section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section 10526(b).

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

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

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

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

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

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

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

100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision, except as otherwise provided in this subdivision.

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

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

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

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

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

Page 3, after line 6, insert:

"Sec. 4. Minnesota Statutes 1984, section 169.825, subdivision 8, is amended to read:

Subd. 8. [PNEUMATIC-TIRED VEHICLES.] No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state:

(a) Where the gross weight on any wheel exceeds 9,000 pounds, except that on designated *local routes and state trunk highways* the gross weight on any single wheel shall not exceed 10,000 pounds;

(b) Where the gross weight on any single axle exceeds 18,000 pounds, except that on designated *local routes and state trunk highways* the gross weight on any single axle shall not exceed 20,000 pounds;

(c) Where the maximum wheel load exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less;

(d) Where the gross weight on any axle of a tridem exceeds 15,000 pounds, except that for vehicles to which an additional axle has been added prior to June 1, 1981, the maximum gross weight on any axle of a tridem may be up to 16,000 pounds provided the gross weight of the tridem combination does not exceed 37,000 pounds where the first and third axles of the tridem are spaced seven feet apart; 38,500 pounds where the first and third axles of the tridem are spaced eight feet apart; and 39,900 pounds where the first and third axles of the tridem are spaced nine feet apart.

(e) Where the gross weight on any group of axles exceeds the weights permitted under this section with any or all of the interior axles disregarded and their gross weights subtracted from the gross weight of all axles of the group under consideration."

Page 4, strike lines 2, 4, 6, and 8

Page 6, line 20, strike "74,000" and insert "(74,000)"

Page 6, line 21, strike "74,500" and insert "(74,500)"

Page 6, line 22, strike "75,000" and insert "(75,000)"

Page 6, line 23, strike "75,500" and insert "(75,500)"

Page 6, line 24, strike "76,500" and insert "(76,500)"

Page 6, line 25, strike "77,000" and insert "(77,000)"

Page 6, line 26, strike "77,500" and insert "(77,500)"

Page 6, line 27, strike "78,000" and insert "(78,000)"

Page 6, line 28, strike "79,000" and insert "(79,000)"

Page 6, line 29, strike "79,500" and insert "(79,500)"

Page 6, line 30, strike "80,000" and insert "(80,000)"

Page 6, line 32, before "routes" insert "state trunk highways and"

Page 7, lines 14 and 18, after "highways" insert "and routes"

Page 9, line 2, after "on" insert "local and county"

Page 9, after line 3, insert:

"Sec. 7. Minnesota Statutes 1984, section 169.833, is amended to read:

169.833 [ADDITION OF TRUNK HIGHWAYS TO DESIGNATED ROUTE SYSTEM; PRIORITY LIST.]

Subdivision 1. [PRIORITY LIST PREPARED.] (a) By December 31 of each odd-numbered year beginning in 1985, each highway district must submit to the commissioner its list of identified market arteries and recommended priorities for upgrading. The priority list must be prepared in accordance with this section by the district engineer in consultation with county and city engineers in the district. Each district engineer must hold one or more public meetings on the list and report to the commissioner in detail how the district upgrading priority list reflects testimony received in the public meetings.

(b) In making its priority list each district must consider the priorities of counties, municipalities, regions and adjoining districts. Each district must submit to the commissioner a preliminary list of market arteries identified for upgrading by September 1, 1985.

Subd. 2. [SELECTION OF MARKET ARTERIES.] The district priority list must identify all market arteries and determine those in need of upgrading. Roads considered for identification as market arteries must include roads connecting Minnesota with border states and provinces, roads connecting interstate highways with state trunk highways, and roads connecting trunk highways with one another. In determining the need for upgrading market arteries, the district must consider shippers' needs, community views, road conditions, regional development plans and the plans of adjoining districts. In identifying market arteries and determining the need for upgrading, the district must give priority to roads serving communities without access to rail service or a year-round, ten-ton route.

~~Subdivision 4~~ *Subd. 3. [IDENTIFICATION OF PROJECTS.] The com-*

missioner shall develop a priority list of trunk highway routes to be added to the system of routes designated under section 169.832 improvements to upgrade market arteries identified in the district priority lists developed under this section. The commissioner shall consult with representatives of the trucking, shipping, and agricultural industries and, local authorities, and regional development commissions in developing the list. A route shall be added to the designated route system after completion of road improvements that provide road strength adequate to carry the permissible weights under section 169.825 or when the commissioner otherwise determines that designation of a route is reasonable. In developing the list the commissioner shall give highest priority to improvements that will eliminate prohibitions or restrictions that interrupt year-round full service on market arteries.

Subd. 2. [FUNDING OF ADDITIONS TO THE SYSTEM.] On July 1 of each year the commissioner of finance shall certify to the commissioner the estimated increase in revenue to the trunk highway fund resulting from the increase in the gasoline and special fuel excise tax under section 296.02. The commissioner shall expend 15 percent of the increase in revenue to the trunk highway fund resulting from the increase in the gasoline and special fuel excise tax under section 296.02 and 15 percent of future increases in gasoline and special fuel excise tax revenues to the trunk highway fund for the purposes of subdivision 1. In the event that actual expenditures during any fiscal year are less or greater than 15 percent when compared to actual revenue the commissioner shall adjust his expenditures for the purpose of subdivision 1 for the following years in order to achieve compliance with this subdivision.

Page 9, line 10, delete "gross vehicle"

Page 9, line 12, after "pounds" insert "gross vehicle weight"

Page 9, delete lines 16 to 33, and insert:

"Subd. 1b. [SPECIAL PERMITS.] (a) The commissioner of transportation may issue a permit authorizing a hauler, during the times and under the conditions specified by the commissioner, to move a vehicle or combination of vehicles with a gross vehicle weight not exceeding 88,000 pounds on state trunk highways, if the vehicle or combination of vehicles has six or more axles and all wheels are equipped with brakes. The maximum wheel load on a non-steering axle shall not exceed the lesser of 500 pounds per inch of tire width or the manufacturer's recommended load for the tire used. The maximum gross weight on a group of consecutive axles shall not exceed the limits set in section 169.825, subdivision 10, for any combination of five or fewer axles. The seasonal increases allowed under section 169.825, subdivision 11, do not apply to vehicles operating under a permit issued under this subdivision. The commissioner shall not issue permits under this section if their issuance will result in a loss of federal highway funding to the state.

(b) Before a permit is issued under this subdivision, the applicant must present to the commissioner an inspection report issued by the department of public safety for each vehicle or combination of vehicles. The inspection report must certify that at the time of inspection each loaded vehicle properly distributed the weight as prescribed in section 169.825. The inspection report must also certify that at the time of inspection each vehicle complied with federal bureau of motor carrier safety standards. At the time of inspec-

tion, each vehicle or combination of vehicles must be loaded to the requested permitted weight. The inspection report will expire 12 months after the date of inspection. The commissioner shall issue at no charge a 48-hour permit to authorize transportation to and from the point of inspection.

The applicant must pay to the commissioner a permit fee of \$200 and an inspection fee of \$50 for each vehicle or combination of vehicles that will be operated under the permit. The permit and inspection fees shall be deposited in the state treasury and credited to the trunk highway fund.

(c) The permit and a copy of the inspection report must be carried with each vehicle or combination of vehicles operating under a permit issued under this subdivision and must be displayed on request of any officer empowered to enforce this section. Each vehicle certified for compliance must display an identifying sticker as prescribed by the commissioner."

Page 10, after line 4, insert:

"Sec. 11. Minnesota Statutes 1984, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under his jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(3) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(4) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, clause (3).

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) truck cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the pro-

visions of section 169.80, subdivision 1, paragraphs (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

(e) for vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limi- tations on axles	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced with- in 14 feet or less
0-2,000	.100	.040	.036
2,001-4,000	.124	.050	.044
4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of vehicle	Annual Permit Fee
90,000 or less	\$200.00
90,001 - 100,000	\$300.00
100,001 - 110,000	\$400.00
110,001 - 120,000	\$500.00
120,001 - 130,000	\$600.00
130,001 - 140,000	\$700.00

If the gross weight of the vehicle is more than 140,000 pounds the permit fee is determined under paragraph (e).

(g) for vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

Sec. 12. Minnesota Statutes 1984, section 169.862, is amended to read:

169.862 [PERMITS FOR WIDE LOADS OF BALED HAY.]

The commissioner of transportation with respect to highways under the commissioner's jurisdiction, and local authorities with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying round ~~baled hay~~, *bales of agricultural products* with a total outside width of the vehicle or the load not exceeding 11-1/2 feet, to be operated on public streets and highways. Permits issued under this section are governed by the applicable provisions of section 169.86 except as otherwise provided herein and, in addition, carry the following restrictions:

(a) The vehicles may not be operated between sunset and sunrise, 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 ~~Saturdays, Sundays, and Sunday from noon until sunset~~, or on the days the following holidays are observed: *New Year's day, Memorial day, Independence day, Labor day, Thanksgiving day, and Christmas day.*

(b) The vehicles may not be operated on interstate highways.

(c) The vehicles may not be operated on a trunk highway with a pavement less than 24 feet wide.

(d) A vehicle operated under the permit must be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle. ~~Simultaneous flashing amber lights, as provided in section 169.59, subdivision 4, must be displayed to the front and rear of the vehicle. The flashing amber lights must be lighted only when the width of the load exceeds 102 inches. The flashing amber light system is in addition to and separate from the turn signal system and the hazard warning light system.~~

(e) A vehicle operated under the permit must display red, orange, or yellow flags, ~~42 1/8~~ inches square, as markers at the front and rear and on both sides of the load. The load must be securely bound to the transporting vehicle.

The fee for the permit is \$24."

Pages 10 and 11, delete section 8 and insert:

"Sec. 13. Minnesota Statutes 1984, section 169.87, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL POWER SEASONAL LOAD RESTRICTION.] Local authorities, with respect to highways under their jurisdiction, may prohibit the operation of vehicles upon any such highway or impose restrictions as to the weight of vehicles to be operated upon any such highway, whenever any such highway, by reason of deterioration, rain, snow, or other climatic conditions, will be seriously damaged or destroyed unless the use of vehicles thereon is prohibited or the permissible weights thereof reduced.

The local authority enacting any such prohibition or restriction shall erect or cause to be erected and maintained signs plainly indicating the prohibition or restriction at each end of that portion of any highway affected thereby, and

the prohibition or restriction shall not be effective unless and until such signs are erected and maintained.

Municipalities, with respect to highways under their jurisdiction, may also, by ordinance, prohibit the operation of trucks or other commercial vehicles, or may impose limitations as to the weight thereof, on designated highways, which prohibitions and limitations shall be designated by appropriate signs placed on such highways.

The commissioner shall likewise have authority, as hereinabove granted to local authorities, to determine and to impose prohibitions or restrictions as to the weight of vehicles operated upon any highway under the jurisdiction of the commissioner, and, *except as provided in this subdivision*, such restrictions shall be effective when signs giving notice thereof are erected upon the highway or portion of any highway affected by such action.

~~When a local authority petitions the commissioner to establish a truck route for travel into, through, or out of the territory under its jurisdiction, the commissioner shall investigate the matter. If the commissioner determines from his investigation that the operation of trucks into, through, or out of the territory involves unusual hazards because of any or all of the following factors; load carried, type of truck used, or topographic or weather conditions, the commissioner may make his order designating certain highways under his jurisdiction as truck routes into, through, or out of such territory. When these highways have been marked as truck routes pursuant to the order, trucks traveling into, through, or out of the territory shall comply with the order.~~ *The commissioner shall propose the prohibitions and restrictions and publish them in the qualified legal newspaper of each affected county by November 1 of each year. The commissioner shall, within ten days of the publication, notify the county auditor of each affected county, by mail, of the proposed prohibitions and restrictions. The commissioner may impose restrictions that are not proposed by November 1 only in cases of unanticipated road damage so severe as to warrant immediate emergency action. Emergency road restrictions are not subject to the hearing requirement.*

If a meeting is requested by the county board of one or more counties in which the proposed prohibition or restriction is effective, a proposed prohibition or restriction may not be posted and does not become effective unless the commissioner holds a public meeting. Notice of the meeting must be published in the qualified legal newspaper of the county. The commissioner or his designee shall hold a public meeting in the affected county and shall determine whether the adverse economic impact of the prohibition or restriction on the affected communities is so severe that the prohibition or restriction must be modified or suspended. If more than one county board requests a meeting on a single proposed prohibition or restriction the commissioner may hold one consolidated meeting on the proposal.

A county board may request a meeting only if it determines that the proposed prohibition or restriction would adversely affect one or more communities in the county by denying it all access to unrestricted routes."

Pages 12 and 13, delete section 10 and insert:

"Sec. 15. [SPECIAL CATEGORIES.]

For purposes of the Minnesota base rate schedule, but not for purposes of the special permit under section 9, for vehicles with six or more axles in the

"S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively, subject to the annual increases authorized by section 168.013, subdivision 1e."

Page 13, after line 14, insert:

"Sec. 16. [APPROPRIATION.]

\$490,000 is appropriated from the trunk highway fund to the commissioner of public safety to conduct vehicle inspections, to be available for the biennium ending June 30, 1987. The approved complement of the department of public safety is increased by six positions."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to transportation; motor carriers; providing for annual increases in gross weight tax rates; establishing a gross vehicle weight limitation for state trunk highways; revising the gross weight seasonal zone; providing for ten percent overweight allowance for movement of potatoes and sugar beets; allowing wide loads of baled agricultural products to travel certain roads at certain times by annual permit; removing a requirement that wide loads be marked by flashing amber lights; requiring a district priority list; providing that a county may challenge a seasonal weight restriction imposed by the commissioner; appropriating money; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 169.81, subdivision 2; 169.825, subdivisions 8, 10, and 11, and by adding a subdivision; 169.833; 169.86, subdivisions 1a, 2, 5, and by adding a subdivision; 169.862; and 169.87, subdivision 1, and by adding a subdivision."

And when so amended the bill do pass.

Mr. Moe, R.D. moved the adoption of the foregoing committee report. The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 304 was read the second time.

RECESS

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

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

APPOINTMENTS

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

H.F. No. 1639: Mr. Langseth, Mrs. Lantry, Messrs. Purfeerst, Schmitz and Mehrkens.

S.F. No. 1525: Messrs. Samuelson, Knutson, Solon, Spear and Ms. Berglin.

H.F. No. 88: Messrs. Nelson; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Peterson, D.L.

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

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 1:00 to 4:15 p.m. and from 7:00 to 9:30 p.m. Ms. Reichgott was excused from the Session of today from 2:00 to 3:00 p.m. Mr. Knutson was excused from the Session of today from 3:15 to 6:30 p.m. Mr. Kroening was excused from the Session of today from 5:15 to 7:50 p.m. Mr. Hughes was excused from the Session of today from 7:30 to 10:15 p.m. Mr. Freeman was excused from the Session of today from 7:30 to 9:45 p.m. Mr. Dieterich was excused from the Session of today at 12:30 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Thursday, May 9, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SIXTH DAY

St. Paul, Minnesota, Thursday, May 9, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 2:00 p.m. The motion prevailed.

The hour of 2:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Senator Donald A. Storm.

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

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

The President declared a quorum present.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 88 at 2:30 p.m.:

Messrs. Nelson, Pehler, Ms. Peterson, D.C.; Messrs. Peterson, D.L. and Peterson, R.W. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 6, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	1	58	May 6	May 6
	94	59	May 6	May 6
	204	60	May 6	May 6
	230	61	May 6	May 6
	247	62	May 6	May 6
	256	63	May 6	May 6
	454	64	May 6	May 6
	468	65	May 6	May 6
	507	66	May 6	May 6
	565	67	May 6	May 6
	580	68	May 6	May 6
	656	69	May 6	May 6
	698	70	May 6	May 6
	730	71	May 6	May 6
	759	72	May 6	May 6
	825	73	May 6	May 6
	831	74	May 6	May 6
	852	75	May 6	May 6
	863	76	May 6	May 6
	951	77	May 6	May 6
	982	78	May 6	May 6
	1065	79	May 6	May 6
	1570	80	May 6	May 6

Sincerely,

Joan Anderson Growe
Secretary of State

May 8, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed

and deposited in the Office of the Secretary of State, S.F. Nos. 783, 1119 and 1329.

Sincerely,

Rudy Perpich, Governor

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. 1109:

H.F. No. 1109: A bill for an act relating to state government; concerning the state procurement of goods and services from small businesses; modifying geographical distribution requirements and preference program limitations; amending Minnesota Statutes 1984, section 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5.

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

Frerichs, Osthoff and Bennett have been appointed as such committee on the part of the House.

House File No. 1109 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1985

Mrs. Adkins moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1109, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1458.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 1458: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now

adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 776: A bill for an act relating to health; requiring the commissioner of health to develop programs for the promotion of nonsmoking; providing for tax increase on cigarettes; prohibiting the free distribution of cigarettes; raising the cigarette tax; appropriating money; amending Minnesota Statutes 1984, sections 297.02, by adding a subdivision; 297.03, subdivision 10; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding subdivisions; and 297.35, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 124, 144, and 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. Minnesota Statutes 1984, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

(1) Agency means the Minnesota pollution control agency created by this chapter;

(2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, 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 disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state *independent grant and matching grant* purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal

Water Pollution Control Act, as amended, 33 U.S.C. 1314, et seq.

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or subdivision 1a, that are in existence on January 1, 1985, and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include the provision of collector sewers as defined in agency rules, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

Sec. 2. [116.162] [STATE GRANT PROGRAM FOR COMBINED SEWER OVERFLOW.]

Subdivision 1. [DEFINITIONS.] (a) Except as otherwise provided in this section, the terms used in this section have the meanings given in section 116.16, subdivision 2.

(b) "Combined sewer" means a sewer that is designed and intended to serve as a sanitary sewer and a storm sewer, or as an industrial sewer and a storm sewer.

(c) "Combined sewer overflow" means a discharge of a combination of storm and sanitary wastewater or storm and industrial wastewater directly or indirectly into the waters of the state, occurring when the volume of wastewater flow exceeds the conveyance or storage capacity of a combined sewer system.

Subd. 2. [PROGRAM PURPOSE.] The agency shall administer a state grant program to assist eligible recipients to abate combined sewer overflow to the Mississippi river from its confluence with the Rum river to its confluence with the St. Croix river.

Subd. 3. [ELIGIBLE RECIPIENTS.] A statutory or home rule charter city is eligible for grants under the program if the city has a permit, stipulation agreement, consent decree, or order issued by the agency requiring construction to abate combined sewer overflow and if the city adopts an approved plan to abate combined sewer overflow.

Subd. 4. [ELIGIBLE COSTS.] The eligible costs under this section include the costs listed in section 116.16, subdivision 2, paragraph (6), as determined by the agency, using as guidelines the regulations promulgated by the United States environmental protection agency under the Federal Water Pollution Control Act, United States Code, title 33, sections 1314 to 1328, except that the eligible costs include easements necessary for implementing the combined sewer overflow abatement plan and do not include:

- (1) the preparation of combined sewer overflow abatement plans;*
- (2) acquisition of interests in real property other than easements;*
- (3) storm water treatment facilities;*

(4) costs for a program to disconnect any structures or devices, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer;

(5) costs incurred before the effective date of this section; and

(6) costs incurred after the effective date of this section but without prior written approval of the agency.

Subd. 5. [GRANT PROGRAM.] The agency shall annually award grants to eligible recipients in that year for combined sewer overflow projects. The agency shall determine eligible costs for each eligible recipient and compare those individual costs to the total eligible cost required to abate combined sewer overflows. This comparison determines each eligible recipient's proportionate share of the costs, and the appropriation for the program must be distributed among eligible recipients according to their proportionate share.

Subd. 6. [GRANT CONDITIONS; ADMINISTRATION.] (a) A recipient of a grant under this section shall construct the combined sewer overflow abatement facilities in accordance with the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency. The agency shall require that the construction schedule to abate combined sewer overflow be completed within ten years. As a condition of receiving a grant, the recipient shall implement a program approved by the agency to disconnect any structures or devices, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer. The deadlines for submittal of facilities plans, plans and specifications, and other documents to the agency for a grant are governed by the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency requiring combined sewer overflow abatement construction.

(b) A recipient of a grant under this section is not eligible to receive a grant to abate combined sewer overflow under the state independent grants program.

Subd. 7. [RULES.] The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of the grant program established by this section. The rules must contain as a minimum:

(1) procedures for application;

(2) criteria for eligibility of combined sewer overflow abatement projects;

(3) conditions for use of the grants;

(4) procedures for the administration of grants; and

(5) other matters that the agency finds necessary for the proper administration of the program.

Sec. 3. Minnesota Statutes 1984, section 116.18, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION FROM THE FUND.] The sum of \$167,000,000, or so much thereof as may be necessary, is appropriated from

the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 and ending June 30, 1985, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in accordance with the rules, priorities, and criteria therein described.

Sec. 4. Minnesota Statutes 1984, section 116.18, subdivision 2a, is amended to read:

Subd. 2a. [STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1984.] For projects tendered, on or after October 1, 1984, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for up to ~~45~~ 30 percent of the eligible cost of construction for municipalities for which the construction would otherwise impose significant financial hardship; provided, that not less than ~~25~~ ten percent of the eligible cost must be paid by the municipality or agency constructing the project. If a municipality is tendered federal and state grants in a percentage cumulatively exceeding ~~75~~ 90 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to ensure that not less than ~~25~~ ten percent of the eligible cost will be paid by the municipality. The amounts of the matching grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation.

Sec. 5. Minnesota Statutes 1984, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The agency may award independent grants for projects for 50 percent or, if the agency requires advanced treatment, 65 percent of the eligible cost of construction. The agency may award independent grants for up to an additional ~~15~~ 30 percent or, if the agency requires advanced treatment, up to an additional ~~ten~~ 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. ~~Not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded for projects for the control of combined sewer overflow as defined by federal regulation.~~ Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development at the beginning of each fiscal year, and the com-

missioner shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the agency to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and apply to be reimbursed in the a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated under subdivision 1 to the state grants programs for that year.

Sec. 6. [116.19] [MUNICIPAL POWERS.]

Subdivision 1. [PURPOSE.] Notwithstanding a statute or home rule charter to the contrary, a recipient of a grant from the agency may exercise the authority provided in this section to abate combined sewer overflow or provide money to pay all or part of the costs of the abatement and of making improvements to any utility required to effect the abatement.

Subd. 2. [GENERAL.] A recipient may acquire real or personal property by purchase, including installment purchase, lease, including a financing lease, condemnation, gift, or grant, or may sell real or personal property at its fair market value determined by the recipient and simultaneously enter into an installment purchase or lease, including a financing lease, for purposes of reacquiring real or personal property. A recipient may construct, enlarge, improve, replace, repair, maintain, and operate a public sewer system, including storm sewers, sanitary sewers, and facilities for separating storm sewers from combined storm and sanitary sewers, or any other public utilities combined with the public sewer system as provided in this section. To accomplish these purposes, a recipient may exercise the powers granted a municipality by chapters 115, 117, 412, 429, 435, 444, 471, and 475, and may combine the public sewer system, for purposes of operation or revenue collection or both or for other purposes the city council determines, with one or more other public utilities. Charges for the services provided by a combined utility may be determined in any reasonable manner.

Subd. 3. [DEBT.] A recipient may incur indebtedness and may issue and sell bonds or other obligations, including notes, an installment purchase contract, or obligations to make payments under a financing lease, and pledge the full faith and credit of the city to its payment for storm and sanitary sewers and systems without submitting the question of issuing the bonds, or otherwise incurring the obligations, to the electors. The bonds or other obligations may be issued in one or more series, may bear interest at the rate or rates, including floating rates, and may be sold at public or private sale and at the price the recipient determines. A recipient may, in addition to or in substitution for the pledge of its full faith and credit, pledge the revenues or net revenues of its public sewer system or a combined utility or a part of it, or mortgage the assets of the system or combined utility. A recipient may vest in a trustee or trustees, located within or outside the state, the right to enforce any covenants made to secure or to pay the bonds or other obligations, and may determine the powers and duties of the trustee or trustees. Except as

provided in this section, the bonds or other obligations must be issued and sold according to chapter 475.

Subd. 4. [PROPERTY TAX.] In addition and supplemental to the grants of authority in subdivisions 2 and 3, the governing body may establish a special taxing district or districts within the corporate limits of the city that include some or all of the real or personal property served by a combined sewer separated after the effective date of this section, and may levy and collect ad valorem taxes in the district or districts for the purposes of this section. The taxes must be collected by the county and paid over to the city as are other taxes. The taxes are not restricted by any other tax levy limitations imposed upon the city by any other law or charter provision.

Subd. 5. [ASSESSMENTS.] The governing body of the city may divide the city into drainage districts or areas, and may levy and collect assessments based on benefit to property, whether the benefit be direct or indirect, and the assessments so levied may be based upon the existing or highest and best land usage, square footage, front footage or area. The assessments may be levied in accordance with the procedures set forth in the city's home rule charter, if any, or chapter 429, as the council determines. The assessments may be levied and collected from all property whether public or private, and in the case of public property the agency of government responsible for the property must provide the necessary money in its budget request.

Subd. 6. [PRIVATE FINANCE.] To secure financing for the purposes of this section, the governing body of the city may use private financing methods, such as private ownership and construction by any means available to the owner of new facilities to benefit the city under a lease, financing lease, installment purchase agreement or service contract, or the sale or mortgaging of all or part of the city's existing public sewer system, combined utility including the public sewer system, or water utility, to benefit the city under a lease, financing lease, installment purchase agreement or service contract. The private financing methods are not subject to any limitations imposed by a home rule charter, if any, or by chapter 475. Any property benefiting the city under the private financing methods is exempt from taxation and the payment of amounts in lieu of taxes to the same extent as property owned by the city.

Sec. 7. [116.46] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 7 to 9 and section 15.

Subd. 2. [AGENCY.] "Agency" means the pollution control agency.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 4. [ELEVATED BLOOD LEAD LEVEL.] "Elevated blood lead level" means a confirmed concentration of 25 micrograms or more of lead in each deciliter of whole blood.

Subd. 5. [RESPONSE ACTION.] "Response action" means action to limit exposure to lead contaminated soil sites, including fencing, covering sites with vegetation, removal and replacement of contaminated soil, and other appropriate measures.

Sec. 8. [116.47] [IDENTIFICATION OF LEAD CONTAMINATED

SOIL SITES.]

Subdivision 1. [PRELIMINARY SCREENING.] By January 1, 1986, the agency must identify and develop a preliminary list of sites in the state where significant concentrations of lead in soil are likely and where the probability exists for children's contact with the soil. In identifying these sites the agency must consider:

(1) both stationary and mobile lead emission sources;

(2) dispersion and depositional patterns of lead emissions; and

(3) the presence of populations susceptible to lead exposure or lead absorption, including children at day care centers, schools, parks, and playgrounds, children who have elevated levels of lead in their blood, and children whose socioeconomic status has given them a higher exposure to lead or increased lead absorption.

Subd. 2. [SOIL TESTING.] By January 1, 1987, the agency must sample sites on the preliminary list to determine the concentration of lead in the soil. The agency must refer sites to the commissioner where lead in the soil exceeds the interim standard for lead in the soil of 1,000 parts per million. After adoption of the rules under section 9, subdivision 1, the agency shall refer to the commissioner all sites with concentrations above the standard for lead in soil.

Subd. 3. [ACCESS TO PROPERTY.] The agency or a person authorized by the agency may, upon presentation of credentials, enter public or private property to conduct surveys or investigations.

Subd. 4. [HEALTH SCREENING.] For each site referred by the agency, the commissioner must review the existing health data on the resident population or collect data on the level of lead in the blood if the present data are inadequate. If the level of lead in the blood is elevated in a population at a site, the commissioner shall examine the site for all sources of lead exposure and report to the agency findings and recommendations to reduce the level of lead in the blood.

Sec. 9. [116.48] [RULES.]

Subdivision 1. [STANDARD FOR LEAD IN SOIL.] By January 1, 1988, the agency shall adopt rules that establish a standard of lead contamination in the soil that threatens the health or welfare of susceptible populations.

Subd. 2. [PRIORITIES FOR RESPONSE ACTION.] By January 1, 1988, the agency must adopt rules establishing the priority for response actions. The rules must consider the potential for children's contact with the soil and the existing level of lead in the soil and may consider the relative risk to the public health, the size of the population at risk, and blood lead levels of resident populations.

Sec. 10. [REPORT ON LEAD CONTAMINATION IN THE SOIL.]

By January 1, 1987, the pollution control agency shall submit a report to the senate and house committees on health and human services describing the extent of lead contamination in the soil, the lead levels in the blood of populations at contaminated sites, the size of the population at risk from exposure to lead in the soil, and an estimate of the cost of response actions

required to prevent exposure to soil contaminated by lead.

Sec. 11. [124.252] [SMOKING PREVENTION PROGRAMS.]

Subdivision 1. [ELIGIBILITY AND PURPOSE.] Each school board that institutes a smoking prevention program that meets the criteria in subdivision 2 and submits the proposed program to the commissioner of education is eligible for state aid for the following purposes:

- (1) inservice training for public and nonpublic school staff;
- (2) smoking prevention curriculums including materials;
- (3) community and parent awareness programs; and
- (4) evaluation of curriculum and programs for smoking prevention.

Subd. 2. [CRITERIA.] A smoking prevention curriculum must include at least the following components:

- (1) inservice training of teachers and staff;
- (2) evaluation of programs and curriculum results;
- (3) a kindergarten through grade 12 continuum of educational intervention related to smoking; and
- (4) targeted intervention on smoking onset for students who are 12 to 14 years old based on evaluated curriculums that have been shown to reduce smoking onset rates.

Subd. 3. [DISTRICT AID.] An eligible district must receive 52 cents in fiscal year 1986 and 54 cents in fiscal year 1987 and thereafter for each pupil, in average daily membership, enrolled in a public elementary, secondary, or area vocational technical institute or nonpublic elementary or secondary school. Aid for nonpublic school pupils must be paid to the district upon request by or on behalf of the pupils. A school district must not receive less than \$1,000 in fiscal year 1986 and \$1,040 in fiscal year 1987.

Subd. 4. [APPLICATIONS.] A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on a form supplied by the commissioner.

Subd. 5. [ASSISTANCE TO DISTRICTS.] The commissioner of education, with the consultation and assistance of the commissioner of health, shall:

- (1) provide technical assistance to districts for the development, implementation, and evaluation of smoking prevention curriculum and programs;
- (2) provide to districts information about evaluation results of various curriculums as reported in the scientific literature and elsewhere; and
- (3) collect information from districts about prevention programs and evaluation results.

Sec. 12. [144.391] [PUBLIC POLICY.]

The legislature finds that:

- (1) smoking causes premature death, disability, and chronic disease, including cancer and heart disease, and lung disease;

- (2) *smoking related diseases result in excess medical care costs; and*
- (3) *smoking initiation occurs primarily in adolescence.*

The legislature desires to prevent young people from starting to smoke, to encourage and assist smokers to quit, and to promote clean indoor air.

Sec. 13. [144.392] [DUTIES OF THE COMMISSIONER.]

The commissioner of health shall:

(1) *provide assistance to workplaces to develop policies that promote nonsmoking and are consistent with the Minnesota clean indoor air act;*

(2) *provide technical assistance, including design and evaluation methods, materials, and training to local health departments, communities, and other organizations that undertake community programs for the promotion of nonsmoking;*

(3) *collect and disseminate information and materials for smoking prevention;*

(4) *evaluate new and existing nonsmoking programs on a statewide and regional basis using scientific evaluation methods;*

(5) *conduct surveys in school-based populations regarding the epidemiology of smoking behavior, knowledge, and attitudes related to smoking, and the penetration of statewide smoking control programs; and*

(6) *report to the legislature each biennium on activities undertaken, smoking rates in the population and subgroups of the total population, evaluation activities and results of those activities, and recommendations for further action.*

Sec. 14. [144.393] [PUBLIC COMMUNICATIONS PROGRAM.]

The commissioner may conduct a long-term coordinated public information program that includes public service announcements, public education forums, mass media, and written materials. The program must promote nonsmoking and include background survey research and evaluation. The program must be designed to run over at least five years, subject to the availability of money.

Sec. 15. [144.491] [COMMISSIONER'S DUTIES RELATING TO LEAD ABSORPTION.]

The commissioner of health shall:

(1) *provide coordination and advice to community programs that test children for lead in their blood to assure that these testing services are conducted in a safe and appropriate manner, are targeted to children throughout the state at risk to lead contamination or absorption, and generate data that may be analyzed on a statewide basis;*

(2) *provide coordination and advice of local lead absorption testing programs, to assure adequate skill and efficiency, to the laboratories within the state that conduct Erythrocyte Protoporphyrin testing, confirmatory blood lead testing, and testing of paint chips and other environmental lead sources;*

(3) *provide public and professional education concerning lead contami-*

nation or absorption and its health effects on children;

(4) review state and local housing codes and advise the governing bodies and administrative departments adopting or administering the codes to insure that the hazard of absorption and contamination from leaded paint is adequately addressed and considered, and provide technical support for enforcement of the codes by local health departments and local building inspection departments; and

(5) study and determine the extent of exposure to lead in drinking water caused by plumbing and develop recommendations and techniques for reducing this exposure.

Sec. 16. Minnesota Statutes 1984, section 144.70, is amended to read:

144.70 [~~ANNUAL BIENNIAL~~ REPORT.]

Subdivision 1. [CONTENT.] The commissioner of health shall prepare ~~and prior to each legislative session a report every two years concerning the status and operations of the health care markets in Minnesota. The commissioner of health shall transmit the reports to the governor and to the members of the legislature an annual.~~ The first report ~~of~~ must be submitted on January 15, 1987, and succeeding reports on January 15 every two years thereafter. Each report must contain information, analysis, and appropriate recommendations concerning the following issues associated with Minnesota health care markets:

(1) the overall status of the health care cost problem, including the costs faced by employers and individuals, and prospects for the problem's improving or getting worse;

(2) the status of competitive forces in the market for health services and the market for health plans, and the effect of the forces on the health care cost problem;

(3) the feasibility and cost-effectiveness of facilitating development of strengthened competitive forces through state initiatives;

(4) the feasibility of limiting health care costs by means other than competitive forces, including direct forms of government intervention such as price regulation; the commissioner of health may exclude this issue from the report if the report concludes that the overall status of the health care cost problem is improving, or that competitive forces are contributing significantly to health care cost containment;

(5) the overall status of access to adequate health services by citizens of Minnesota, the scope of financial and geographic barriers to access, the effect of competitive forces on access, and prospects for access improving or getting worse;

(6) the feasibility and cost-effectiveness of enhancing access to adequate health services by citizens of Minnesota through state initiatives; and

(7) the commissioner of health's operations and activities for the preceding ~~fiscal year~~ two years as they relate to the duties imposed on the commissioner of health by sections 144.695 to 144.703. This report shall include a compilation of all summaries and reports required by sections 144.695 to 144.703 together with any findings and recommendations of the commissioner of

health.

Subd. 2. [INTERAGENCY COOPERATION.] In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; the department of labor and industry, in its regulation of health service costs under workers' compensation; and the state planning agency, in its planning for the state's health service needs.

Sec. 17. [MANDATED BENEFITS COMMISSION.]

If the governor, during fiscal year 1986, establishes a special commission to study and make recommendations on the appropriate content of the mandated or minimum benefits to be required of health plans in Minnesota, representation on the commission must include:

(1) one member from the state planning agency, who shall chair the commission;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(4) one member from the Minnesota department of commerce;

(5) one member from the Minnesota department of health;

(6) one member representing Minnesota counties;

(7) one member representing Minnesota employers;

(8) one member representing health insurance companies, one member representing health maintenance organizations, and one member representing nonprofit health service plans;

(9) two members representing the providers of health services;

(10) one member representing labor; and

(11) one member representing low income consumers.

Sec. 18. [144.95] [MOSQUITO RESEARCH PROGRAM.]

Subdivision 1. [RESEARCH PROGRAM.] The commissioner of health shall establish and maintain a long-range program of research to study:

(1) the basic biology, distribution, population ecology, and biosystematics of Minnesota mosquitoes;

(2) the impact of mosquitoes on human and animal health and the economy, including such areas as recreation, tourism, and livestock production;

(3) the baseline population and environmental status of organisms other

than mosquitoes that may be affected by mosquito management;

(4) the effects of mosquito management strategies on animals and plants that may result in changes in ecology of specific areas;

(5) the development of mosquito management strategies that are effective, practical, and environmentally safe;

(6) the costs and benefits of development of local and regional management and educational programs.

Subd. 2. [RESEARCH FACILITY AND FIELD STATIONS.] (a) The commissioner of health shall establish and maintain mosquito management research and development facilities, including but not limited to field research stations in the major mosquito ecologic regions and a center for basic mosquito management research and development. The commissioner shall, to the extent possible, contract with the University of Minnesota in establishing, maintaining, and staffing the research facilities.

(b) The commissioner of health shall establish and implement a program of contractual research grants with public and private agencies and individuals in order to:

(1) undertake supplemental research studies on basic mosquito biology, physiology, and life cycle history beyond those described in subdivision 1;

(2) undertake research into the effects of mosquitoes on human health, including vector-borne diseases, and on animal health, including agricultural and wildlife effects;

(3) undertake studies of other economic factors including tourism and recreation;

(4) collect and analyze baseline data on the ecology and distribution of organisms other than mosquitoes that may be affected as a result of mosquito management strategies;

(5) develop new, effective, practical, and biologically compatible control methods and materials;

(6) conduct additional monitoring of the environmental effects of mosquito control methods and materials;

(7) undertake demonstration, training, and education programs for development of local and regional mosquito management programs.

Subd. 3. [CONDUCT RESEARCH TRIALS.] The commissioner of health may develop and conduct research trials of mosquito management methods and materials. Trials may be conducted, with the agreement of the public or private landholder, wherever and whenever the commissioner considers necessary to provide accurate data for determining the efficacy of a method or material in controlling mosquitoes.

Subd. 4. [RESEARCH TRIALS.] Research trials of mosquito management methods and materials are subject to the following laws and rules unless a specific written exemption, license, or waiver is granted; sections 97.48, 97.488, 98.48, 105.38, 105.41, and 105.463; and Minnesota Rules, chapters 1505, 6115, 6120, 6134, and 6140.

Subd. 5. [GENERAL AUTHORITY.] (a) To carry out subdivisions 1 to 4,

the commissioner of health may:

(1) *accept money, property, or services from any source;*

(2) *receive and hold lands;*

(3) *accept gifts;*

(4) *cooperate with city, state, federal, or private agencies whose research on mosquito control or on other environmental matters may be affected by the commissioner's mosquito management and research activities; and*

(5) *enter into contracts with any public or private entity.*

(b) The contracts must specify the duties performed, services provided, and the amount and method of reimbursement for them. Money collected by the commissioner under contracts made under this subdivision is appropriated to the commissioner for the purposes specified in the contracts. Contractual agreements must be processed under section 16B.17.

Subd. 6. [AUTHORITY TO ENTER PROPERTY.] The commissioner of health, officers, employees, or agents may, with express permission of the owner, enter upon any property at reasonable times to:

(1) *determine whether mosquito breeding exists;*

(2) *examine, count, study, or collect laboratory samples to determine the property's geographic, geologic, and biologic characteristics; or*

(3) *study and collect laboratory samples to determine the effect on animals and vegetation of an insecticide, herbicide, or other method used to control mosquitoes.*

Subd. 7. [RESEARCH PLOTS.] The commissioner of health may lease and maintain experimental plots of land for mosquito research. The commissioner of health shall determine the locations of the experimental plots and may enter into agreements with any public or private agency or individual to lease the land. The commissioners of agriculture, natural resources, transportation, iron range resources and rehabilitation, and energy and economic development shall cooperate with the commissioner of health.

Subd. 8. [EMERGENCIES.] The commissioner may suspend or revoke a contract, agreement, or delegated authority granted in this section at any time and without prior notice if an emergency, accident, or hazard threatens the public health.

Subd. 9. [COMMISSIONER REQUIRED TO REPORT.] Each year, the commissioner shall report to the legislature on basic mosquito research findings and progress toward cost-effective, environmentally sound mosquito management methods and materials. The report must recommend future research and management activities.

Sec. 19. Minnesota Statutes 1984, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

Subdivision 1. [CONTINUATION OF 1983 PROJECTS.] (a) Notwithstanding subdivisions 2 and 3, recipients of maternal and child health grants for special projects in state fiscal year 1983 shall continue to be funded at the

same level as in state fiscal year 1983 until ~~September 30, 1985~~ *December 31, 1987* if they comply with the provisions of sections ~~145.881, and 145.882 to 145.888~~. Beginning January 1, 1988, recipients of maternal and child health special project grants awarded in state fiscal year 1983 must receive:

(1) for calendar year 1988, no less than 80 percent of the amount awarded in state fiscal year 1983; and

(2) for calendar year 1989, no less than 70 percent of the amount awarded in state fiscal year 1983.

(b) The amount of grants awarded under this subdivision must be deducted from the allocation under subdivisions 3 and 4 for the community health services area within which the grantee is located. In order to receive money under this subdivision, recipients must continue to comply with sections 145.881 and 145.882 to 145.888. These recipients are also eligible to apply for state grants under sections ~~145.883 to 145.888~~ subdivisions 2, 3, and 4. Any decrease in the amount of federal funding to the state for the maternal and child health block grant shall ~~must~~ be apportioned to reflect a proportional decrease for each recipient until ~~September 30, 1985~~. Any increase in the amount of federal funding to the state shall ~~must~~ be distributed for services to children with handicaps and to special projects as provided in sections 145.883 to 145.888, except that an amount not to exceed ten percent may be retained by the commissioner of health to address cost of living increases and increases in supplies and services under subdivisions 3 and 4 of this section.

After ~~September 30, 1985~~, (c) The advisory task force shall review and recommend the proportion of maternal and child health block grant funds to be expended for indirect costs, direct services and special projects. The proportion of funds expended in direct services through special projects shall be maintained at not less than the level expended in state fiscal year 1984.

Subd. 2. [ALLOCATION TO THE COMMISSIONER OF HEALTH.] Beginning January 1, 1986, up to one-third of the total maternal and child health block grant money may be retained by the commissioner of health for administrative and technical assistance services, projects of regional or statewide significance, direct services to children with handicaps, and other activities of the commissioner.

Subd. 3. [ALLOCATION TO COMMUNITY HEALTH SERVICES AREAS.] The maternal and child health block grant money remaining after distributions made under subdivisions 1 and 2 must be allocated according to the formula in subdivision 4 to community health services areas for distribution by local boards of health to qualified programs that provide essential services within the community health services area.

Subd. 4. [DISTRIBUTION FORMULA.] The amount available for each community health services area is determined according to the following formula:

(a) Each community health services area is allocated an amount based on the following three variables:

(1) the proportion of resident mothers within the city, county, or counties who are under 20 years of age or over 35 years of age, as determined by averaging the data available for the three most current years;

(2) the proportion of resident infants within the city, county, or counties whose weight at birth is less than 2,500 grams, as determined by averaging the data available for the three most current years; and

(3) the proportion of resident children within the city, county, or counties under the age of 19 who are on general assistance or medical assistance and the proportion of resident women within the city, county, or counties aged 19 to 49 who are on general assistance or medical assistance, as determined by using the data available for the most current year.

(b) Each variable is expressed as a city or county score consisting of the city or county frequency of each variable divided by the statewide frequency of the variable.

(c) A total score for each city or county jurisdiction is computed by totalling the scores of the three factors and dividing the total by three.

(d) Each community health services area is allocated an amount equal to the total score obtained above for the city, county, or counties in its area multiplied by the amount of money available for special projects of local significance.

Subd. 5. [NONPARTICIPANTS IN THE COMMUNITY HEALTH SERVICES SUBSIDY PROGRAM.] A city or county that is not participating in the community health services subsidy program must be allocated money under subdivisions 3 and 4, and for this limited purpose the city or county is a "community health services area." For these areas, the commissioner shall convene a meeting of public and private nonprofit agencies in the city or county that have expressed an intent to submit an application for funding, in order to attempt to develop a single coordinated grant application for the city or county. Applications, whether consolidated into a single application or submitted as individual applications, must be submitted according to section 145.885. Grants for qualified programs providing essential services in these areas are awarded and distributed by the commissioner.

Subd. 6. [REALLOCATION.] If no approvable applications are received for a community health services area, the commissioner must reallocate the money available for that area to other community health service areas for which approvable applications have been received.

Subd. 7. [USE OF BLOCK GRANT MONEY.] (a) Maternal and child health block grant money allocated to a local board of health or community health services area under this section must be used for qualified programs for high risk and low income individuals. Block grant money must be used for programs that:

(1) specifically address the highest risk populations, particularly low income and minority groups with a high rate of infant mortality and children with low birth weight, by providing services calculated to produce measurable decreases in infant mortality rates, instances of children with low birth weight, and medical complications associated with pregnancy and childbirth;

(2) specifically target pregnant women whose age, medical condition, or maternal history substantially increases the likelihood of complications associated with pregnancy and childbirth or the birth of a child with an illness,

disability, or special medical needs;

(3) specifically address the health needs of young children who have or are likely to have a chronic disease or disability or special medical needs; or

(4) provide family planning and preventive medical care for specifically identified target populations, such as minority and low income teenagers, in a manner calculated to decrease the occurrence of inappropriate pregnancy and minimize the risk of complications associated with pregnancy and childbirth.

(b) Maternal and child health block grant money may be used for purposes other than the purposes listed in this subdivision only if the local board of health or community health services area can demonstrate that existing programs fully address the needs of the highest risk target populations described in this subdivision.

Subd. 8. [REPORT.] The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds money, including the amounts to be expended for indirect costs, direct services, and special projects local grants. The report shall also identify the statewide needs of low income and high risk populations and the department of health's plans and local board plans for meeting their needs. The legislature must receive the report no later than January of each year.

Sec. 20. Minnesota Statutes 1984, section 145.883, subdivision 8, is amended to read:

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from state fiscal year 1985, and succeeding years, only sufficient funds money for qualified programs approved through the federal fiscal year award period.

Sec. 21. Minnesota Statutes 1984, section 145.883, is amended by adding a subdivision to read:

Subd. 9. [COMMUNITY HEALTH SERVICES AREA.] "Community health services area" means a city, county, or multi-county area that is organized as a local board of health under section 145.913 and for which a state subsidy is received under sections 145.911 to 145.922.

Sec. 22. Minnesota Statutes 1984, section 145.884, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The commissioner shall, in the name of the state and within the limit of the federal maternal and child health block grant appropriation, make grants to public and private nonprofit agencies administering under sections 145.881 to 145.888 for qualified programs of maternal and child health care services. The commissioner shall promulgate rules for the administration of grants authorized by this subdivision. The rules shall establish and contain as a minimum:

(a) procedures for grant applications;

(b) conditions and procedures for the administration of grants;

(c) criteria of eligibility for grants; and

(d) other matters the commissioner finds necessary for the proper administration of the grant program.

Sec. 23. Minnesota Statutes 1984, section 145.885, is amended to read:

145.885 [APPLICATION FOR A GRANT.]

Subdivision 1. [REQUIREMENTS FOR ALL APPLICATIONS.] An application for a grant shall be submitted to the commissioner at a time and in a form and manner as the commissioner prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:

(a) (1) a complete description of the program and the manner in which the applicant intends to conduct the program;

(b) (2) a description of the manner in which the program responds to needs and priorities for services identified by the maternal and child health task force under section 145.881, subdivision 2, and rules adopted by the commissioner; differences must be explained in detail;

(3) a budget and justification for the amount of grant funds requested;

(c) (4) a description of the target population served by the qualified program and estimates of the number of low income or high risk patients the program is expected to serve;

(d) (5) the name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

(e) (6) the reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Subd. 2. [ADDITIONAL REQUIREMENTS FOR LOCAL BOARDS.] Applications by local boards under section 19, subdivision 3, must also contain a summary of the process used to develop the local program, including evidence that the local board notified local public and private providers of the availability of funding through the local board for maternal and child health services; a list of all public and private agency requests for grants submitted to the local board indicating which requests were included in the grant application; and an explanation of how priorities were established for selecting the requests to be included in the grant application. The local board shall include, with the grant application, a written statement of the criteria to be applied to public and private agency requests for funding.

Sec. 24. Minnesota Statutes 1984, section 145.886, is amended to read:

145.886 [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel must be professionals with expertise in maternal and child health care. No member of the panel may be an employee of a public or private nonprofit agency receiving or applying

for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner the advisory task force. The commissioner shall award grants under section 145.885 and this section only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.

Sec. 25. [145.923] [NONSMOKING AND HEALTH GRANTS.]

The commissioner of health may award special grants to local boards of health to conduct community-wide pilot programs for the promotion of nonsmoking or to local boards of health or nonprofit corporations to conduct statewide programs for the promotion of nonsmoking.

Sec. 26. [145.924] [SALE OF CANDY CIGARETTES PROHIBITED.]

A person shall not sell candy cigarettes in this state.

Sec. 27. Minnesota Statutes 1984, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~nine~~ 20.5 mills *minus the tax, not more than eight mills, imposed by United States Code, title 26, section 5701, as amended, on each such cigarette;*

(2) On cigarettes weighing more than three pounds per thousand, ~~18~~ 41.8 mills *minus the tax, not more than 16.8 mills, imposed by United States Code, title 26, section 5701, as amended, on each such cigarette.*

Sec. 28. Minnesota Statutes 1984, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] (a) *Except as provided in paragraph (b), the commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~2.50~~ two percent from the face amount of the stamps for the first \$500,000 \$1,000,000 of such stamps purchased in any fiscal year; and at a discount of ~~two~~ 1.25 percent on the ~~next~~ \$500,000 remainder of such stamps purchased in any fiscal year; and at a discount of ~~1.50~~ percent for all additional stamps purchased in any fiscal year. He shall not sell stamps to any other person.*

(b) If the tax exceeds 12.5 mills a cigarette, the discount is 1.5 percent from the face amount of the stamps for the first \$1,000,000 of the stamps purchased in a fiscal year and one percent for additional stamps purchased during the fiscal year.

Sec. 29. Minnesota Statutes 1984, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT ACCOUNT.] *Notwithstanding any other provisions of law, five and one-half percent of the Revenues received from taxes, penalties and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall*

be deposited by the commissioner of revenue in the general fund and credited to a special account to be known as the "natural resources account," which is hereby created. Expenditures shall be made from said account only as may be authorized by law to carry out the provisions of this act and in conformance with the provisions of chapter 16. Five and one-half percent shall be deposited in the general fund and credited to the "natural resources acceleration" account for the purposes provided in Laws 1969, Chapter 879, Section 4. state treasury and credited as follows:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a Minnesota resources fund for purposes of natural resources acceleration as provided in chapter 86;

(2) the revenue produced by three mills of the tax on cigarettes weighing not more than three pounds a thousand and six mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16;

(3) the revenue produced by one-half mill of the tax on cigarettes weighing not more than three pounds a thousand and one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund; if the tax imposed by United States Code, title 26, section 5701, is reduced, the increased revenue to the state must also be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner in the general fund and credited to the general fund.

Sec. 30. Minnesota Statutes 1984, section 297.22, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon the use or storage by consumers of cigarettes in this state, and upon such consumers, at the following rates:

(1) On cigarettes weighing not more than three pounds per thousand, nine mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 18 mills on each such cigarette specified in section 297.02.

Sec. 31. Minnesota Statutes 1984, section 297.32, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of 20 27.5 percent of the wholesale sales price of such tobacco products except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes in section 297.02, subdivision 1, clause (1), weighing not more than three pounds per thousand subject to the discount provided in section 297.35, subdivision 1. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco prod-

ucts for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 32. Minnesota Statutes 1984, section 297.32, subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of 20 percent of the cost of such tobacco products, except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes ~~in section 297.22, subdivision 1, clause (1) weighing not more than three pounds per thousand.~~

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. Not more than 50 cigars;
2. Not more than 10 oz. snuff or snuff powder;
3. Not more than 1 lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 33. Minnesota Statutes 1984, section 297.32, is amended by adding a subdivision to read:

Subd. 9. Revenue derived from the taxes imposed by this section must be deposited by the commissioner in the state treasury and credited as follows:

(1) the revenue produced by the tax on six and one-half percent of the wholesale sales price or cost of the tobacco products except little cigars must be credited to the Minnesota state water pollution control fund created in section 116.16;

(2) the revenue produced by the tax on one percent of the wholesale sales price or cost of the tobacco products except little cigars must be credited to the public health fund; and

(3) the balance of the revenue must be credited to the general fund.

Sec. 34. Minnesota Statutes 1984, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the eighteenth day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may

require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less ~~2~~ ~~4~~ ~~2~~ two percent of such liability as compensation to reimburse the distributor for his expenses incurred in the administration of sections 297.31 to 297.39.

Sec. 35. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES AND LITTLE CIGARS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of cigarettes on cigarettes and little cigars in the person's possession or under the person's control at 12:01 a.m. on July 1, 1985, at the following rates, subject to the discount provided in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand, three and one-half mills on each cigarette;

(2) on cigarettes weighing more than three pounds a thousand, seven mills on each cigarette.

Each distributor, by July 20, 1985, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1985, and the amount of tax due on them. The tax imposed by this section less the discount provided in section 297.03, subdivision 5, is due and payable by August 20, 1985, and thereafter bears interest at the rate of one percent a month.

Subd. 2. [TOBACCO PRODUCTS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of tobacco products, at the rate of seven and one-half percent of the wholesale sales price of each tobacco product in the person's possession or under the person's control at 12:01 a.m. on July 1, 1985. Each distributor, by July 20, 1985, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1985, and the amount of tax due on them. The tax imposed by this section less the discount provided in Minnesota Statutes, section 297.35, subdivision 1, is due and payable by August 20, 1985, and thereafter bears interest at the rate of one percent a month.

Sec. 36. [325E.0951] [MOTOR VEHICLE POLLUTION CONTROL SYSTEMS; RESTRICTED FILL PIPES.]

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

(a) [MOTOR VEHICLE.] "Motor vehicle" means a self-propelled vehicle manufactured after 1978 on which a pollution control system or a restricted gasoline fill pipe is required by state or federal law.

(b) [PERSON.] "Person" means an individual, firm, partnership, incorporated and unincorporated association, or any other legal or commercial entity.

Subd. 2. [PROHIBITED ACTS.] (a) A person may not knowingly tamper with, adjust, alter, change, or disconnect a pollution control system or a restricted gasoline fill pipe on a motor vehicle.

(b) A person may not advertise for sale, sell, use, or install a device that causes the pollution control system or the restricted gasoline fill pipe to be

nonfunctional.

(c) A person may not sell or offer for sale a motor vehicle with knowledge that the pollution control system or restricted gasoline fill pipe is nonfunctional.

Subd. 3. [REPAIRS.] This section does not prevent the service, repair, or replacement of the pollution control system or restricted gasoline fill pipe for a motor vehicle if the pollution control system or restricted gasoline fill pipe remains functional.

Subd. 4. [PENALTY.] A person who violates this section is guilty of a misdemeanor.

Sec. 37. [REVISOR'S INSTRUCTION.]

In Minnesota Statutes 1986, the revisor shall replace the reference to "sections 62D.01 to 62D.29" wherever it occurs with "sections 62D.01 to 62D.24." The revisor shall delete references to "62E.17" from sections 62E.01; 62E.02, subdivision 1; 62E.05; 62E.09; 62E.13, subdivisions 6 and 8; 62E.14, subdivision 2; and 62E.15, subdivision 2.

Sec. 38. [APPROPRIATIONS.]

Subdivision 1. \$64,963,600 is appropriated to the agencies and for the purposes shown in this section. The appropriations are from the public health fund, except as otherwise indicated. Appropriations from the public health fund are available for the fiscal years ending June 30 in the years indicated. Appropriations from the water pollution control fund are available until expended.

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Subd. 2. POLLUTION CONTROL AGENCY

(a) Wastewater treatment grants \$19,850,000 \$21,750,000

This appropriation is from the water pollution control fund. Any shortfall in receipts to the water pollution control fund must be borne entirely by this appropriation and not by the appropriation for combined sewer overflow.

(b) Combined sewer overflow 6,750,000 6,750,000

This appropriation is from the water pollution control fund.

(c) Analysis and abatement of lead contamination in the soil 206,800 197,200

(d) *The approved complement of the pollution control agency is increased by five positions from the public health fund and 15 positions from the water pollution control fund.*

Subd. 3. EDUCATION

Smoking prevention programs 611,200 712,000

The approved complement of the department of education is increased by one position.

Subd. 4. HEALTH

(a) Smoking prevention programs 1,057,600 1,600,300

(b) Programs to prevent lead contamination

<i>and absorption</i>	193,300	202,700
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<i>(c) Study of health care markets</i>	151,100	151,400
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<i>(d) Mosquito research</i>	800,000	1,500,000
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This appropriation is only available if the federal tax on cigarettes is reduced.

<i>(e) Maternal and child health block grant program</i>	850,000	1,450,000
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\$900,000 of the appropriation for the second year must be used for health department programs affected by reductions in federal block grant money available to the department under section 19. In addition to this appropriation and the money available under section 19, subdivision 2, \$1,400,000 of unobligated federal maternal and child health block grant money may be used for department programs affected by the reductions under section 19.

\$700,000 of the appropriation for the first year and \$250,000 of the appropriation for the second year must be added to the money available for distribution under section 19, subdivisions 3 and 4.

\$150,000 of the appropriation for the first year and \$300,000 of the appropriation for the second year must be distributed on a competitive basis to special projects that satisfy the criteria in section 19, subdivision 8, in community health services areas that are not allocated money for grants under section 19, subdivisions 3 and 4, because of distributions made under subdivision 1 and the corresponding reduction in the allocation for that area.

(f) The approved complement of the department of health is increased by ten positions.

Subd. 5. EMPLOYEE RELATIONS

<i>Develop cost containment initiatives in the state employee health benefit program</i>	30,000	30,000
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The approved complement of the department of employee relations is increased by one position.

Subd. 6. COMMERCE

<i>Monitoring the health care market and health insurer's cost containment activities</i>	32,200	29,800
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The approved complement of the department of commerce is increased by one position.

Subd. 7. STATE PLANNING AGENCY

<i>Support the mandated benefits commission</i>	58,000	-0-
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The approved complement of the state planning agency is increased by two positions.

Sec. 39. [REPEALER.]

Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 116.18, subdivision 2; 145.884, subdivision 2; and 297.03, subdivision 10, are repealed. Minnesota Rules 1983, parts 4685.3500 to 4685.5600, are repealed.

Sec. 40. [EFFECTIVE DATE.]

The taxes imposed by this act apply to cigarettes, tobacco products, and little cigars in the possession of distributors, as defined in Minnesota Statutes, section 297.01, subdivision 7, on July 1, 1985."

Delete the title and insert:

"A bill for an act relating to public health; providing grants to abate combined sewer overflow; increasing the state share of independent grants to municipalities facing financial hardship; requiring action to determine and decrease the health risks attributable to exposure to or absorption of lead; establishing programs to promote nonsmoking; requiring a biennial report on health care markets; providing for membership on a mandated benefits commission; authorizing statewide mosquito research; providing for the distribution of maternal and child health block grants; prohibiting the sale of candy cigarettes; increasing the taxes on cigarettes and on tobacco products; repealing authority to permit free distribution of cigarettes without affixing tax stamps; creating a Minnesota resources fund and a public health fund; protecting motor vehicle pollution control systems and restricted gasoline fill pipes; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 2; 116.18, subdivisions 1, 2a, and 3a; 144.70; 145.882; 145.883, subdivision 8, and by adding a subdivision; 145.884, subdivision 1; 145.885; 145.886; 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1 and 2, and by adding a subdivision; 297.35, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116; 124; 144; 145; and 325E; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 116.18, subdivision 2; 145.884, subdivision 2; and 297.03, subdivision 10; and Minnesota Rules 1983, parts 4685.3500 to 4685.5600."

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred for proper reference under Rule 35:

S.F. No. 1527,

Reports the same back with the recommendation that the bill be re-referred to the Committee on Agriculture and Natural Resources.

Report adopted.

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

S.F. No. 708: A bill for an act relating to the legislature; providing for expanded authority of the legislative coordinating commission; establishing the position of director of protocol services; providing expiration dates for legislative commissions and boards; amending Minnesota Statutes 1984, sections 3.095; 3.29, subdivision 7; 3.30, subdivision 2; 3.3025, subdivision 2; 3.303, by adding a subdivision; 3.304, subdivision 2a; 3.305; 3.351, sub-

division 5; 3.85, subdivision 5; 3.855, by adding a subdivision; 3.865, subdivision 7; 3.9222, subdivision 6; 3.97, subdivision 5; 3C.02, subdivision 5; 3C.10, subdivision 3; 14.39; 16B.58, subdivision 6; 43A.18, subdivision 6; 86.08, subdivision 1; 115A.14, subdivision 2; and 161.1419, subdivision 4; Laws 1983, chapter 199, section 17, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

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

Page 1, line 23, delete "*sections*" and insert "*section*" and delete "*and 16B.07*"

Page 2, line 21, delete "*sections*" and insert "*section*" and delete "*and 16B.07*"

Page 3, line 12, delete "*sections*" and insert "*section*" and delete "*and 16B.07*"

Page 3, line 33, delete "*shall*" and insert "*may*"

Page 3, line 34, delete "*who shall*" and insert "*to*"

Page 4, line 6, delete "*sections*" and insert "*section*" and delete "*and 16B.07*"

Page 4, line 17, reinstate the stricken language

Page 4, line 18, reinstate the stricken "*to an existing legislative commission*"

Page 5, lines 21 and 22, delete "*individual legislative uses*" and insert "*the house of representatives and the senate*"

Page 5, line 25, after the semicolon, insert "*and*"

Page 5, line 26, delete everything after "*(c)*"

Page 5, delete line 27

Page 5, line 28, delete "*(d)*"

Page 5, line 29, delete everything after "*branch*"

Page 5, line 30, delete everything before the period

Page 6, lines 10, 16, 24, and 29, delete "*sections*" and insert "*section*" and delete "*and 16B.07*"

Page 7, line 2, delete "*sections*" and insert "*section*" and delete "*and 16B.07*"

Page 8, line 22, delete "*sections*" and insert "*section*" and delete "*and 16B.07*"

Pages 8 and 9, delete section 18

Page 9, line 30, delete everything after the period

Page 9, delete line 31

Page 11, line 7, delete "*sections*" and insert "*section*" and delete "*and*"

Page 11, line 8, delete "*16B.07*"

Page 11, line 17, delete "sections" and insert "section" and delete "and 16B.07"

Pages 11 and 12, delete section 25

Page 12, line 6, delete "25" and insert "23"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before "amending"

Page 1, line 17, delete "chapters" and insert "chapter" and after "1" insert a period

Page 1, delete line 18

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred under Joint Rule 2.03, together with the committee report thereon,

H.F. No. 576: A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1984, sections 624.7132, subdivision 16; and 624.717; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 624.718.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for May 4, 1985, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass."

Amendments adopted. Report adopted.

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

S.F. No. 1080: A bill for an act relating to animals; prohibiting transfer of certain animals for use in research; regulating dealers in certain animals; amending Minnesota Statutes 1984, section 35.71.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 776, 708 and 1080 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 576 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Pogemiller moved that the name of Mr. Novak be added as a co-author

to S.F. No. 925. The motion prevailed.

Mr. Stumpf moved that S.F. No. 1041, No. 95 on General Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 848: A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; changing the crimes of "intrafamilial sexual abuse" to "criminal sexual abuse" and limiting the discretion of courts to stay sentences for these crimes; requiring that investigative interviews with child abuse victims be tape-recorded; providing a training program for child protection workers and requiring a new job classification in child protection; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1, and by adding subdivisions; 260.301; 595.02, subdivision 3; 609.364 to 609.3644; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.

RECONSIDERATION

Having voted on the prevailing side, Mr. Knaak moved that the vote whereby the Merriam amendment to H.F. No. 848, the unofficial engrossment was adopted by the Senate on May 7, 1985, be now reconsidered.

CALL OF THE SENATE

Ms. Reichgott imposed a call of the Senate for the proceedings on H.F. No. 848. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Knaak.

The motion prevailed.

Mr. Merriam withdrew his amendment.

Ms. Reichgott moved to amend H.F. No. 848, the unofficial engrossment, as follows:

Page 16, line 23, before the period insert "*including procedures for recording by audio or video tape interviews of alleged victims of child abuse*"

The motion prevailed. So the amendment was adopted.

H.F. No. 848 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 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 143: A bill for an act relating to utilities; providing that gas and electric utilities may not seek compensation from landlords for delinquent bills incurred through a service agreement solely with the tenant; proposing coding for new law in Minnesota Statutes, chapter 325E.

Mr. Frank moved to amend H.F. No. 143, the unofficial engrossment, as follows:

Page 2, line 9, delete "*obtain a lien for an*" and insert "*place a lien on the landlord's or owner's property for a tenant's*"

Page 2, line 10, after the period, insert "*A utility may recover or attempt to recover payment from a property owner where the manager, acting as the owner's agent, contracted for the utility service.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 143 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 50 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Mehrkens	Pogemiller
Anderson	DeCramer	Isackson	Merriam	Purfeerst
Belanger	Dicklich	Jude	Nelson	Ramstad
Berg	Diessner	Knaak	Novak	Reichgott
Berglin	Dieterich	Knutson	Olson	Samuelson
Bernhagen	Frank	Kronebusch	Pehler	Schmitz
Bertram	Frederick	Laidig	Peterson, D.C.	Spear
Brataas	Frederickson	Lantry	Peterson, D.L.	Storm
Chmielewski	Freeman	Luther	Peterson, R.W.	Vega
Dahl	Gustafson	McQuaid	Petty	Willet

Messrs. Benson, Kamrath and Renneke voted in the negative.

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

RECONSIDERATION

Mr. Petty moved that the vote whereby H.F. No. 345 failed to pass the Senate on May 8, 1985, be now reconsidered.

CALL OF THE SENATE

Mr. Petty imposed a call of the Senate for the proceedings on H.F. No. 345. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 43 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Sieloff
Anderson	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Frederick	Kronebusch	Nelson	Storm
Benson	Frederickson	Laidig	Peterson, D.L.	Taylor
Berg	Gustafson	Langseth	Petty	Vega
Bernhagen	Isackson	Lantry	Purfeerst	Waldorf
Bertram	Johnson, D.E.	Lessard	Ramstad	Wegscheid
Brataas	Jude	McQuaid	Renneke	
Chmielewski	Kamrath	Mehrkens	Samuelson	

Those who voted in the negative were:

Berglin	Frank	Luther	Peterson, C.C.	Schmitz
Dahl	Freeman	Merriam	Peterson, D.C.	Spear
Dicklich	Hughes	Novak	Peterson, R.W.	Willet
Diessner	Johnson, D.J.	Olson	Pogemiller	
Dieterich	Kroening	Pehler	Reichgott	

The motion prevailed.

H.F. No. 345: A bill for an act relating to insurance; no-fault automobile; providing mandatory underinsured motorist coverage; clarifying legislative intent concerning stacking of insurance policies; coordinating the priority of applicability of security for the payment of certain benefits; amending Minnesota Statutes 1984, sections 65B.43, by adding subdivisions; 65B.47, by adding a subdivision; 65B.49, subdivision 4, and by adding a subdivision; and 65B.70, by adding a subdivision.

Mr. Freeman moved to amend H.F. No. 345, the unofficial engrossment, as follows:

Page 5, after line 31, insert:

“Sec. 11. Minnesota Statutes 1984, section 65B.70, is amended by adding a subdivision to read:

Subd. 4a. [PREMIUM REDUCTION.] The policy premiums charged by each insurer in connection with the compulsory plan of reparation security issued or renewed and required by sections 65B.41 to 65B.71 shall be 5 percent below each insurer's policy premiums in effect on January 1, 1985, for a period of two years following final enactment.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Ms. Peterson, D.C. moved to amend H.F. No. 345, the unofficial engrossment, as follows:

Page 2, line 25, after the period, insert "*An insurer shall notify policyholders that they may elect to have two or more policies added together.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 345 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 27, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kamrath	Moe, D.M.	Samuelson
Anderson	DeCramer	Knaak	Moe, R.D.	Sieloff
Belanger	Frederick	Knutson	Nelson	Storm
Benson	Frederickson	Kronebusch	Olson	Taylor
Berg	Gustafson	Laidig	Peterson, D.L.	Waldorf
Bernhagen	Isackson	Lessard	Petty	Wegscheid
Bertram	Johnson, D.E.	McQuaid	Ramstad	
Brataas	Jude	Mehrkens	Rennieke	

Those who voted in the negative were:

Berglin	Frank	Lantry	Peterson, R.W.	Spear
Dahl	Freeman	Luther	Pogemiller	Vega
Davis	Hughes	Merriam	Purfeerst	Willet
Dicklich	Johnson, D.J.	Novak	Reichgott	
Diessner	Kroening	Pehler	Schmitz	
Dietrich	Langseth	Peterson, C.C.	Solon	

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

SPECIAL ORDER

H.F. No. 729: A bill for an act relating to retirement; providing for an increased redemption benefit option for participants in the Hennepin county supplemental retirement program; allowing withdrawal from the program; amending Laws 1969, chapter 950, sections 1, subdivision 1, as amended; and 4, as amended; and Laws 1983, chapter 100, section 1.

Mr. Pogemiller moved to amend H.F. No. 729, the unofficial engrossment, as follows:

Page 7, line 11, delete "*if*" and insert "*as*"

Page 19, line 28, after the comma insert "*deferred recipients or*"

Page 19, lines 28 and 29, delete "*or deferred recipients*"

Page 25, delete lines 29 to 32 and insert:

"Sec. 33. Laws 1965, chapter 592, section 4, as added by Laws 1969, chapter 644, section 2, and amended by Laws 1975, chapter 229, section 3, is amended to read:

Sec. 4. [SURVIVORS' AND FUNERAL BENEFITS.] The association may pay *survivors* benefits to the surviving spouse and children under 18 years of age of deceased members of the association and *funeral benefits* in the manner and amounts prescribed by its bylaws, subject to the provisions of this section, or as provided in *Minnesota Statutes, chapter 424A*. The ~~widow surviving spouse or estate of a member who dies before his retirement from the fire department shall~~ may receive a *funeral benefit* of not to exceed at least \$1,350 payable in a lump sum upon the member's death and ~~monthly payments of \$135 from the death of the member until the widow's death or remarriage.~~ The ~~widow surviving spouse of a member who dies either before or following his retirement from the fire department shall~~ receive monthly payments of not to exceed at least \$135 from the death of the member until the ~~widow's surviving spouse's~~ death or remarriage. Each child of a deceased member of the association shall receive monthly payments from the death of the member until the child attains 18 years of age in the amount of not to exceed at least \$27 per month. The total amount paid to the children of any member shall not exceed \$135 per month ~~five times the monthly amount payable to one child.~~"

Page 26, line 9, delete "27" and insert "21"

Amend the title as follows:

Page 1, line 7, after "Laws" insert "1965, chapter 592, section 4, as amended; Laws"

Page 1, lines 16 and 17, delete "Laws 1965, chapter 592, section 4, as amended;"

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend H.F. No. 729, the unofficial engrossment, as follows:

Page 13, line 32, reinstate the stricken comma and before "apply" insert "in the event of an unforeseeable emergency,"

Page 13, line 35, after the period, insert "Applications are subject to approval of the Hennepin county board of commissioners in its sole discretion. For the purposes of this section, the term "unforeseeable emergency" shall mean a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or a person dependent upon the participant, loss of participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. Applications based on foreseeable expenditures normally budgetable shall not be approved."

The motion prevailed. So the amendment was adopted.

H.F. No. 729 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1171: A bill for an act relating to state lands; conveying land to Olmsted county.

Mrs. Brataas moved to amend S.F. No. 1171 as follows:

Page 3, line 3, delete "200.95" and insert "220.95"

The motion prevailed. So the amendment was adopted.

S.F. No. 1171 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Davis	Dieterich	Freeman	Merriam
Berglin				

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

SPECIAL ORDER

H.F. No. 538: A bill for an act relating to taxation; updating income tax provisions to changes in the Internal Revenue Code; providing an income tax exemption for certain payments to members of the state highway patrol; amending Minnesota Statutes 1984, sections 290.01, subdivisions 20, as amended, 20a, 20b, and 21; 290.032, subdivision 1; 290.06, subdivision 14; 290.067, subdivision 1; 290.068, subdivisions 2, 4, and 5; 290.07, subdivi-

sions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.089, subdivision 7; 290.09, subdivisions 7 and 19; 290.091; 290.10; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.21, subdivision 4; 290.23, subdivision 5; 290.26, subdivision 2; 290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.39, subdivision 2; 290.41, subdivision 1, and by adding a subdivision; 290.53, subdivision 9; 290.65, subdivision 16; 290.93, subdivisions 1, 3, 5, 6, 7, and 10; and 290A.03, subdivision 3; repealing Laws 1984, chapter 502, article 2, section 4.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the proceedings on H.F. No. 538. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 538 was read the third time 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 25, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Nelson	Reichgott
Berglin	Diessner	Kroening	Novak	Schmitz
Bertram	Dieterich	Langseth	Pehler	Vega
Chmielewski	Frank	Lantry	Peterson, C.C.	Waldorf
Dahl	Freeman	Luther	Peterson, D.C.	Wegscheid
Davis	Hughes	Merriam	Peterson, R.W.	Willet
DeCramer	Johnson, D.J.	Moe, R.D.	Petty	

Those who voted in the negative were:

Anderson	Brataas	Kamrath	McQuaid	Renneke
Belanger	Frederick	Knaak	Mehrkens	Samuelson
Benson	Frederickson	Knutson	Olson	Sieloff
Berg	Gustafson	Kronebusch	Purfeerst	Storm
Bernhagen	Isackson	Laidig	Ramstad	Taylor

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 418: A bill for an act relating to local government; clarifying the correction of inequitable compensation relationships; amending Minnesota Statutes 1984, section 471.992; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 471.9965.

Mr. Merriam moved to amend H.F. No. 418, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 438.)

Page 2, line 1, delete the underlining after the headnote

Page 2, line 2, delete the underlining

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend H.F. No. 418, as amended pursuant to Rule

49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 438.)

Page 2, line 4, before "A" insert "*Notwithstanding section 179A.13, subdivision 2, it is not an unfair labor practice for*" and delete "may" and insert "to"

Page 2, line 5, after "*relationships*" insert a period

Page 2, line 6, delete "*as well as*" and insert "*A political subdivision may specify*"

The motion prevailed. So the amendment was adopted.

H.F. No. 418 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 57 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Bernhagen	Knaak	McQuaid	Sieloff
Benson	Isackson			

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

SPECIAL ORDER

S.F. No. 1506: A bill for an act authorizing the city of Waseca to establish and provide taxes and service charges for a special service district; authorizing the city of Albert Lea to establish a port authority; authorizing the city of Austin to establish a port authority.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kroening	Olson	Schmitz
Anderson	Frank	Kronebusch	Pehler	Sieloff
Berglin	Frederick	Laidig	Peterson, D.C.	Solon
Bernhagen	Frederickson	Langseth	Petty	Spear
Bertram	Freeman	Lantry	Pogemiller	Storm
Chmielewski	Gustafson	Luther	Purfeerst	Taylor
Dahl	Hughes	McQuaid	Ramstad	Vega
Davis	Isackson	Mehrkens	Reichgott	Willet
DeCramer	Johnson, D.E.	Moe, R.D.	Renneke	
Diessner	Jude	Nelson	Samuelson	

Those who voted in the negative were:

Knaak Merriam Peterson, R. W. Waldorf Wegscheid

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 368: A bill for an act relating to crimes; requiring notice of dishonor for issuing a worthless check to cite laws creating civil and criminal liability; amending Minnesota Statutes 1984, sections 332.50, subdivisions 2 and 3; and 609.535, subdivision 3.

Ms. Reichgott moved that the amendment made to H.F. No. 368 by the Committee on Rules and Administration in the report adopted April 24, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 368 was read the third time 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Dieterich voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 429: A bill for an act relating to industrial development bonds; requiring the refund of application deposit to the city of Fergus Falls; appropriating money for the refund.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knaak	Pehler	Spear
Anderson	Frederick	Kronebusch	Peterson, C.C.	Storm
Belanger	Frederickson	Laidig	Peterson, D.C.	Stumpf
Berglin	Freeman	Lantry	Peterson, R.W.	Vega
Bernhagen	Gustafson	Luther	Petty	Waldorf
Bertram	Hughes	McQuaid	Pogemiller	Wegscheid
Chmielewski	Isackson	Mehrkens	Purfeerst	Willet
Dahl	Johnson, D.E.	Merriam	Ramstad	
Davis	Jude	Moe, R.D.	Reichgott	
Diessner	Kamrath	Novak	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 832: A bill for an act relating to the University of Minnesota; changing restrictions on the permanent university fund so that the fund can be used to help endow professorial chairs; appropriating money; amending Minnesota Statutes 1984, section 137.022.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Kroening	Pehler	Samuelson
Anderson	Frederickson	Kronebusch	Peterson, C.C.	Schmitz
Belanger	Freeman	Laidig	Peterson, D.C.	Spear
Berglin	Gustafson	Langseth	Peterson, R.W.	Stumpf
Bertram	Hughes	Lantry	Petty	Vega
Chmielewski	Isackson	Luther	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Davis	Jude	Moe, R.D.	Reichgott	Willet
DeCramer	Kamrath	Novak	Renneke	
Frank	Knaak	Olson		

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 449: A bill for an act relating to attachments; providing procedures for the prejudgment seizure of property; amending Minnesota Statutes 1984, sections 570.01; 570.02; 570.08; 570.11; 570.12; and 570.14; repealing Minnesota Statutes 1984, sections 570.013; 570.03; 570.04; 570.05; 570.06; 570.07; 570.09; 570.093; 570.10; and 570.13; proposing coding for new law in Minnesota Statutes, chapter 570.

Mr. Luther moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate April 26, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 591.)

Page 10, line 17, after "is" insert "not"

Page 11, line 8, delete "unless" and insert "or"

Page 11, line 9, after the period insert "*In establishing the amount of the bond, the court shall consider the value and nature of the property attached, the method of retention or storage of the property, the potential harm to the respondent or any party, and other factors that the court deems appropriate.*"

Page 13, line 9, delete "writ" and insert "order"

The motion prevailed. So the amendment was adopted.

H.F. No. 449 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Moe, R.D.	Reichgott
Anderson	Dieterich	Knaak	Novak	Renneke
Belanger	Frank	Kroening	Olson	Samuelson
Berglin	Frederick	Kronebusch	Peterson, C.C.	Spear
Bertram	Freeman	Laidig	Peterson, D.C.	Stumpf
Brataas	Gustafson	Langseth	Peterson, R.W.	Taylor
Chmielewski	Hughes	Lantry	Petty	Vega
Dahl	Isackson	Luther	Pogemiller	Waldorf
Davis	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
DeCramer	Jude	Merriam	Ramstad	Willet

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

RECESS

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

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

APPOINTMENTS

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

S.F. No. 1523: Messrs. Waldorf, Dicklich, Hughes, Nelson and Taylor.

H.F. No. 1109: Mrs. Adkins, Mr. Bernhagen and Ms. Peterson, D.C.

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

SPECIAL ORDER

H.F. No. 385: A bill for an act relating to occupations and professions; providing advertising restrictions for plumbers; proposing coding for new law in Minnesota Statutes, chapter 326.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Isackson	Lantry	Ramstad
Anderson	Dicklich	Johnson, D.E.	McQuaid	Reichgott
Belanger	Diessner	Johnson, D.J.	Merriam	Samuelson
Berg	Dieterich	Jude	Moe, R.D.	Stumpf
Berglin	Frank	Kamrath	Novak	Vega
Bertram	Frederick	Knaak	Olson	Waldorf
Brataas	Frederickson	Kroening	Peterson, C.C.	Wegscheid
Chmielewski	Freeman	Kronebusch	Peterson, R.W.	Willet
Dahl	Gustafson	Laidig	Petty	
Davis	Hughes	Langseth	Pogemiller	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 925: A bill for an act relating to economic development; granting

certain powers to municipalities; amending Minnesota Statutes 1984, sections 16B.61, subdivision 3; 273.73, subdivisions 9, 12, and by adding a subdivision; 273.74, subdivision 3; 273.75, subdivision 1, and by adding a subdivision; 273.76, subdivision 1; 458.16, by adding a subdivision; 462.352, subdivisions 5, 7, 9, 10, 15, and by adding a subdivision; 462.357, subdivision 1; 462.358, subdivision 2a; 472.08, subdivision 1; 472A.03; 474.02, by adding a subdivision; Laws 1980, chapter 595, section 3, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465; and proposing coding for new law as Minnesota Statutes, chapter 472B.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 43 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.J.	Moe, R.D.	Schmitz
Anderson	Diessner	Kamrath	Olson	Spear
Belanger	Frank	Knaak	Peterson, C.C.	Stumpf
Berg	Frederick	Kronebusch	Peterson, D.C.	Taylor
Bertram	Frederickson	Laidig	Petty	Vega
Brataas	Freeman	Langseth	Pogemiller	Wegscheid
Chmielewski	Gustafson	Lantry	Purfeerst	Willet
Dahl	Hughes	Luther	Ramstad	
Davis	Johnson, D.E.	McQuaid	Rejchgott	

Those who voted in the negative were:

Berglin	Isackson	Kroening	Peterson, R.W.	Waldorf
Dieterich	Jude	Merriam	Samuelson	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1103: A bill for an act relating to intoxicating liquor; permitting counties to issue off-sale licenses and combination licenses in towns; amending Minnesota Statutes 1984, section 340.11, subdivision 10a; repealing Minnesota Statutes 1984, section 340.11, subdivision 10b.

Mr. Dieterich moved to amend S.F. No. 1103 as follows:

Page 2, line 17, delete "*within*" and insert "*less than*"

Page 2, line 18, delete the first "*of*" and insert "*by the most direct route from*" and before "*city*" insert "*statutory or home rule*" and delete everything after the period

Page 2, delete lines 19 to 21

Page 2, after line 29, insert:

"(h) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under subdivision 10b prior to January 1, 1985."

The motion prevailed. So the amendment was adopted.

S.F. No. 1103 was then progressed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

SPECIAL ORDER

H.F. No. 282: A bill for an act relating to education; declaring the mission of public elementary and secondary education in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 120.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Olson	Schmitz
Anderson	Diessner	Knaak	Pehler	Sieloff
Benson	Frank	Kroening	Peterson, D.C.	Spear
Berglin	Frederickson	Laidig	Peterson, D.L.	Storm
Bernhagen	Freeman	Langseth	Pogemiller	Stumpf
Bertram	Gustafson	Lantry	Purfeerst	Taylor
Chmielewski	Hughes	Luther	Ramstad	Waldorf
Dahl	Isackson	Mehrkens	Reichgott	Wegscheid
Davis	Johnson, D.E.	Moe, D.M.	Renneke	Willet
DeCramer	Jude	Moe, R.D.	Samuelson	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 363: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Merriam	Pogemiller	Stumpf
Berglin	Freeman	Moe, D.M.	Purfeerst	Vega
Bertram	Hughes	Moe, R.D.	Ramstad	Waldorf
Chmielewski	Johnson, D.J.	Nelson	Reichgott	Wegscheid
DeCramer	Kroening	Novak	Schmitz	Willet
Dicklich	Langseth	Peterson, C.C.	Sieloff	
Diessner	Lantry	Peterson, D.C.	Solon	
Dieterich	Luther	Petty	Spear	

Those who voted in the negative were:

Anderson	Dahl	Johnson, D.E.	Laidig	Peterson, D.L.
Benson	Davis	Jude	McQuaid	Peterson, R.W.
Berg	Frederick	Kamrath	Mehrkens	Renneke
Bernhagen	Frederickson	Knaak	Olson	Storm
Brataas	Isackson	Kronebusch	Pehler	Taylor

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 213: A bill for an act relating to the maltreatment of minors or vulnerable adults in certain licensed facilities; providing for notification of parents or guardians after reports of alleged abuse; clarifying certain provisions; amending Minnesota Statutes 1984, sections 626.556, subdivisions 10b, 11, and by adding a subdivision; and 626.557, subdivision 12, and by adding a subdivision.

Mr. Sieloff moved to amend H.F. No. 213, the unofficial engrossment, as follows:

Page 1, line 26, delete the first comma and insert "and" and delete ", and 6"

Pages 6 to 9, delete sections 6 and 7

Amend the title as follows:

Page 1, lines 2 and 3, delete "or vulnerable adults"

Page 1, line 7, after the semicolon, insert "and"

Page 1, line 8, delete everything after "subdivision"

Page 1, line 9, delete everything before the period

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

Mr. Spear moved to amend H.F. No. 213, the unofficial engrossment, as follows:

Page 7, lines 2 and 26, after the first "person" insert "*to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 213 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of this evening's Session. The Sergeant at Arms was instructed to bring in the absent members.

SPECIAL ORDER

H.F. No. 847: A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; amending Minnesota Statutes 1984, sections 268.04, subdivisions 24, 29, and 30, and by adding a subdivision; 268.06, subdivisions 3a, 8, and 24; 268.07, subdivisions 2 and 2a; 268.071, subdivision 1; 268.08, subdivision 1, and by adding a subdivision; 268.09, by adding a subdivision; 268.10, subdivisions 1 and 2; and 268.15, subdivision 3.

Mrs. Brataas moved to amend H.F. No. 847, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 41.)

Delete everything after the enacting clause and insert:

“ARTICLE 1

UNEMPLOYMENT COMPENSATION

Section 1. Minnesota Statutes 1984, section 268.03, is amended to read:

268.03 [DECLARATION OF PUBLIC POLICY.]

As a guide to the interpretation and application of sections 268.03 to 268.24, the public policy of this state is declared to be as follows: Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burdens. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this state will

be promoted by providing, under the police powers of the state for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own establishment of an unemployment insurance fund. The reserves of the unemployment insurance fund are to be used to provide a temporary replacement of a portion of lost wages to individuals with a permanent attachment to the work force, who become involuntarily unemployed through no fault of their own, and who are actively seeking, and are willing and available to accept, suitable reemployment.

Sec. 2. Minnesota Statutes 1984, section 268.04, subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, back pay as of the date of payment, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds, for each calendar year, the greater of \$7,000 or that part of the remuneration which exceeds 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f) \$10,300 for the calendar year 1985; \$10,900 for the calendar year 1986; and \$11,400 for the calendar year 1987 and all calendar years thereafter, paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the Federal Unemployment Tax Act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the Federal Unemployment Tax Act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the employee has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system

providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(c) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 3101 of the federal Internal Revenue Code, or (2) of any payment required from an employee under a state unemployment compensation law, with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust described in section 401(a) of the federal Internal Revenue Code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal Internal Revenue Code, or (3) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal Internal Revenue Code;

(f) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 3. Minnesota Statutes 1984, section 268.04, subdivision 29, is amended to read:

Subd. 29. "Credit week" is any week for which wages or back pay, actually or constructively paid, wages overdue and delayed beyond the usual time of payment, and back pay by or from one or more employers to an employee for insured work equal or exceed 30 percent of the average weekly wage times the adult minimum wage in effect under section 177.24, subdivision 1, on December 31 of the year two years before the year in which the claim is made. The product shall be computed to the nearest whole dollar. On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage; and

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The average weekly wage as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to December 31 of the year of the computation.

Sec. 4. Minnesota Statutes 1984, section 268.06, subdivision 5, is amended to read:

Subd. 5. [BENEFITS CHARGED AS AND WHEN PAID.] Benefits paid to an individual pursuant to a valid claim shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who earned base period wages for part-time employment 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 if the employer: (1) provided weekly base period part-time employment; (2) continues to provide weekly employment equal to at least 90 percent of the part-time employment provided in the base period; and (3) is an interested party because of the individual's loss of other employment.

For the purpose of this subdivision, an employer is deemed to satisfy clause (2) if:

(a) the weekly employment in the base period was on an on call as needed basis; and

(b) the employer continues to employ the individual on the same basis and provides employment substantially equal to the employment provided in the base period.

The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

In making computations under this provision, the amount of wage credits if not a multiple of \$1, shall be computed to the nearest multiple of \$1.

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 unemployment that is directly caused by a major natural disaster declared by the president pursuant to section 102(2) of the Disaster Relief Act of 1974 (42 United States Code 5122(2)), if the unemployed individual would have been eligible for disaster unemployment assistance with respect to that unemployment but for the individual's receipt of unemployment insurance benefits.

Sec. 5. Minnesota Statutes 1984, section 268.06, subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.] For each calendar year the commissioner shall determine the contribution rate of each

employer by adding the minimum rate to the experience ratio; except that if the ratio for the current calendar year increases or decreases the experience ratio for the preceding calendar year by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, the increase or decrease for the current year shall be limited to one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter. "Small business employer" for the purpose of this subdivision means an employer with an annual covered payroll of \$250,000 or less, or fewer than 20 employees in three of the four quarters ending June 30, of the previous calendar year.

The minimum rate for all employers shall be one percent if the amount in the unemployment compensation fund is less than \$80,000,000 on June 30 of the preceding calendar year; or nine-tenths of one percent if the fund is more than \$80,000,000 but less than \$90,000,000; or eight-tenths of one percent if the fund is more than \$90,000,000 but less than \$110,000,000; or seven-tenths of one percent if the fund is more than \$110,000,000 but less than \$130,000,000; or six-tenths of one percent if the fund is more than \$130,000,000 but less than \$150,000,000; or five-tenths of one percent if the fund is more than \$150,000,000 but less than \$170,000,000; or three-tenths of one percent if the fund is more than \$170,000,000 but less than \$200,000,000; or one-tenth of one percent if the fund is \$200,000,000 or more; provided that no employer shall have a contribution rate of more than 7.5 percent.

For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended. No employer first assigned an experience ratio in accordance with subdivision 6, shall have his contribution rate increased or decreased by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter over the contribution rate assigned for the preceding calendar year in accordance with subdivision 3a, provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter.

Sec. 6. Minnesota Statutes 1984, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned ~~45~~ 20, or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 one percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual *individual's total base period wage credits*. The amount so computed if not a whole dollar shall be rounded down to the next lower dollar amount. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be

66-2/3 percent of the average weekly wage, except as provided in clause (d).

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1983, shall be \$184.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

The minimum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1985, shall be \$56.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1985, and prior to July 1, 1986, shall be \$200.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1986, and prior to July 1, 1987, shall be \$208.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1987, shall be \$216.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 66-2/3 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. Jury duty pay is not considered as earnings and shall not be deducted from benefits

paid. Such benefit, if not a whole dollar amount shall be rounded down to the next lower dollar amount.

(4) The provisions of clauses (1) and (2) shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1983.

Sec. 7. Minnesota Statutes 1984, section 268.07, subdivision 2a, is amended to read:

Subd. 2a. [~~EXCEPTION~~ SEASONALITY EXCEPTIONS.] Notwithstanding the provisions of subdivision 2, the following seasonality exceptions shall apply:

(a) If the commissioner finds that an individual has earned credit weeks in seasonal employment, benefits shall be payable only if the commissioner finds that the individual has earned ~~15~~ 20 credit weeks in employment which is not seasonal, in addition to any credit weeks in seasonal employment. For the purposes of this ~~subdivision~~ clause, "seasonal employment" means employment with a single employer in the recreation or tourist industry which is available with the employer for ~~15~~ 20 consecutive weeks or less each calendar year.

(b) If the commissioner finds that an individual has been paid for weeks of regular unemployment compensation benefits in the same calendar quarter in the previous two years: (1) regular benefits shall not be payable to that individual during that same calendar quarter for a number of weeks equal to the mean number of weeks the individual received regular benefits during that calendar quarter in the previous two years; and (2) the individual's duration of regular benefits shall be reduced by the mean number of weeks the individual received regular benefits during that calendar quarter in the previous two years or the number of weeks left in the calendar quarter, whichever is less. The mean number of weeks the individual received regular benefits during that calendar quarter in the previous two years shall be computed by taking the total number of weeks the individual received regular benefits during that calendar quarter in the previous two years, dividing by two, and rounding up to the nearest whole number of weeks. For the purposes of this clause, the calendar quarter shall be based on calendar weeks with a 53rd calendar week periodically to adjust for leap year and deviation of the calendar weeks from the calendar year.

Sec. 8. [268.073] [STATE EXTENDED BENEFITS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(a) "State insured unemployment rate" means the percentage derived by dividing the average weekly number of individuals filing claims for regular benefits in this state under chapter 268 for weeks of unemployment with respect to the most recent 13 consecutive week period, as determined by the commissioner on the basis of his or her reports to the United States Secretary of Labor, by the average monthly employment covered under this law for the first four of the most recent six completed calendar quarters ending before the end of the 13-week period.

(b) "County insured unemployment rate" means the percentage derived by dividing the average weekly number of individuals, who reside in the

given Minnesota county, filing claims for regular benefits in this state under chapter 268 for weeks of unemployment with respect to the most recent 13 consecutive week period, as determined by the commissioner on the basis of his or her reports to the United States Secretary of Labor, by the average monthly employment covered under this law, in the county, for the first four of the most recent six completed calendar quarters ending before the end of the 13-week period.

Subd. 2. [ELIGIBILITY AND AMOUNT.] In addition to all other benefits under this chapter, an individual shall be eligible for up to four weeks of state extended benefits each benefit year if:

(1) the individual has exhausted his or her regular benefits under section 268.07 and the individual has exhausted or is not eligible for federal extended benefits, federal supplemental benefits, or any other unemployment compensation benefits under federal or other state law;

(2) the individual resides in a county which has had within the eight-week period preceding the current calendar week, a county insured unemployment rate equal to twice the state insured unemployment rate; and

(3) the individual would be eligible for regular benefits under this chapter during the week in which he or she receives state extended benefits except that the individual has exhausted his or her regular benefits.

State extended benefits for a week shall be equal to the individual's regular benefit amount under section 268.07.

Sec. 9. Minnesota Statutes 1984, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that the individual:

(1) has registered for work at and thereafter has continued to report to an employment office, or agent of the office, in accordance with rules the commissioner may adopt; except that the commissioner may by rule waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which the commissioner finds that compliance with the requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt; and

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the credit weeks earned in the base period were for

services performed during weeks in which the student was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty.

(4) has been unemployed for a waiting period of one week during which the individual is otherwise eligible for benefits under sections 268.03 to 268.24. ~~However, payment for the waiting week shall be made to the individual after the individual has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of the individual's return to employment.~~ No individual is required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which the valid claim was filed.

Sec. 10. Minnesota Statutes 1984, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work ~~but not to exceed 28 calendar days~~; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3k; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under title II of the Social Security Act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of

such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply. If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.

Sec. 11. Minnesota Statutes 1984, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from employment under clauses (1), (2), or (3) shall be disqualified for waiting week credit and benefits. For separations under clauses (1) and (2), the disqualification shall continue until ~~four~~ ten calendar weeks have elapsed following his separation and the individual has earned ~~four~~ ten times his weekly benefit amount in insured work.

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment or based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act in behalf of the individual shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's submission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent

efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older;

(e) The individual is terminated by his employer because he gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(g) The individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual attempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment. For a separation under this clause, the commissioner shall impose a total disqualification for the benefit year and cancel all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.

For the purpose of this clause "gross misconduct" is defined as misconduct involving assault and battery or the malicious destruction of property or arson or sabotage or embezzlement or any other act, including theft, the commission of which amounts to a felony or gross misdemeanor. For an employee of a health care facility, gross misconduct also includes misconduct involving an act of patient or resident abuse as defined in section 626.557, subdivision 2, clause (d).

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected with his work.

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clauses (2)(c) and (2)(e), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such

individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

(6) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from his own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.

Sec. 12. Minnesota Statutes 1984, section 268.09, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO APPLY FOR OR ACCEPT SUITABLE WORK OR RE-EMPLOYMENT.] An individual shall be disqualified for waiting week credit and benefits during the week of occurrence and until ~~four~~ *ten* calendar weeks have elapsed following his refusal or failure and he has earned ~~four~~ *ten* times his weekly benefit amount in insured work if the commissioner finds that he has failed, without good cause, either to apply for available, suitable work of which he was advised by the employment office, or the commissioner or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the commissioner, or to accept a base period employer's offer of re-employment offering substantially the same or better hourly wages and conditions of work as were previously provided by that employer in his base period.

(a) In determining whether or not any work is suitable for an individual, the commissioner shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience, his length of unemployment and prospects of securing local work in his customary occupation, ~~and~~ *and* the distance of the available work from his residence, ~~and~~ *and* ~~how the work's wage compares with the wage the individual received at his previous employment. With respect to the work's wage, the work shall be deemed suitable if the work is otherwise suitable and the work's wage is at least: 85 percent of the individual's former wage when the individual has not received more than six weeks of benefits during his or her current period of unemployment; 75 percent of the individual's former wage when the individual has received more than six weeks of benefits, but not more than 14 weeks during his or her current period of unemployment; and 65 percent of the individual's former wage when the individual has received more than 14 weeks of benefits during his or her current period of unemployment.~~

(b) Notwithstanding any other provisions of sections 268.03 to 268.24, no work shall be deemed suitable, and benefits shall not be denied thereunder to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) if as a condition of being employed the individual would be required to join a union or to resign from or refrain from joining any bona fide labor organization;

(4) if the individual is in training with the approval of the commissioner.

Sec. 13. [EFFECTIVE DATE.]

Section 8 of this article is effective October 1, 1985. Clause (b) of section 7 of this article shall apply to claims made on or after July 1, 1987.

Sec. 14. [REPEALER.]

Minnesota Statutes 1984, section 268.04, subdivision 30, is repealed.

ARTICLE 2

TRANSFER OF AUTHORITY TO OFFICE OF ADMINISTRATIVE HEARINGS

Section 1. [TRANSFER FROM DEPARTMENT OF ECONOMIC SECURITY.]

Subdivision 1. [PURPOSE.] It is the purpose and intent of this article to transfer all unemployment compensation hearing responsibilities and related functions except for appeal hearings before the commissioner or his or her authorized representative from the department of economic security to the office of administrative hearings.

Subd. 2. [PERSONNEL; EQUIPMENT.] All unemployment compensation referees at the department of economic security are transferred to the office of administrative hearings. Notwithstanding any laws to the contrary, all unemployment compensation referees employed by the department of economic security at the time of this transfer are eligible for appointment as unemployment judges within the office of administrative hearings, and shall be appointed as such on transfer. All personnel and positions at the department of economic security presently providing support to the hearing related functions transferred pursuant to this article, including those involved in the scheduling of hearings, processing, and mailing of hearing notices, preparation and serving of referees' decisions or correspondence, travel coordination, accounting, answering of telephones, and preparation of transcripts are transferred to the office of administrative hearings.

All equipment and supplies used solely by the transferred personnel in the performance of their duties are transferred to the office of administrative hearings.

Subd. 3. [COOPERATION.] Commencing with the passage and signing of this act, the commissioner, the commissioners of administration, finance, and employee relations and the chief administrative law judge shall cooperate in assuring a smooth transfer of the referees and related personnel and equipment in order to carry out the purposes of this article. The commis-

sioner shall provide office space at the department of economic security for the chief administrative law judge to use prior to the transfer in order to complete a review of the existing hearing system and personnel prior to the effective date of the transfer. The commissioner of administration, after consultation with the commissioner of economic security, the commissioner of finance, and the chief administrative law judge, shall determine the appropriate location of office space for the transferred personnel. The commissioner shall continue to provide space for the conduct of hearings in the same facilities and locations which are presently utilized for that purpose.

Subd. 4. [RULES.] The chief administrative law judge may make emergency rules for the purpose of adopting procedural rules for unemployment compensation hearings. The rules shall not conflict with any provisions of chapter 268 and shall comply with any applicable federal laws, rules, or regulations.

Subd. 5. [TIMELINESS.] To satisfy United States Department of Labor funding requirements the office of administrative hearings shall meet or exceed timeliness standards under federal regulation in the conduct of unemployment compensation hearings.

Sec. 2. Minnesota Statutes 1984, section 14.03, subdivision 2, is amended to read:

Subd. 2. [CONTESTED CASE PROCEDURE.] The contested case procedures of the administrative procedure act provided in sections 14.57 to 14.70 do not apply to (a) the Minnesota municipal board, (b) the commissioner of corrections, (c) the unemployment insurance program and, except for those hearings held by an administrative law judge of the office of administrative hearings, (d) the social security disability determination program in the department of economic security, ~~(e)~~ (e) the director of mediation services, ~~(f)~~ (f) the workers' compensation division in the department of labor and industry, ~~(g)~~ (g) the workers' compensation court of appeals, ~~(h)~~ (h) the board of pardons, or ~~(i)~~ (i) the public employment relations board.

Sec. 3. Minnesota Statutes 1984, section 14.51, is amended to read:

14.51 [PROCEDURAL RULES FOR HEARINGS.]

The chief administrative law judge shall adopt rules to govern the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings, contested case hearings, and workers' compensation hearings, and unemployment compensation hearings. ~~Temporary~~ Emergency rulemaking authority is granted to the chief administrative law judge for the purpose of ~~implementing Laws 1981, Chapter 346, Sections 2 to 6, 103 to 122, 127 to 135, and 141~~ the adoption of procedural rules for unemployment compensation hearings. The 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 administrative law judge to determine whether or not a new hearing is required be-

cause of substantial changes or failure of the agency to meet the requirements of sections 14.13 to 14.18. Upon his own initiative or upon written request of an interested party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of 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. 4. Minnesota Statutes 1984, section 14.53, is amended to read:

14.53 [COSTS ASSESSED.]

In consultation with the commissioner of administration the chief administrative law judge shall assess agencies the cost of services rendered to them in the conduct of hearings. All agencies shall include in their budgets provisions for such assessments. *The chief administrative law judge shall assess all costs associated with unemployment compensation hearings to the department of economic security, but shall be limited to funds provided to the department for such purposes by the federal government.*

Sec. 5. Minnesota Statutes 1984, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision shall be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective.

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, attorney general, secretary of state, state auditor and state treasurer shall be determined by the governor, attorney general, secretary of state, state auditor and state treasurer, respectively.

(b) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause (h), in the higher education coordinating board, and in the state board of vocational technical education shall be determined by the state university board and the state board for community colleges, the higher education coordinating board, and the state board of vocational technical education, respectively.

(c) Total compensation for classified administrative law judges *and unemployment judges* in the office of administrative hearings shall be determined by the chief administrative law judge.

Sec. 6. Minnesota Statutes 1984, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in this section. The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:

(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in

accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the state university system and the community college system defined as managerial by their respective boards;

(3) positions of physician employees compensated under section 43A.17, subdivision 4;

(4) positions of all unclassified employees appointed by a constitutional officer;

(5) positions in the bureau of mediation services and the public employment relations board;

(6) positions of employees whose classification is pilot or chief pilot;

(7) administrative law judge, *unemployment judge*, and compensation judge positions in the office of administrative hearings; and

(8) positions of all confidential employees.

Sec. 7. Minnesota Statutes 1984, section 268.06, subdivision 18, is amended to read:

Subd. 18. [NOTICE TO EMPLOYER.] The commissioner shall at least twice each year notify each employer of the benefits as determined by the department which have been charged to his account subsequent to the last notice. Unless reviewed in the manner hereinafter provided, charges set forth in such notice, or as modified by a redetermination, a decision of a ~~referee~~ *an unemployment judge*, or the commissioner, shall be final and shall be used in determining the contribution rates for all years in which the charges occur within the employer's experience period and shall not be subject to collateral attack by way of review of a rate determination, application for adjustment or refund, or otherwise.

Sec. 8. Minnesota Statutes 1984, section 268.06, subdivision 19, is amended to read:

Subd. 19. [NOTICE OF RATE.] The commissioner shall mail to each employer notice of his rate of contributions as determined for any calendar year pursuant to this section. Such notice shall contain the contribution rate, factors used in determining the individual employer's experience rating, and such other information as the commissioner may prescribe. Unless reviewed in the manner hereinafter provided, the rate as determined or as modified by a redetermination, a decision of a ~~referee~~ *an unemployment judge*, or the commissioner shall be final except for fraud and shall be the rate upon which contributions shall be computed for the calendar year for which such rate was determined, and shall not be subject to collateral attack for any errors, clerical or otherwise, whether by way of claim for adjustment or refund, or otherwise. If the legislature changes any of the factors used to determine the contribution rate of any employer for any year subsequent to the original mailing of such notice for the year, the earlier notice shall be void. The notice based on the new factors shall be deemed to be the only notice of rate of contributions for that year and shall be subject to the same finality, redetermination and review procedures as provided above.

Sec. 9. Minnesota Statutes 1984, section 268.06, subdivision 20, is

amended to read:

Subd. 20. [PROTEST, REVIEW, REDETERMINATION, APPEAL.] A review of the charges made to an employer's account as set forth in the notice of charges referred to in subdivision 18 and a review of an employer's contribution rate as set forth in the notice of his rate for any calendar year as provided in subdivision 19, may be had by the employer if he files with the commissioner a written protest setting forth his reasons therefor within 30 days from the date of the mailing of the notice of charges or contribution rate to him. The date shall appear on the notice. Upon receipt of the protest, the commissioner shall refer the matter to an official designated by him to review the charges appearing on the notice appealed from or the computations of the protesting employer's rate, as the case may be, to determine whether or not there has been any clerical error or error in computation in either case. The official shall either affirm or make a redetermination rectifying the charges or rate as the case may be, and a notice of the affirmation or redetermination shall immediately be mailed to the employer. If the employer is not satisfied with the affirmation or redetermination, he may appeal by filing a notice with the department within ten days after the date of mailing appearing upon the redetermination. Upon the receipt of the appeal, the commissioner shall refer the matter to a ~~referee~~ *the office of administrative hearings* for a hearing and after opportunity for a fair hearing, the ~~referee~~ *unemployment judge* shall affirm, modify or set aside the original determination with its affirmation or the redetermination, as appears just and proper. The commissioner may at any time upon his own motion correct any clerical error of the department resulting in charges against an employer's account or any error in the computation of an employer's contribution rate. The ~~referee~~ *unemployment judge* may order the consolidation of two or more appeals whenever, in his judgment, consolidation will not be prejudicial to any interested party. At any hearing a written report of any employee of the department which has been authenticated shall be admissible in evidence. Appeals from the decision of the ~~referee~~ *unemployment judge* shall be provided by section 268.10, subdivision 5.

Sec. 10. Minnesota Statutes 1984, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. If within the time limits for filing a protest an employer notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages earned with the employer, the individual's weekly benefit amount shall be the lesser of (1) the weekly benefit amount as determined under section 268.07, or (2) the weekly benefit amount which is 50 percent of the quotient derived by dividing the total wage credits earned in the individual's base

period credit weeks from all employers in insured work by the number of base period credit weeks. If within the time specified for the filing of wage and separation information as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an ~~appeal tribunal~~ *unemployment judge* decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an ~~appeal tribunal~~ *unemployment judge* decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an ~~appeal~~ *unemployment judge* decision awarding benefits, any benefits paid under the award of such initial determination or ~~appeal tribunal~~ *unemployment judge* decision shall be deemed erroneous payments.

(2) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, the commissioner on his own motion may reconsider a determination of validity made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(5) However, the commissioner may in his discretion refer any disputed

claims directly to a referee the office of administrative hearings for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal unemployment judge from an initial determination.

(6) If a referee's unemployment judge's decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal unemployment judge decision awarding benefits, the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 11. Minnesota Statutes 1984, section 268.10, subdivision 3, is amended to read:

Subd. 3. [APPEAL; HEARING.] Upon receipt of an appeal from an initial determination made under subdivision 2, the commissioner shall immediately forward the appeal and all necessary documents to the chief administrative law judge for assignment of an unemployment judge to hear the case and the scheduling of a date, time, and place for the hearing. Unless an appeal is withdrawn, the date for hearing before a referee unemployment judge shall be set and notice of the hearing shall be mailed to the last known address of all interested parties at least ten days prior to the date set for the hearing. The notice shall be mailed by the office of administrative hearings. The hearing may be conducted by means of a conference telephone call except that the appellant may request that the hearing be conducted in person. The hearing shall be a trial de novo, and, upon the evidence presented, the referee unemployment judge shall affirm, modify, or set aside the initial determination. Where the same or substantially similar evidence is relevant and material to the issues in appeals by more than one individual or in appeals by one individual with respect to two or more weeks of unemployment, the appeals may be consolidated into one hearing pursuant to the procedural rules adopted by the chief hearing examiner. The referee unemployment judge shall exclude from any consolidated hearing the appeal of an individual who may be prejudiced because of the consolidation. A referee unemployment judge shall not hear any appeal in which the referee unemployment judge has a direct interest. The parties and the commissioner shall be notified of the referee's unemployment judge's decision and the reason for it. The referee's unemployment judge's decision is deemed to be the final decision unless a further appeal is initiated pursuant to subdivision 5.

Sec. 12. Minnesota Statutes 1984, section 268.10, subdivision 4, is amended to read:

Subd. 4. [REFEREES TRANSCRIPTS; REVIEW OF DECISIONS.] In order to assure the prompt disposition of all claims for benefits, the commissioner shall appoint one or more impartial referees. The commissioner shall by rule adopt a procedure by which referees hear and decide disputed claims, subject to appeal to the commissioner. No person shall participate on behalf of the commissioner in any case in which that person is an interested party. The commissioner may designate alternates to serve in the absence or disqualification of a referee. The office of administrative hearings shall cause a transcript to be prepared of all cases heard by an unemployment judge from

which an appeal is made to the commissioner, or in any case to be reviewed by motion of the commissioner where the commissioner requests a transcript. There shall be no charges, fees, transcript costs, or other cost imposed upon the employee in prosecuting an appeal. All decisions of referees unemployment judges shall be made available to the public in accordance with rules the commissioner may prescribe, except that names of interested parties may be deleted.

Sec. 13. Minnesota Statutes 1984, section 268.10, subdivision 5, is amended to read:

Subd. 5. [REVIEW BY COMMISSIONER.] Within 30 days after mailing or personal delivery of the notice of a referee's unemployment judge's decision to the claimant or employer at the last known address, a party may appeal from the decision and obtain a review of it by the commissioner or an authorized representative. *An appeal from an unemployment judge's decision must be filed with the chief administrative law judge. Upon receipt of an appeal, the chief administrative law judge shall notify the commissioner of the appeal and shall cause a transcript of the hearing to be prepared. Upon completion of the transcript, the entire file shall be transmitted to the commissioner.* The commissioner within the same period of time may on the commissioner's own motion order a review of a decision. Upon review, the commissioner or authorized representative may affirm, modify, or set aside any finding of fact or decision, or both, of the referee unemployment judge on the basis of the evidence previously submitted in the case, or remand the matter back to the referee unemployment judge for the taking of additional evidence and new findings and decision based on all of the evidence before the referee unemployment judge. Notice of all hearings on review shall be given to all interested parties in the same manner as provided for by subdivision 3. ~~The commissioner or authorized representative may remove to himself or herself or transfer to another referee the proceedings on any claim pending before a referee. Any proceedings removed to the commissioner or authorized representative shall be heard upon notice in accordance with the requirements of subdivision 3.~~ The department of economic security shall mail to all interested parties a notice of the filing of and a copy of the findings and decision of the commissioner or his representative.

Sec. 14. Minnesota Statutes 1984, section 268.10, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] The manner in which disputed claims are presented, the reports required from the claimant and from employers, and the conduct of hearings and appeals shall be in accordance with the rules adopted by the commissioner for determining the rights of the parties, ~~whether or not the regulations.~~ *Rules relating to the conduct of hearings before unemployment judges shall be adopted by the chief administrative law judge. The rules of the commissioner and the chief administrative law judge need not conform to common law or statutory rules of evidence and other technical rules of procedure. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing shall be recorded, but need not be transcribed unless the disputed claim is further appealed.*

Sec. 15. Minnesota Statutes 1984, section 268.10, subdivision 9, is

amended to read:

Subd. 9. [REPRESENTATION BY ATTORNEY.] In any proceeding under these sections before a ~~referee an unemployment judge~~ or the commissioner, a party may be represented by an agent or attorney, but no individual claiming benefits shall be charged fees of any kind in a proceeding before a ~~referee an unemployment judge~~, the commissioner, commissioner's representatives, or by any court or any officers thereof. Any individual claiming benefits in any proceedings before the commissioner or his representatives or a court may be represented by counsel or other duly authorized agent, except that said agent in any court proceedings under these sections, must be an attorney at law; but no counsel shall either charge or receive for the services more than an amount approved by the commissioner and no fees shall be collected from an individual claiming benefits by any agent unless he is an attorney at law.

Sec. 16. Minnesota Statutes 1984, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, ~~appeal referee unemployment judge~~, or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, ~~appeal referee unemployment judge~~, or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24, provided that quarterly contribution and wage report forms shall include the employee's name, social security number, and total wages paid to the employee.

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as he may deem advisable for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to 268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16B.50, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written matter pertaining to the administration of the Minnesota economic security law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in his custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any pur-

pose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in his custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due him on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 17. Minnesota Statutes 1984, section 268.12, subdivision 9, is amended to read:

Subd. 9. [TESTIMONIAL POWERS.] (1) In the discharge of the duties imposed by sections 268.03 to 268.24, the commissioner, ~~appeal referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of these sections;

(2) Witnesses, other than interested parties or officers and employees of an employing unit which is an interested party, subpoenaed pursuant to this subdivision or sections 268.03 to 268.24, shall be allowed fees the same as witness fees in civil actions in district court, which fees need not be paid in advance of the time of giving of testimony, and such fees of witnesses so subpoenaed shall be deemed part of the expense of administering these sections;

(3) In case of contumacy by, or refusal to obey, a subpoena issued to any person, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which such person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the commissioner, or ~~referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, shall have jurisdiction to issue to such person an order requiring such person to appear before the commissioner, ~~the chairman of an appeal tribunal~~, ~~referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, there to produce evidence if so ordered or there to give testimony relative to the matter under investigation or in question; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

Sec. 18. Minnesota Statutes 1984, section 268.12, subdivision 10, is amended to read:

Subd. 10. [SELF-INCRIMINATION.] No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, and other records before the commissioner, ~~the chairman of an appeal tribunal~~, ~~referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, or in obedience to the subpoena of any of

them in any cause or proceeding before the commissioner, an ~~appeal tribunal, referee unemployment judge~~, or any duly authorized representative of the commissioner on the grounds that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

Sec. 19. Minnesota Statutes 1984, section 268.12, subdivision 13, is amended to read:

Subd. 13. [DETERMINATIONS.] (1) An official, designated by the commissioner, upon his own motion or upon application of an employing unit, shall determine if an employing unit is an employer within the meaning of this chapter or as to whether services performed for it constitute employment within the meaning of this chapter, and shall notify the employing unit of the determination. The determination shall be final unless the employing unit, within 30 days after the mailing of notice of the determination to the employing unit's last known address, files a written appeal from it.

(2) ~~The commissioner shall designate one or more referees to conduct hearings on appeals~~ Upon receipt of an appeal under clause (1), the commissioner shall refer the matter to the office of administrative hearings for a hearing. The employing unit and any claimant whose filed claim for benefits may be affected by a determination issued under clause (1) shall be interested parties to an appeal. The ~~referee unemployment judge~~ shall fix a time and place within this state for the hearing and give interested parties written notice of it, by mail, not less than ten days prior to the time of the hearing. In the discharge of the duties imposed by this subdivision, the ~~referee unemployment judge~~ may administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with the subject matter of the hearing. The written report of any employee of the department of economic security, made in the regular course of the performance of the employee's duties, shall be competent evidence of the facts contained in it and shall be prima facie correct, unless refuted by other credible evidence.

(3) Upon the conclusion of the hearing, the ~~referee unemployment judge~~ shall serve upon the interested parties by mail findings of fact and decision. The decision of the ~~referee unemployment judge~~, together with his findings of fact and reasons in support of them, is final unless an interested party, within 30 days after the mailing of a copy of it to the interested parties' last known addresses, files an appeal with the ~~commissioner chief administrative law judge~~, or unless the commissioner, within 30 days after mailing of the decision, on his own motion orders the matter certified to him for review. Appeal from and review by the commissioner of the decision of the ~~referee unemployment judge~~ shall be in the manner provided by rule. The commissioner may without further hearing affirm, modify, or set aside the findings of fact or decision; or both, of the ~~referee unemployment judge~~ on the basis of the evidence previously submitted in the case, or direct the taking of addi-

tional evidence. The commissioner may disregard the findings of fact of the referee *unemployment judge* and examine the testimony taken and make any findings of fact as the evidence taken before the referee *unemployment judge* may, in the judgment of the commissioner, require, and make any decision as the facts found by him require. The commissioner shall notify the employing unit of his findings and decision by mail, mailed to the interested parties' last known addresses. The decision of the commissioner is final unless judicial review of it is sought as provided by this subdivision. Any interested party to a proceeding before the commissioner may obtain a transcript of the testimony taken before the referee *unemployment judge* upon payment to the commissioner of the cost of the transcript at the rate of ten cents per 100 words.

(4) The court of appeals may, by writ of certiorari to the commissioner, review all questions of law and fact presented by the record in accordance with chapter 14. The commissioner shall not be required to certify the record to the court unless the party commencing the proceedings for review pays to the commissioner the cost of certification of the record at the rate of ten cents per 100 words less any amount previously paid by the party for a transcript. The commissioner shall, upon receipt of the payment, prepare and certify to the court a true and correct typewritten copy of all matters contained in the record. The costs collected by the commissioner shall be deposited in the economic security administration fund provided for in section 268.15.

(5) A final decision of the commissioner or referee, in the absence of appeal, is conclusive for all the purposes of sections 268.03 to 268.24 except as otherwise provided, and, together with the records therein made, shall be admissible in any subsequent judicial proceeding involving liability for contributions. A final decision of the commissioner or referee may be introduced in any proceeding involving a claim for benefits.

(6) In the event a final decision of the commissioner or referee *unemployment judge* determines the amount of contributions due under sections 268.03 to 268.24, then, if the amount, together with interest and penalties, is not paid within 30 days after the decision, the provisions of section 268.161 shall apply. The commissioner shall proceed thereunder, substituting a certified copy of the final decision in place of the contribution report.

Sec. 20. Minnesota Statutes 1984, section 268.18, subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of his own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24 or because of a determination or redetermination issued pursuant to section 268.10, subdivision 2, has received any sum as benefits to which he was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of economic security. If such claimant fails to return such benefits, the department of economic security shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the

claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before a referee of the department an unemployment judge of the office of administrative hearings and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. The commissioner of the department of economic security is hereby authorized to deduct from any future benefits payable to the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. Benefits paid for weeks more than three years prior to the discovery of error are not erroneous payments.

Sec. 21. Minnesota Statutes 1984, section 268.18, subdivision 2, is amended to read:

Subd. 2. [FRAUD.] Any claimant who files a claim for or receives benefits by knowingly and willfully misrepresenting or misstating any material fact or by knowingly and willfully failing to disclose any material fact which would make him ineligible for benefits under sections 268.03 to 268.24 is guilty of fraud. After the discovery of facts by the commissioner indicating fraud in claiming or obtaining benefits under sections 268.03 to 268.24, he is hereby authorized to make a determination that the claimant was ineligible for each week with reference to which benefits were claimed or obtained by fraud for the amount as was in excess of what the claimant would have been entitled to had he not made the fraudulent statements or failed to disclose any material facts. The commissioner also may disqualify an individual from benefits for one to 52 weeks in which the claimant is otherwise eligible for benefits following the week in which the fraud was determined. A disqualification imposed for fraud shall not be removed by subsequent insured work or the expiration of a benefit year but shall not apply to any week more than 104 weeks after the week in which the fraud was determined. The claimant shall promptly repay in cash to the department of economic security any benefits fraudulently obtained. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the claimant appeals from the determination within the time above specified the matter shall be referred to a referee an unemployment judge for a hearing as in other benefit cases and thereafter the procedure for review shall be the same as set forth in section 268.10. The commissioner is hereby authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined

by that state. A determination of fraud may be made at any time.

Sec. 22. [EFFECTIVE DATE.]

Article 2 is effective October 1, 1985."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; capping the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.51; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Schmitz
Belanger	Frederick	Knaak	Olson	Sieloff
Benson	Frederickson	Knutson	Peterson, D.L.	Storm
Berg	Gustafson	Kronebusch	Purfeerst	Stumpf
Bernhagen	Isackson	Laidig	Ramstad	Taylor
Bertram	Johnson, D.E.	McQuaid	Renneke	Wegscheid

Those who voted in the negative were:

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

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

Mr. Frederick moved to amend H.F. No. 847, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 41.)

Delete everything after the enacting clause and insert:

"ARTICLE 1

UNEMPLOYMENT COMPENSATION

Section 1. Minnesota Statutes 1984, section 268.03, is amended to read:

268.03 [DECLARATION OF PUBLIC POLICY.]

As a guide to the interpretation and application of sections 268.03 to 268.24, the public policy of this state is declared to be as follows: Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burdens. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this state will be promoted by providing, under the police powers of the state for the ~~compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own establishment of an unemployment insurance fund. The reserves of the unemployment insurance fund are to be used to provide a temporary replacement of a portion of lost wages to individuals with a permanent attachment to the work force, who become involuntarily unemployed through no fault of their own, and who are actively seeking, and are willing and available to accept, suitable reemployment.~~

It is the specific intent of the legislature that unemployment compensation cases shall be decided on their merits and that the unemployment compensation laws are not remedial in any sense and are not to be given a broad liberal construction.

Sec. 2. Minnesota Statutes 1984, section 268.04, subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, back pay as of the date of payment, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds, for each calendar year, the greater of \$7,000 or that part of the remuneration which exceeds 60 percent of the average annual wage rounded to the nearest \$100 ~~computed in accordance with the provisions of clause (4)~~ \$10,300 for the calendar year 1985; \$10,900 for the calendar year 1986; and \$11,400 for the calendar year 1987 and all calendar years thereafter, paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the Federal Unemployment Tax Act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include

remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the Federal Unemployment Tax Act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the employee has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(c) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 3101 of the federal Internal Revenue Code, or (2) of any payment required from an employee under a state unemployment compensation law, with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust described in section 401(a) of the federal Internal Revenue Code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal Internal Revenue Code, or (3) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal Internal Revenue Code;

(f) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 3. Minnesota Statutes 1984, section 268.04, subdivision 29, is amended to read:

Subd. 29. "Credit week" is any week for which wages or back pay, actually or constructively paid, wages overdue and delayed beyond the usual time of payment, and back pay by or from one or more employers to an employee for insured work equal or exceed 30 percent of the average weekly wage times the adult minimum wage in effect under section 177.24, subdivision 1, on December 31 of the year two years before the year in which the claim is made. The product shall be computed to the nearest whole dollar. On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage; and

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The average weekly wage as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to December 31 of the year of the computation.

Sec. 4. Minnesota Statutes 1984, section 268.06, subdivision 5, is amended to read:

Subd. 5. [BENEFITS CHARGED AS AND WHEN PAID.] Benefits paid to an individual pursuant to a valid claim shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who earned base period wages for part-time employment 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 if the employer: (1) provided weekly base period part-time employment; (2) continues to provide weekly employment equal to at least 90 percent of the part-time employment provided in the base period; and (3) is an interested party because of the individual's loss of other employment.

For the purpose of this subdivision, an employer is deemed to satisfy clause (2) if:

(a) the weekly employment in the base period was on an on call as needed basis; and

(b) the employer continues to employ the individual on the same basis and provides employment substantially equal to the employment provided in the base period.

The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as

the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

In making computations under this provision, the amount of wage credits if not a multiple of \$1, shall be computed to the nearest multiple of \$1.

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 unemployment that is directly caused by a major natural disaster declared by the president pursuant to section 102(2) of the Disaster Relief Act of 1974 (42 United States Code 5122(2)), if the unemployed individual would have been eligible for disaster unemployment assistance with respect to that unemployment but for the individual's receipt of unemployment insurance benefits.

Sec. 5. Minnesota Statutes 1984, section 268.06, subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.] For each calendar year the commissioner shall determine the contribution rate of each employer by adding the minimum rate to the experience ratio; except that if the ratio for the current calendar year increases or decreases the experience ratio for the preceding calendar year by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, the increase or decrease for the current year shall be limited to one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter. "Small business employer" for the purpose of this subdivision means an employer with an annual covered payroll of \$250,000 or less, or fewer than 20 employees in three of the four quarters ending June 30, of the previous calendar year.

The minimum rate for all employers shall be one percent if the amount in the unemployment compensation fund is less than \$80,000,000 on June 30 of the preceding calendar year; or nine-tenths of one percent if the fund is more than \$80,000,000 but less than \$90,000,000; or eight-tenths of one percent if the fund is more than \$90,000,000 but less than \$110,000,000; or seven-tenths of one percent if the fund is more than \$110,000,000 but less than \$130,000,000; or six-tenths of one percent if the fund is more than \$130,000,000 but less than \$150,000,000; or five-tenths of one percent if the fund is more than \$150,000,000 but less than \$170,000,000; or three-tenths of one percent if the fund is more than \$170,000,000 but less than \$200,000,000; or one-tenth of one percent if the fund is \$200,000,000 or more; provided that no employer shall have a contribution rate of more than 7.5 percent.

For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended. No employer first assigned an experience ratio in accordance with subdivision 6, shall have his contribution rate increased or decreased by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter over the

contribution rate assigned for the preceding calendar year in accordance with subdivision 3a, provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter.

Sec. 6. Minnesota Statutes 1984, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned ~~45~~ 20, or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to ~~60~~ one percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual *individual's total base period wage credits*. The amount so computed if not a whole dollar shall be rounded down to the next lower dollar amount. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be ~~66-2/3~~ percent of the average weekly wage, except as provided in clause (d).

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1983, shall be \$184.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

The minimum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1985, shall be \$68.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1985, and prior to July 1, 1986,

shall be \$200.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1986, and prior to July 1, 1987, shall be \$208.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1987, shall be \$216.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. Jury duty pay is not considered as earnings and shall not be deducted from benefits paid. Such benefit, if not a whole dollar amount shall be rounded down to the next lower dollar amount.

(4) The provisions of clauses (1) and (2) shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1983.

Sec. 7. Minnesota Statutes 1984, section 268.07, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION.] Notwithstanding the provisions of subdivision 2, if the commissioner finds that an individual has earned credit weeks in seasonal employment, benefits shall be payable only if the commissioner finds that the individual has earned 15 credit weeks in employment which is not seasonal, in addition to any credit weeks in seasonal employment. For the purposes of this subdivision, "seasonal employment" means:

(1) employment with a single employer in the recreation or tourist industry which is available with the employer for 15 consecutive weeks or less each calendar year; or

(2) employment in activities relating to the first processing of seasonally produced agricultural products in which, because of the seasonal nature thereof, it is customary to operate only during a regularly recurring period or periods of less than 18 weeks in any calendar year.

Sec. 8. Minnesota Statutes 1984, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that the individual:

(1) has registered for work at and thereafter has continued to report to an employment office, or agent of the office, in accordance with rules the commissioner may adopt; except that the commissioner may by rule waive or

alter either or both of the requirements of this clause as to types of cases or situations with respect to which the commissioner finds that compliance with the requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt; and

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the credit weeks earned in the base period were for services performed during weeks in which the student was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty.

(4) has been unemployed for a waiting period of one week during which the individual is otherwise eligible for benefits under sections 268.03 to 268.24. ~~However, payment for the waiting week shall be made to the individual after the individual has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of the individual's return to employment.~~ No individual is required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which the valid claim was filed.

Sec. 9. Minnesota Statutes 1984, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from employment under clauses (1), (2), or (3) shall be disqualified for waiting week credit and benefits. For separations under clauses (1) and (2), the disqualification shall continue until ~~four~~ eight calendar weeks have elapsed following his separation and the individual has earned ~~four~~ eight times his weekly benefit amount in insured work.

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment or based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act in behalf of the individual shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means

unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's submission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older;

(e) The individual is terminated by his employer because he gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(g) The individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual at-

tempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment. For a separation under this clause, the commissioner shall impose a total disqualification for the benefit year and cancel all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.

For the purpose of this clause "gross misconduct" is defined as misconduct involving assault and battery or the malicious destruction of property or arson or sabotage or embezzlement or any other act, including theft, the commission of which amounts to a felony or gross misdemeanor. For an employee of a health care facility, gross misconduct also includes misconduct involving an act of patient or resident abuse as defined in section 626.557, subdivision 2, clause (d).

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected with his work.

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clauses (2)(c) and (2)(e), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

(6) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from his own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.

Sec. 10. Minnesota Statutes 1984, section 268.09, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO APPLY FOR OR ACCEPT SUITABLE WORK OR RE-EMPLOYMENT.] An individual shall be disqualified for waiting week credit and benefits during the week of occurrence and until ~~four~~ eight calendar weeks have elapsed following his refusal or failure and he has earned ~~four~~ eight times his weekly benefit amount in insured work if the

commissioner finds that he has failed, without good cause, either to apply for available, suitable work of which he was advised by the employment office, or the commissioner or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the commissioner, or to accept a base period employer's offer of re-employment offering substantially the same or better hourly wages and conditions of work as were previously provided by that employer in his base period.

(a) In determining whether or not any work is suitable for an individual, the commissioner shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience, his length of unemployment and prospects of securing local work in his customary occupation, ~~and~~ the distance of the available work from his residence, *and how the work's wage compares with the wage the individual received at his previous employment. With respect to the work's wage, the work shall be deemed suitable if the work is otherwise suitable and the work's wage is at least: 85 percent of the individual's former wage when the individual has not received more than six weeks of benefits during his or her current period of unemployment; 80 percent of the individual's former wage when the individual has received more than six weeks of benefits, but not more than 14 weeks during his or her current period of unemployment; and 75 percent of the individual's former wage when the individual has received more than 14 weeks of benefits during his or her current period of unemployment.*

(b) Notwithstanding any other provisions of sections 268.03 to 268.24, no work shall be deemed suitable, and benefits shall not be denied thereunder to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) if as a condition of being employed the individual would be required to join a union or to resign from or refrain from joining any bona fide labor organization;

(4) if the individual is in training with the approval of the commissioner.

Sec. 11. [REPEALER.]

Minnesota Statutes 1984, section 268.04, subdivision 30, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 2, 4, and 5, are effective January 1, 1986. Sections 3, 6, 8, 9, and 10, are effective July 1, 1985.

ARTICLE 2

TRANSFER OF AUTHORITY TO OFFICE OF ADMINISTRATIVE HEARINGS

Section 1. [TRANSFER FROM DEPARTMENT OF ECONOMIC SECURITY.]

Subdivision 1. [PURPOSE.] It is the purpose and intent of this article to transfer all unemployment compensation hearing responsibilities and related functions except for appeal hearings before the commissioner or his or her authorized representative from the department of economic security to the office of administrative hearings.

Subd. 2. [PERSONNEL; EQUIPMENT.] All unemployment compensation referee positions at the department of economic security are transferred to the office of administrative hearings. Persons employed in the transferred referee positions may be considered without preference for the transferred positions in the office of administrative hearings. The chief administrative law judge may designate as a supervisory unemployment judge any administrative law, compensation, or unemployment judge. All personnel and positions at the department of economic security presently providing support to the hearing related functions transferred pursuant to this article, including those involved in the scheduling of hearings, processing, and mailing of hearing notices, preparation and serving of referees' decisions or correspondence, travel coordination, accounting, answering of telephones, and preparation of transcripts are transferred to the office of administrative hearings.

All equipment and supplies used solely by the transferred personnel in the performance of their duties are transferred to the office of administrative hearings.

Subd. 3. [COOPERATION.] Commencing with the passage and signing of this act, the commissioner, the commissioners of administration, finance, and employee relations and the chief administrative law judge shall cooperate in assuring a smooth transfer of the referees and related personnel and equipment in order to carry out the purposes of this article. The commissioner shall provide office space at the department of economic security for the chief administrative law judge to use prior to the transfer in order to complete a review of the existing hearing system and personnel prior to the effective date of the transfer. The commissioner of administration, after consultation with the commissioner of economic security, the commissioner of finance, and the chief administrative law judge, shall determine the appropriate location of office space for the transferred personnel. The commissioner shall continue to provide space for the conduct of hearings in the same facilities and locations which are presently utilized for that purpose.

Subd. 4. [RULES.] The chief administrative law judge may make emergency rules for the purpose of adopting procedural rules for unemployment compensation hearings. The rules shall not conflict with any provisions of chapter 268 and shall comply with any applicable federal laws, rules, or regulations.

Subd. 5. [TIMELINESS.] To satisfy United States Department of Labor funding requirements the office of administrative hearings shall meet or exceed timeliness standards under federal regulation in the conduct of unemployment compensation hearings.

Sec. 2. Minnesota Statutes 1984, section 14.03, subdivision 2, is amended to read:

Subd. 2. [CONTESTED CASE PROCEDURE.] The contested case pro-

cedures of the administrative procedure act provided in sections 14.57 to 14.70 do not apply to (a) the Minnesota municipal board, (b) the commissioner of corrections, (c) the unemployment insurance program ~~and, except for those hearings held by an unemployment judge of the office of administrative hearings,~~ (d) the social security disability determination program in the department of economic security, ~~(e)~~ (e) the director of mediation services, ~~(f)~~ (f) the workers' compensation division in the department of labor and industry, ~~(g)~~ (g) the workers' compensation court of appeals, ~~(h)~~ (h) the board of pardons, or ~~(i)~~ (i) the public employment relations board.

Sec. 3. Minnesota Statutes 1984, section 14.48, is amended to read:

14.48 [CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS; CHIEF ADMINISTRATIVE LAW JUDGE APPOINTED; OTHER ADMINISTRATIVE LAW JUDGES APPOINTED.]

A state office of administrative hearings is created. The office shall be under the direction of a chief administrative law judge 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. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066. The chief administrative law judge shall appoint additional administrative law judges and compensation judges to serve in his office as necessary to fulfill the duties prescribed in sections 14.48 to 14.56. All administrative law judges, *unemployment judges*, and compensation judges shall be in the classified service except that the chief administrative law judge shall be in the unclassified service, but may be removed from his position only for cause. All administrative law judges 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. All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws 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. 4. Minnesota Statutes 1984, section 14.51, is amended to read:

14.51 [PROCEDURAL RULES FOR HEARINGS.]

The chief administrative law judge shall adopt rules to govern the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings, contested case hearings, ~~and workers' compensation hearings, and unemployment compensation hearings.~~ ~~Temporary~~ *Emergency* rulemaking authority is granted to the chief administrative law judge for the purpose of ~~implementing Laws 1981, Chapter 346, Sections 2 to 6, 103 to 122, 127 to 135, and 141~~ *the adoption of procedural rules for unemployment compensation hearings.* The 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 adminis-

trative law judge to determine whether or not a new hearing is required because of substantial changes or failure of the agency to meet the requirements of sections 14.13 to 14.18. Upon his own initiative or upon written request of an interested party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of 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. 5. Minnesota Statutes 1984, section 14.53, is amended to read:

14.53 [COSTS ASSESSED.]

In consultation with the commissioner of administration the chief administrative law judge shall assess agencies the cost of services rendered to them in the conduct of hearings. All agencies shall include in their budgets provisions for such assessments. *The chief administrative law judge shall assess all costs associated with unemployment compensation hearings to the department of economic security.*

Sec. 6. Minnesota Statutes 1984, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision shall be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective.

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, attorney general, secretary of state, state auditor and state treasurer shall be determined by the governor, attorney general, secretary of state, state auditor and state treasurer, respectively.

(b) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause (h), in the higher education coordinating board, and in the state board of vocational technical education shall be determined by the state university board and the state board for community colleges, the higher education coordinating board, and the state board of vocational technical education, respectively.

(c) Total compensation for classified administrative law judges and unemployment judges in the office of administrative hearings shall be determined by the chief administrative law judge.

Sec. 7. Minnesota Statutes 1984, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in this section. The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:

(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in

accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the state university system and the community college system defined as managerial by their respective boards;

(3) positions of physician employees compensated under section 43A.17, subdivision 4;

(4) positions of all unclassified employees appointed by a constitutional officer;

(5) positions in the bureau of mediation services and the public employment relations board;

(6) positions of employees whose classification is pilot or chief pilot;

(7) administrative law judge, *unemployment judge*, and compensation judge positions in the office of administrative hearings; and

(8) positions of all confidential employees.

Sec. 8. Minnesota Statutes 1984, section 268.06, subdivision 18, is amended to read:

Subd. 18. [NOTICE TO EMPLOYER.] The commissioner shall at least twice each year notify each employer of the benefits as determined by the department which have been charged to his account subsequent to the last notice. Unless reviewed in the manner hereinafter provided, charges set forth in such notice, or as modified by a redetermination, a decision of a ~~referee~~ *an unemployment judge*, or the commissioner, shall be final and shall be used in determining the contribution rates for all years in which the charges occur within the employer's experience period and shall not be subject to collateral attack by way of review of a rate determination, application for adjustment or refund, or otherwise.

Sec. 9. Minnesota Statutes 1984, section 268.06, subdivision 19, is amended to read:

Subd. 19. [NOTICE OF RATE.] The commissioner shall mail to each employer notice of his rate of contributions as determined for any calendar year pursuant to this section. Such notice shall contain the contribution rate, factors used in determining the individual employer's experience rating, and such other information as the commissioner may prescribe. Unless reviewed in the manner hereinafter provided, the rate as determined or as modified by a redetermination, a decision of a ~~referee~~ *an unemployment judge*, or the commissioner shall be final except for fraud and shall be the rate upon which contributions shall be computed for the calendar year for which such rate was determined, and shall not be subject to collateral attack for any errors, clerical or otherwise, whether by way of claim for adjustment or refund, or otherwise. If the legislature changes any of the factors used to determine the contribution rate of any employer for any year subsequent to the original mailing of such notice for the year, the earlier notice shall be void. The notice based on the new factors shall be deemed to be the only notice of rate of contributions for that year and shall be subject to the same finality, redetermination and review procedures as provided above.

Sec. 10. Minnesota Statutes 1984, section 268.06, subdivision 20, is

amended to read:

Subd. 20. [PROTEST, REVIEW, REDETERMINATION, APPEAL.] A review of the charges made to an employer's account as set forth in the notice of charges referred to in subdivision 18 and a review of an employer's contribution rate as set forth in the notice of his rate for any calendar year as provided in subdivision 19, may be had by the employer if he files with the commissioner a written protest setting forth his reasons therefor within 30 days from the date of the mailing of the notice of charges or contribution rate to him. The date shall appear on the notice. Upon receipt of the protest, the commissioner shall refer the matter to an official designated by him to review the charges appearing on the notice appealed from or the computations of the protesting employer's rate, as the case may be, to determine whether or not there has been any clerical error or error in computation in either case. The official shall either affirm or make a redetermination rectifying the charges or rate as the case may be, and a notice of the affirmation or redetermination shall immediately be mailed to the employer. If the employer is not satisfied with the affirmation or redetermination, he may appeal by filing a notice with the department within ten days after the date of mailing appearing upon the redetermination. Upon the receipt of the appeal, the commissioner shall refer the matter to a ~~referee~~ *the office of administrative hearings* for a hearing and after opportunity for a fair hearing, the ~~referee~~ *unemployment judge* shall affirm, modify or set aside the original determination with its affirmation or the redetermination, as appears just and proper. The commissioner may at any time upon his own motion correct any clerical error of the department resulting in charges against an employer's account or any error in the computation of an employer's contribution rate. The ~~referee~~ *unemployment judge* may order the consolidation of two or more appeals whenever, in his judgment, consolidation will not be prejudicial to any interested party. At any hearing a written report of any employee of the department which has been authenticated shall be admissible in evidence. Appeals from the decision of the ~~referee~~ *unemployment judge* shall be provided by section 268.10, subdivision 5.

Sec. 11. Minnesota Statutes 1984, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. If within the time limits for filing a protest an employer notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages earned with the employer, the individual's weekly benefit amount shall be the lesser of (1) the weekly benefit amount as determined under section 268.07, or (2) the weekly benefit amount which is 50 percent of the quotient derived by dividing the total wage credits earned in the individual's base

period credit weeks from all employers in insured work by the number of base period credit weeks. If within the time specified for the filing of wage and separation information as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an ~~appeal tribunal~~ *unemployment judge* decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an ~~appeal tribunal~~ *unemployment judge* decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an ~~appeal~~ *unemployment judge* decision awarding benefits, any benefits paid under the award of such initial determination or ~~appeal tribunal~~ *unemployment judge* decision shall be deemed erroneous payments.

(2) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, the commissioner on his own motion may reconsider a determination of validity made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(5) However, the commissioner may in his discretion refer any disputed

claims directly to a referee the office of administrative hearings for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal unemployment judge from an initial determination.

(6) If a referee's an unemployment judge's decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal unemployment judge decision awarding benefits, the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 12. Minnesota Statutes 1984, section 268.10, subdivision 3, is amended to read:

Subd. 3. [APPEAL; HEARING.] Upon receipt of an appeal from an initial determination made under subdivision 2, the commissioner shall immediately forward the appeal and all necessary documents to the chief administrative law judge for assignment of an unemployment judge to hear the case and the scheduling of a date, time, and place for the hearing. Unless an appeal is withdrawn, the date for hearing before a referee an unemployment judge shall be set and notice of the hearing shall be mailed to the last known address of all interested parties at least ten days prior to the date set for the hearing. The notice shall be mailed by the office of administrative hearings. The hearing may be conducted by means of a conference telephone call except that the appellant may request that the hearing be conducted in person. The hearing shall be a trial de novo, and, upon the evidence presented, the referee unemployment judge shall affirm, modify, or set aside the initial determination. Where the same or substantially similar evidence is relevant and material to the issues in appeals by more than one individual or in appeals by one individual with respect to two or more weeks of unemployment, the appeals may be consolidated into one hearing pursuant to the procedural rules adopted by the chief administrative law judge. The referee unemployment judge shall exclude from any consolidated hearing the appeal of an individual who may be prejudiced because of the consolidation. A referee An unemployment judge shall not hear any appeal in which the referee unemployment judge has a direct interest. The parties and the commissioner shall be notified of the referee's unemployment judge's decision and the reason for it. The referee's unemployment judge's decision is deemed to be the final decision unless a further appeal is initiated pursuant to subdivision 5.

Sec. 13. Minnesota Statutes 1984, section 268.10, subdivision 4, is amended to read:

Subd. 4. [REFEREES TRANSCRIPTS; REVIEW OF DECISIONS.] In order to assure the prompt disposition of all claims for benefits, the commissioner shall appoint one or more impartial referees. The commissioner shall by rule adopt a procedure by which referees hear and decide disputed claims, subject to appeal to the commissioner. No person shall participate on behalf of the commissioner in any case in which that person is an interested party. The commissioner may designate alternates to serve in the absence or disqualification of a referee. The office of administrative hearings shall cause a transcript to be prepared of all cases heard by an unemployment judge from

which an appeal is made to the commissioner; or in any case to be reviewed by motion of the commissioner where the commissioner requests a transcript. There shall be no charges, fees, transcript costs, or other cost imposed upon the employee in prosecuting an appeal. All decisions of referees un-employment judges shall be made available to the public in accordance with rules the commissioner may prescribe, except that names of interested parties may be deleted.

Sec. 14. Minnesota Statutes 1984, section 268.10, subdivision 5, is amended to read:

Subd. 5. [REVIEW BY COMMISSIONER.] Within 30 days after mailing or personal delivery of the notice of a referee's an unemployment judge's decision to the claimant or employer at the last known address, a party may appeal from the decision and obtain a review of it by the commissioner or an authorized representative. An appeal from an unemployment judge's decision must be filed with the chief administrative law judge. Upon receipt of an appeal, the chief administrative law judge shall notify the commissioner of the appeal and shall cause a transcript of the hearing to be prepared. Upon completion of the transcript, the entire file shall be transmitted to the commissioner. The commissioner within the same period of time may on the commissioner's own motion order a review of a decision. Upon review, the commissioner or authorized representative may affirm, modify, or set aside any finding of fact or decision, or both, of the referee unemployment judge on the basis of the evidence previously submitted in the case, or remand the matter back to the referee unemployment judge for the taking of additional evidence and new findings and decision based on all of the evidence before the referee unemployment judge. Notice of all hearings on review shall be given to all interested parties in the same manner as provided for by subdivision 3. The commissioner or authorized representative may remove to himself or herself or transfer to another referee the proceedings on any claim pending before a referee. Any proceedings removed to the commissioner or authorized representative shall be heard upon notice in accordance with the requirements of subdivision 3. The department of economic security shall mail to all interested parties a notice of the filing of and a copy of the findings and decision of the commissioner or his representative.

Sec. 15. Minnesota Statutes 1984, section 268.10, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] The manner in which disputed claims are presented, the reports required from the claimant and from employers, and the conduct of hearings and appeals shall be in accordance with the rules adopted by the commissioner for determining the rights of the parties, whether or not the regulations. Rules relating to the conduct of hearings before unemployment judges shall be adopted by the chief administrative law judge. The rules of the commissioner and the chief administrative law judge need not conform to common law or statutory rules of evidence and other technical rules of procedure. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing shall be recorded, but need not be transcribed unless the disputed claim is further appealed.

Sec. 16. Minnesota Statutes 1984, section 268.10, subdivision 9, is

amended to read:

Subd. 9. [REPRESENTATION BY ATTORNEY.] In any proceeding under these sections before a ~~referee~~ *an unemployment judge* or the commissioner, a party may be represented by an agent or attorney, but no individual claiming benefits shall be charged fees of any kind in a proceeding before a ~~referee~~ *an unemployment judge*, the commissioner, commissioner's representatives, or by any court or any officers thereof. Any individual claiming benefits in any proceedings before the commissioner or his representatives or a court may be represented by counsel or other duly authorized agent, except that said agent in any court proceedings under these sections, must be an attorney at law; but no counsel shall either charge or receive for the services more than an amount approved by the commissioner and no fees shall be collected from an individual claiming benefits by any agent unless he is an attorney at law.

Sec. 17. Minnesota Statutes 1984, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, ~~appeal referee~~ *unemployment judge*, or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, ~~appeal referee~~ *unemployment judge*, or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24, provided that quarterly contribution and wage report forms shall include the employee's name, social security number, and total wages paid to the employee.

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as he may deem advisable for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to 268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16B.50, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written matter pertaining to the administration of the Minnesota economic security law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in his custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any pur-

pose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in his custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due him on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 18. Minnesota Statutes 1984, section 268.12, subdivision 9, is amended to read:

Subd. 9. [TESTIMONIAL POWERS.] (1) In the discharge of the duties imposed by sections 268.03 to 268.24, the commissioner, ~~appeal referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of these sections;

(2) Witnesses, other than interested parties or officers and employees of an employing unit which is an interested party, subpoenaed pursuant to this subdivision or sections 268.03 to 268.24, shall be allowed fees the same as witness fees in civil actions in district court, which fees need not be paid in advance of the time of giving of testimony, and such fees of witnesses so subpoenaed shall be deemed part of the expense of administering these sections;

(3) In case of contumacy by, or refusal to obey, a subpoena issued to any person, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which such person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the commissioner, or ~~referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, shall have jurisdiction to issue to such person an order requiring such person to appear before the commissioner, ~~the chairman of an appeal tribunal, referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, there to produce evidence if so ordered or there to give testimony relative to the matter under investigation or in question; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

Sec. 19. Minnesota Statutes 1984, section 268.12, subdivision 10, is amended to read:

Subd. 10. [SELF-INCRIMINATION.] No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, and other records before the commissioner, ~~the chairman of an appeal tribunal, referee~~ *unemployment judge*, or any duly authorized representative of the commissioner, or in obedience to the subpoena of any of

them in any cause or proceeding before the commissioner, an ~~appeal tribunal, referee unemployment judge~~, or any duly authorized representative of the commissioner on the grounds that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

Sec. 20. Minnesota Statutes 1984, section 268.12, subdivision 13, is amended to read:

Subd. 13. [DETERMINATIONS.] (1) An official, designated by the commissioner, upon his own motion or upon application of an employing unit, shall determine if an employing unit is an employer within the meaning of this chapter or as to whether services performed for it constitute employment within the meaning of this chapter, and shall notify the employing unit of the determination. The determination shall be final unless the employing unit, within 30 days after the mailing of notice of the determination to the employing unit's last known address, files a written appeal from it.

(2) ~~The commissioner shall designate one or more referees to conduct hearings on appeals~~ Upon receipt of an appeal under clause (1), the commissioner shall refer the matter to the office of administrative hearings for a hearing. The employing unit and any claimant whose filed claim for benefits may be affected by a determination issued under clause (1) shall be interested parties to an appeal. The ~~referee unemployment judge~~ shall fix a time and place within this state for the hearing and give interested parties written notice of it, by mail, not less than ten days prior to the time of the hearing. In the discharge of the duties imposed by this subdivision, the ~~referee unemployment judge~~ may administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with the subject matter of the hearing. The written report of any employee of the department of economic security, made in the regular course of the performance of the employee's duties, shall be competent evidence of the facts contained in it and shall be prima facie correct, unless refuted by other credible evidence.

(3) Upon the conclusion of the hearing, the ~~referee unemployment judge~~ shall serve upon the interested parties by mail findings of fact and decision. The decision of the ~~referee unemployment judge~~, together with his findings of fact and reasons in support of them, is final unless an interested party, within 30 days after the mailing of a copy of it to the interested parties' last known addresses, files an appeal with the ~~commissioner~~ chief administrative law judge, or unless the commissioner, within 30 days after mailing of the decision, on his own motion orders the matter certified to him for review. Appeal from and review by the commissioner of the decision of the ~~referee unemployment judge~~ shall be in the manner provided by rule. The commissioner may without further hearing affirm, modify, or set aside the findings of fact or decision, or both, of the ~~referee unemployment judge~~ on the basis of the evidence previously submitted in the case, or direct the taking of addi-

tional evidence. The commissioner may disregard the findings of fact of the ~~referee~~ *unemployment judge* and examine the testimony taken and make any findings of fact as the evidence taken before the ~~referee~~ *unemployment judge* may, in the judgment of the commissioner, require, and make any decision as the facts found by him require. The commissioner shall notify the employing unit of his findings and decision by mail, mailed to the interested parties' last known addresses. The decision of the commissioner is final unless judicial review of it is sought as provided by this subdivision. Any interested party to a proceeding before the commissioner may obtain a transcript of the testimony taken before the ~~referee~~ *unemployment judge* upon payment to the commissioner of the cost of the transcript at the rate of ten cents per 100 words.

(4) The court of appeals may, by writ of certiorari to the commissioner, review all questions of law and fact presented by the record in accordance with chapter 14. The commissioner shall not be required to certify the record to the court unless the party commencing the proceedings for review pays to the commissioner the cost of certification of the record at the rate of ten cents per 100 words less any amount previously paid by the party for a transcript. The commissioner shall, upon receipt of the payment, prepare and certify to the court a true and correct typewritten copy of all matters contained in the record. The costs collected by the commissioner shall be deposited in the economic security administration fund provided for in section 268.15.

(5) A final decision of the commissioner or referee, in the absence of appeal, is conclusive for all the purposes of sections 268.03 to 268.24 except as otherwise provided, and, together with the records therein made, shall be admissible in any subsequent judicial proceeding involving liability for contributions. A final decision of the commissioner or referee may be introduced in any proceeding involving a claim for benefits.

(6) In the event a final decision of the commissioner or ~~referee~~ *unemployment judge* determines the amount of contributions due under sections 268.03 to 268.24, then, if the amount, together with interest and penalties, is not paid within 30 days after the decision, the provisions of section 268.161 shall apply. The commissioner shall proceed thereunder, substituting a certified copy of the final decision in place of the contribution report.

Sec. 21. Minnesota Statutes 1984, section 268.18, subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of his own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24 or because of a determination or redetermination issued pursuant to section 268.10, subdivision 2, has received any sum as benefits to which he was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of economic security. If such claimant fails to return such benefits, the department of economic security shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the

claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before a referee of the department an unemployment judge of the office of administrative hearings and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. The commissioner of the department of economic security is hereby authorized to deduct from any future benefits payable to the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. Benefits paid for weeks more than three years prior to the discovery of error are not erroneous payments.

Sec. 22. Minnesota Statutes 1984, section 268.18, subdivision 2, is amended to read:

Subd. 2. [FRAUD.] Any claimant who files a claim for or receives benefits by knowingly and willfully misrepresenting or misstating any material fact or by knowingly and willfully failing to disclose any material fact which would make him ineligible for benefits under sections 268.03 to 268.24 is guilty of fraud. After the discovery of facts by the commissioner indicating fraud in claiming or obtaining benefits under sections 268.03 to 268.24, he is hereby authorized to make a determination that the claimant was ineligible for each week with reference to which benefits were claimed or obtained by fraud for the amount as was in excess of what the claimant would have been entitled to had he not made the fraudulent statements or failed to disclose any material facts. The commissioner also may disqualify an individual from benefits for one to 52 weeks in which the claimant is otherwise eligible for benefits following the week in which the fraud was determined. A disqualification imposed for fraud shall not be removed by subsequent insured work or the expiration of a benefit year but shall not apply to any week more than 104 weeks after the week in which the fraud was determined. The claimant shall promptly repay in cash to the department of economic security any benefits fraudulently obtained. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the claimant appeals from the determination within the time above specified the matter shall be referred to a referee an unemployment judge for a hearing as in other benefit cases and thereafter the procedure for review shall be the same as set forth in section 268.10. The commissioner is hereby authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined

by that state. A determination of fraud may be made at any time.

Sec. 23. [EFFECTIVE DATE.]

Article 2 is effective October 1, 1985."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; capping the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; making the waiting week nonreimbursable; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.48; 14.51; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; repealing Minnesota Statutes 1984, section 268.04, subdivision 30."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Kamrath	Mehrkens	Sieloff
Benson	Frederickson	Knaak	Olson	Storm
Bernhagen	Gustafson	Knutson	Peterson, D.L.	Stumpf
Bertram	Isackson	Kronebusch	Purfeerst	Taylor
Brataas	Johnson, D.E.	Laidig	Ramstad	Wegscheid
DeCramer	Jude	McQuaid	Renneke	Willet

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, C.C.	Solon
Anderson	Frank	Luther	Peterson, D.C.	Spear
Berglin	Freeman	Merriam	Peterson, R.W.	Vega
Chmielewski	Hughes	Moe, D.M.	Petty	Waldorf
Dahl	Johnson, D.J.	Moe, R.D.	Pogemiller	
Davis	Kroening	Nelson	Reichgott	
Dicklich	Langseth	Novak	Samuelson	
Diessner	Lantry	Pehler	Schmitz	

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

H.F. No. 847 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 18: A bill for an act relating to game and fish; authorizing resident licenses for trainees at Camp Ripley during open seasons; amending Minnesota Statutes 1984, section 98.47, 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:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 558: A bill for an act relating to metropolitan government; providing conditions for the disposal of certain sports facilities property; requiring the metropolitan mosquito control district to establish a research program to evaluate the effects of its control program on other fauna; amending Minnesota Statutes 1984, sections 473.556, subdivision 6; and 473.704, by adding a subdivision.

Mr. Moe, D.M. moved to amend H.F. No. 558, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 541.)

Page 1, after line 11, insert:

“Section 1. Minnesota Statutes 1984, section 473.129, is amended by adding a subdivision to read:

Subd. 7. [PROCEDURES; ETHICS; ADMINISTRATION.] The council shall adopt uniform standards and procedures for codes of ethics of the regional transit board and the metropolitan commissions, including those defined in section 473.121, subdivisions 7, 12, 14a, 15, 21, and 32, and au-

thorized by section 473.553. The regional transit board and each commission shall adopt an ethics code addressing matters for which the council has adopted uniform standards and procedures and in general conformance with those standards and procedures."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "sections" insert "473.129, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. then moved to amend H.F. No. 558, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 541.)

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1984, section 473.129, is amended by adding a subdivision to read:

Subd. 7. [PERSONNEL CODE.] The council shall by resolution adopt guidelines for a personnel code of the regional transit board and the metropolitan commissions, including those defined in section 473.121, subdivisions 7, 12, 14a, 15, 21, and 32, and authorized by section 473.553. The board and each commission shall adopt a personnel code in general conformance with the personnel code adopted by the council under this subdivision."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "sections" insert "473.129, by adding a subdivision;"

Mr. Jude questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Moe, D.M. amendment.

The roll was called, and there were yeas 22 and nays 28, as follows:

Those who voted in the affirmative were:

Berglin	Dicklich	Luther	Pogemiller	Wegscheid
Chmielewski	Dieterich	Merriam	Sieloff	Willet
Dahl	Frank	Moe, D.M.	Spear	
Davis	Hughes	Moe, R.D.	Stumpf	
DeCramer	Knaak	Petty	Waldorf	

Those who voted in the negative were:

Adkins	Frederickson	Kamrath	McQuaid	Samuelson
Anderson	Freeman	Kroening	Mehrkens	Schmitz
Belanger	Gustafson	Kronebusch	Novak	Storm
Benson	Isackson	Laidig	Olson	Taylor
Bertram	Johnson, D.E.	Lantry	Reichgott	
Diessner	Jude	Lessard	Renneke	

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

Mr. Merriam moved to amend H.F. No. 558, as amended pursuant to Rule 49, adopted by the Senate April 24, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 541.)

Pages 1 and 2, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "providing"

Page 1, delete line 3

Page 1, line 4, delete "facilities property;"

Page 1, line 8, delete everything before "473.704" and insert "section"

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

H.F. No. 558 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.J.	Merriam	Schmitz
Anderson	Diessner	Jude	Moe, D.M.	Sieloff
Belanger	Frank	Kamrath	Moe, R.D.	Spear
Benson	Frederickson	Kroening	Novak	Storm
Bertram	Freeman	Kronebusch	Peterson, C.C.	Stumpf
Chmielewski	Gustafson	Laidig	Petty	Taylor
Dahl	Hughes	Lantry	Pogemiller	Wegscheid
Davis	Isackson	Luther	Reichgott	Willet
DeCramer	Johnson, D.E.	Mehrkens	Renneke	

Messrs. Dieterich, Lessard and Waldorf voted in the negative.

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

Without objection, the Senate reverted to the Orders of Business of Messages From the House, 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 File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 5: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039;

340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

Senate File No. 5 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1985

Mr. Diessner moved that the Senate do not concur in the amendments by the House to S.F. No. 5, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1523: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, board of regents of the University of Minnesota, the Mayo medical foundation, and the College of Saint Thomas, with certain conditions; providing for state board of education membership and staff assistance, a different source for an annual appropriation, student financial aid, course equivalency, common numbering, general education requirements, fees and licenses, vocational programs and budgets, vocational board policymaking, and emergency rulemaking; amending Minnesota Statutes 1984, sections 121.02, subdivision 1; 123.743; 125.08; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 16, and by adding a subdivision; 136A.132, subdivisions 3, 4, 5, and 6; 136A.162; 136C.04, subdivision 15; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 4 and 5; 136C.28, subdivision 2; 136C.33, subdivision 1; 136C.34; 136C.36; 141.25, subdivision 8; and 141.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; and 136; repealing Minnesota Statutes 1984, sections 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

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

Haukoos, Boo, Frerichs, Rose and Carlson, L.

Senate File No. 1523 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1985

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of five

members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1525: A bill for an act relating to the organization and operation of state government; authorizing cost containment programs in medical assistance and general assistance medical care programs; establishing a permanency planning program for children at risk of out-of-home placement; appropriating money for human services, corrections, health, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62D.12, by adding a subdivision; 62E.06, subdivision 1; 129A.03; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 254.05; 256.045, subdivision 3, and by adding a subdivision; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.19, subdivision 1; 256B.48, by adding a subdivision; 256B.69, subdivision 4; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 260.311, subdivision 5; 260.38; 268.38, subdivisions 2, 10, and 11; 268.685; 290.089, subdivision 2; 363.03, by adding a subdivision; 390.11, by adding a subdivision; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.22; and 611A.34, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 256; and 256B; proposing coding for new law as Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 1984, sections 256.045, subdivision 2; 256.966, subdivision 2; 256.967; 259.405; and 268.686.

There has been appointed as such committee on the part of the House:

Anderson, R.; Carlson, J.; Stanius; Becklin and Jennings, L.

Senate File No. 1525 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 848:

H.F. No. 848: A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; changing the crimes of "intrafamilial sexual abuse" to "criminal sexual abuse" and limiting the discretion of courts to stay sentences for these crimes; requiring that investigative interviews with child abuse victims be tape-recorded; providing a training program for child protection workers and requiring a new job classification in child protection; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1, and by adding subdivisions; 260.301; 595.02, subdivision 3; 609.364 to

609.3644; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Blatz, Valento, Seaberg, Kelly and Vellenga have been appointed as such committee on the part of the House.

House File No. 848 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1985

Ms. Reichgott moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 848, 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 that the House refuses to concur in the Senate amendments to House File No. 242:

H.F. No. 242: A bill for an act relating to commerce; requiring manufacturers to make certain new motor vehicle warranty disclosures directly to consumers; amending Minnesota Statutes 1984, section 325F.665, subdivision 3.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Bennett, Sparby and Marsh have been appointed as such committee on the part of the House.

House File No. 242 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1985

Mr. Dahl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 242, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports read by the Secretary be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 977: A bill for an act relating to elections; changing certain filing provisions; providing for training of election judges and election officials;

requiring publication of certain election guides; excepting certain election judges from receiving compensation; changing certain canvassing procedures; providing for certain recounts; defining terms; changing certain deadlines; changing certain procedures relating to voting machines; appropriating money; amending Minnesota Statutes 1984, sections 204B.09, subdivision 1; 204B.25, subdivision 1; 204B.27, subdivision 5, and by adding a subdivision; 204B.31; 204C.32, subdivision 1; 204C.33, subdivision 1; 204C.35, by adding a subdivision; 206.56, by adding a subdivision; 206.58, subdivision 2 and by adding a subdivision; 206.82, by adding a subdivision; and 206.83.

Reports the same back with the recommendation that the bill do pass.
Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 866: A bill for an act relating to solid waste and sewage sludge management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; granting and clarifying the powers which may be exercised by a county located outside the metropolitan area if it enters into an agreement with a metropolitan county for solid waste or resource recovery purposes; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27; 115A.84, subdivisions 3 and 4; 115A.919; 400.04, subdivision 1; 473.153, subdivisions 5, 6b, and 7; 473.801, subdivision 1; 473.811, subdivisions 5 and 5a; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Laws 1984, chapter 644, section 83.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 13 and 14, delete section 24 and insert:

“Sec. 24. [APPROPRIATION.]

Subdivision 1. [PURPOSES.] Until June 30, 1987, the balance in the metropolitan landfill abatement fund after the appropriations in Laws 1984, chapter 644, section 81, subdivisions 2 and 3; and Minnesota Statutes, sections 473.843, subdivision 7; and 473.844, subdivision 5, is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the following purposes:

<i>(a) Grants and loans for market development for reusable and recyclable waste materials</i>	<i>\$157,100</i>	<i>\$140,000</i>
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(b) Technical assistance and administration of

grants, loans, and municipal cost recovery payments	\$78,500	\$70,000
(c) Solid waste management planning assistance in the metropolitan area	\$267,000	\$163,000
(d) Grants and loans for resource recovery and public education	\$1,067,940	\$652,000

Subd. 2. [WORK PROGRAM REQUIRED.] Before this money may be spent the metropolitan council must submit to the legislative commission on waste management a work program in the form determined by the commission and receive the recommendation of the commission on the work program. The recommendation is advisory only."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 723: A bill for an act relating to game and fish; providing for conservation of marginal agricultural lands; enhancement of fish and wildlife; requiring planning and implementation of wildlife management; accelerating an aspen recycling program; changing the funding source for certain county payments; increasing the penalty for buying and selling fish and game; changing distribution of the unrefunded gas tax; appropriating money; amending Minnesota Statutes 1984, sections 97.49, subdivision 3; 290.431; and 296.421, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 40, 84, and 97.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 8, delete "be"

Page 5, line 9, delete "completed by July 1, 1987, and"

Page 8, delete section 8

Pages 9 to 11, delete sections 11 to 13

Page 11, line 15, after the dollar sign, insert "200,000"

Page 11, line 18, after the dollar sign, insert "1,500,000"

Page 11, line 23, after the dollar sign, insert "300,000"

Page 11, line 30, delete "14" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "accelerating an aspen recycling program;"

Page 1, lines 8 and 9, delete "changing distribution of the unrefunded gas tax;"

Page 1, line 10, delete "sections" and insert "section"

Page 1, line 11, delete everything before "proposing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 339: A bill for an act relating to human services; establishing a program in the department of economic security to distribute grants to centers that provide independent living services; appropriating money; amending Minnesota Statutes 1984, section 129A.01; proposing coding for new law in Minnesota Statutes, chapter 129A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, delete section 3

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. Willet from the Committee on Finance, to which was re-referred

S.F. No. 719: A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed by order; requiring the removal of elk from the state; allowing compensation for damage of crops by elk; taking elk damaging crops; proposing coding for new law in Minnesota Statutes, chapter 97.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete "A crop owner shall be"

Page 1, delete lines 26 and 27

Pages 2 and 3, delete sections 3 and 4, and insert:

"Sec. 3. [APPROPRIATION.]

\$20,000 is appropriated from the nongame wildlife account to the commissioner of natural resources to remove all elk from the agricultural areas of the state."

Amend the title as follows:

Page 1, line 6, delete "allowing"

Page 1, delete line 7

Page 1, line 8, delete "damaging crops" and insert "appropriating

money”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1176: A bill for an act relating to children; requiring a new job classification in child protection; requiring continuing education; providing for a joint training program; requiring a report to the legislature; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 9, insert:

“Sec. 2. [APPROPRIATIONS.]

Subdivision 1. [COMMISSIONER OF HUMAN SERVICES.] \$53,400 is appropriated from the general fund to the commissioner of human services for purposes of section 1, to be available for the fiscal year ending June 30, 1986.

Subd. 2. [COMMISSIONER OF PUBLIC SAFETY.] \$156,000 is appropriated from the general fund to the commissioner of public safety for purposes of section 1, \$78,000 to be available for the fiscal year ending June 30, 1986, and \$78,000 to be available for the fiscal year ending June 30, 1987.”

Page 3, line 10, delete “2” and insert “3”

Amend the title as follows:

Page 1, line 5, after the second semicolon, insert “appropriating money;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1130: A bill for an act relating to occupations and professions; changing the composition of the board of medical examiners and the method of appointing board members; authorizing the release of certain information by the board of medical examiners; requiring the board of medical examiners to adopt a written statement describing its procedures, and publish disciplinary actions; revising the standards for licensing and disciplining physicians; establishing reporting requirements for health professionals and granting immunity to those complying with reporting requirements; establishing special requirements for health-related licensing boards; appropriating money; recodifying certain provisions in Minnesota Statutes, chapter 147; amending Minnesota Statutes 1984, sections 147.01, subdivisions 1, 2, and 4; 147.02, subdivision 1, and by adding subdivisions; 147.021; 147.03; 147.073; 147.074; 147.09; 147.10; 176.011, subdivision 9; 214.07, subdivision 1; and 214.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 147; repealing Minnesota Statutes 1984, sections 147.02, subdivision 2; 147.06; 147.07; 147.072; 147.101; 147.11; 147.12; 147.13; 147.16; 147.17; 147.18; 147.19; 147.20; and 147.23.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 31, reinstate the stricken "11" and delete "12"

Page 2, line 6, delete "board member" and insert "of the public members" and after "represent" insert "a" and after "health" insert "and"

Page 2, line 7, delete "and" and delete "organizations" and insert "organization"

Page 3, line 10, after "medicine" insert "or public member"

Page 3, line 11, delete "membership" and insert "or public member position"

Page 3, line 18, delete "shall" and insert "may"

Page 3, line 30, strike everything after "privileged"

Page 3, lines 31 and 32, strike the old language and delete the new language

Page 3, line 33, strike "4" and before the period, insert "and any disciplinary hearing shall be closed to the public"

Page 4, delete lines 4 to 11.

Page 4, line 12, delete "(d)" and insert "(b)"

Page 4, line 15, delete "(e)" and insert "(c)" and delete "may" and insert "shall"

Page 5, line 31, before "federation" insert "national board of medical examiners or the"

Page 7, line 10, delete "12" and insert "17"

Page 9, line 23, delete everything after the first "to" and insert "employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health"

Page 9, delete line 24

Page 9, line 25, delete everything before "services"

Page 9, line 27, before the period, insert "or delegated authority"

Page 10, line 34, before the period, insert "except when otherwise required or permitted by law"

Page 11, line 4, delete "and failure, at the" and insert "to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law."

Page 11, delete lines 5 to 7

Page 11, line 15, after "therapeutic" insert "or experimental or investigative" and before the period, insert "authorized by a state or federal agency"

Page 11, line 20, delete "9" and insert "14"

Page 11, line 22, delete "11" and insert "16"

Page 12, line 23, after "a" insert "serious"

Page 13, line 32, delete "(d)" and insert "(l)"

Page 15, line 6, delete the first "1" and insert "4"

Page 15, line 36, after "FOREIGN" insert "MEDICAL"

Page 16, line 25, after the period, insert "This requirement shall not apply to an applicant who is admitted as a permanent immigrant to the United States as a person of exceptional ability in the sciences pursuant to rules of the United States department of labor and who has completed one year of the graduate, clinical medical training required by this paragraph."

Page 16, line 36, after "under" insert "section 4," and after "(b)" insert a comma and delete "(d)" and insert "subdivision 1, paragraph (b), of this section"

Page 17, line 32, after "hospital" insert "or physician"

Page 18, line 13, before "prevent" insert "apply to, control,"

Page 18, line 23, after "licensed" insert "or registered"

Page 18, after line 34, insert:

"(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board."

Page 18, line 35, delete "(5)" and insert "(6)"

Page 19, line 11, delete "(6)" and insert "(7)"

Page 19, line 12, delete "(7)" and insert "(8)"

Page 19, delete lines 18 and 19 and insert:

"(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13,"

Page 19, line 20, delete "or certified"

Page 19, line 23, delete "(9)" and insert "(10)"

Page 20, line 35, delete "A" and insert "Any" and delete everything after "person"

Page 20, line 36, delete ", or an officer or"

Page 21, delete line 1

Page 21, line 2, delete "abetting a violation,"

Page 21, line 4, after "person" insert "not exempted under section 147.09"

Page 21, line 14, delete "including acupuncture,"

Page 21, line 15, delete the last comma

Page 21, line 16, before "defect" insert "or" and delete ", or abnormal"

physical or mental condition"

Page 21, line 24, delete "doctor,""

Page 21, line 31, delete "1 to 18" and insert "147.01 to 147.33"

Page 22, line 8, after the period, insert "No report shall be required of a physician voluntarily limiting his or her practice at a hospital provided that the physician notifies all hospitals at which he or she has privileges of the voluntary limitation and the reasons for it."

Page 22, lines 13 and 14, delete "1 to 18" and insert "147.01 to 147.33"

Page 22, line 16, before the period, insert "or shall direct the complainant to the board of medical examiners"

Page 22, line 18, after "board" insert "personal knowledge of" and delete "constituting" and insert "which he or she reasonably believes constitutes"

Page 22, line 19, delete "1 to 18" and insert "147.01 to 147.33"

Page 22, line 20, delete everything after "physician," and insert "including any conduct indicating that the physician may be medically incompetent, or may have engaged in unprofessional conduct or may be medically or physically unable to engage safely in the practice of medicine. No report shall be required if the information was obtained in the course of a physician-patient relationship if the patient is another physician and the treating physician successfully counsels the other physician to limit or withdraw from practice to the extent required by the impairment."

Page 22, delete lines 21 to 25

Page 23, line 14, delete "section 147.10" and insert "sections 147.01 to 147.33"

Page 24, line 9, delete "5" and insert "147.021"

Page 24, lines 15, 18, and 34, delete "1 to 18" and insert "147.01 to 147.33"

Page 24, line 26, after the period, insert "The board shall pay for copies requested."

Page 25, line 21, delete "1 to 18" and insert "147.01 to 147.33"

Page 25, line 22, delete "administrative" and insert "administrative"

Page 31, after line 18, insert:

"Sec. 21. Minnesota Statutes 1984, section 214.10, subdivision 1, is amended to read:

Subdivision 1. [RECEIPT OF COMPLAINT.] The executive secretary of a board, a board member or any other person who performs services for the board who receives a complaint or other communication, whether oral or written, which complaint or communication alleges or implies a violation of a statute or rule which the board is empowered to enforce, shall promptly forward the substance of the communication on a form prepared by the attorney general to the designee of the attorney general responsible for providing legal services to the board. Before proceeding further with the commu-

nication, the designee of the attorney general may require the complaining party to state his complaint in writing on a form prepared by the attorney general. Complaints which relate to matters within the jurisdiction of another governmental agency shall be forwarded to that agency by the executive secretary. An officer of that agency shall advise the executive secretary of the disposition of that complaint. A complaint received by another agency which relates to a statute or rule which a licensing board is empowered to enforce shall be forwarded to the executive secretary of the board to be processed in accordance with this section. *No complaint alleging a matter within the jurisdiction of the board shall be dismissed by a board unless at least two board members have reviewed the matter.*"

Page 31, delete lines 26 to 36

Page 32, delete lines 1 and 2

Page 32, line 3, delete "(b)" and insert "(a)"

Page 32, lines 3, 14, and 23, delete "*designee of the attorney general*" and insert "*executive secretary or consulted board member*"

Page 32, delete lines 6 to 12 and insert "*communication shall be forwarded to the designee of the attorney general for an investigation of the facts alleged in the communication.*"

Page 32, line 13, delete "*investigation.*" and delete "*a full*" and insert "*an*"

Page 32, line 17, delete "*or administrative law judge*"

Page 32, lines 19 and 30, before "*client*" insert "*patient or*"

Page 32, line 27, delete "(c)" and insert "(b)"

Page 32, line 32, delete everything after the semicolon

Page 32, delete line 33

Page 32, line 34, delete everything before "*the*"

Page 33, line 4, delete "(d)" and insert "(c)" and after "*a*" insert "*direct*"

Page 33, line 8, delete "(e)" and insert "(d)"

Page 33, line 16, delete "*is*" and insert "*are*"

Page 33, line 17, after the period, insert "*Each health-related licensing board shall have access to any data of the department of human services relating to a person subject to the jurisdiction of the licensing board. The data shall have the same classification under sections 13.01 to 13.88, the Minnesota government data practices act, in the hands of the agency receiving the data as it had in the hands of the department of human services.*"

Page 33, line 18, delete "(f)" and insert "(e)"

Page 33, after line 33, insert:

"Sec. 24. [REPORT TO LEGISLATURE.]

By December 15, 1985, each health, related licensing board, as defined in Minnesota Statutes, section 214.01, subdivision 2, shall submit a report to

the legislature in the manner required by Minnesota Statutes, section 3.195. Each report shall describe (1) the method used by the board for acknowledging complaints that have been filed with that board; (2) the length of time taken to provide complaint forms to persons who requested them and the length of time taken to acknowledge receipt of a complaint; (3) the method used to inform complainants of the status of a pending complaint; and (4) the information given to the complainant upon final disposition of a complaint."

Page 34, after line 9, insert:

"In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall substitute the term "director" for "secretary" where "secretary" refers to the executive secretary of a health-related licensing board as defined in section 214.01, subdivision 2."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 20, after "214.10," insert "subdivision 1, and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 98: A bill for an act relating to retirement; expanding the availability of certain appropriations for actuarial services.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the report from the Committee on Governmental Operations, adopted by the Senate April 23, 1985, as follows:

Page 4, line 30, after "Faribault" insert "police"

Page 5, line 21, delete " ; PAYMENT "

Page 6, line 14, delete everything after the headnote

Page 6, line 15, delete everything before "as"

Page 6, line 16, after "payment," insert "the Minneapolis employees retirement fund shall"

Page 6, line 17, delete "any" and insert "the"

Page 6, after line 23, insert:

"Subd. 5. [PAYMENTS.] The amounts necessary to make the lump sum payments for persons receiving annuities from the Minneapolis employees retirement fund are appropriated pursuant to section 8. The amounts necessary to make the lump sum payments for the covered retirement funds listed in subdivision 3, clauses (1) to (5), are appropriated from the Minnesota post-retirement investment fund.

The calculations of the lump sum payments are to be determined by the retirement funds. Upon certification from the retirement funds to the department of finance of the necessary amounts, the commissioner of finance

shall pay to the post-retirement investment fund the amount apportioned in section 8. Any deficit created in the post-retirement investment fund shall be amortized out of investment earnings pursuant to Minnesota Statutes, section 11A.18, subdivision 9, clause (2) (c)."

Page 6, line 26, delete "\$18,399,665" and insert "\$11,200,000"

Page 6, line 27, delete "this" and after "section" insert "7"

Page 6, line 28, delete everything after "apportioned"

Page 6, line 29, delete "payment"

Page 6, delete lines 31 to 36 and insert:

"Minneapolis employees retirement fund	\$1,658,055	\$1,586,620
Minnesota post retirement investment fund	\$4,103,674	\$3,851,651"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 533: A bill for an act relating to occupations and professions; concerning the practice of veterinary medicine; allowing foreign veterinary graduates to be admitted to practice under certain conditions; amending Minnesota Statutes 1984, sections 156.001; 156.02, subdivision 1; 156.081, subdivision 2; and 156.12, subdivision 2; repealing Minnesota Statutes 1984, section 156.09.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 156.001, is amended to read:

156.001 [DEFINITIONS.]

Subdivision 1. [TERMS.] Except where the context otherwise indicates, for the purposes of this chapter, and acts amendatory thereof, the terms defined in this section have the meanings given them.

Subd. 2. [ACCREDITED OR APPROVED COLLEGE OF VETERINARY MEDICINE.] "Accredited or approved college of veterinary medicine" means a veterinary college or division of a university or college that offers the degree of doctor of veterinary medicine or its equivalent and that conforms to the standards required for accreditation or approval by the American veterinary medical association.

Subd. 3. [ANIMAL.] "Animal" does not mean poultry or birds of any kind.

Subd. 4. [BOARD.] "Board" means the state board of veterinary medicine.

Subd. 5. [COMPENSATION.] "Compensation" includes but is not limited to all fees, monetary rewards, discounts, and emoluments received directly or indirectly.

Subd. 6. [ECFVG CERTIFICATE.] "ECFVG certificate" means a cer-

tificate issued by the American veterinary medical association education commission for foreign veterinary graduates, indicating that the holder has demonstrated knowledge and skill equivalent to that possessed by a graduate of an accredited or approved college of veterinary medicine.

Subd. 5 7. [LICENSEE.] "Licensee" means a person licensed to practice veterinary medicine in the state of Minnesota.

Subd. 6 8. [OPERATION.] "Operation" includes but is not limited to any act of cutting, scraping, or disturbing the intact body surface in any way, and any surgical or dental procedure, except as otherwise provided in this chapter.

Subd. 7 9. [PRACTICE OF VETERINARY MEDICINE.] "Practice of veterinary medicine" has the meaning given by section 156.12.

Subd. 8 10. [VETERINARY MEDICINE.] "Veterinary medicine" includes veterinary surgery, obstetrics, pathology, radiology, dentistry, ophthalmology, cardiology, dermatology, laboratory animal medicine, and all other branches or specialties of veterinary medicine.

Sec. 2. Minnesota Statutes 1984, section 156.02, subdivision 1, is amended to read:

Subdivision 1. Application for a license to practice veterinary medicine in this state shall be made in writing to the board of veterinary medicine upon a form furnished by the board, accompanied by satisfactory evidence that the applicant is at least 18 years of age, is of good moral character, and has ~~received~~ *one of the following*:

(1) a diploma conferring the degree of doctor of veterinary medicine, or an equivalent degree, from a ~~veterinary school approved by the board, an accredited or approved college of veterinary medicine~~;

(2) an ECFVG certificate; or

(3) a certificate from the dean of an *accredited or approved college of veterinary medicine* stating that the applicant is a student in good standing expecting to be graduated at the completion of the next academic term of the college in which he is enrolled.

The application shall contain the information and material required by subdivision 2 and any other information that the board may, in its sound judgment, require. The application shall be filed with the secretary of the board at least 30 days before the date of the examination. If the board deems it advisable, it may require that such application be verified by the oath of the applicant.

Sec. 3. Minnesota Statutes 1984, section 156.081, subdivision 2, is amended to read:

Subd. 2. The board may revoke or suspend a license for any of the following causes:

(1) The employment of fraud, misrepresentation or deception in obtaining such license.

(2) Conviction of a crime involving moral turpitude or conviction of a felony, in which case the record shall be conclusive evidence of such

conviction.

(3) Chronic inebriety or addiction to the use of habit forming drugs.

(4) Existence of professional connection with or the lending of one's name to any illegal practitioner of veterinary medicine and the various branches thereof.

(5) Violation or attempt to violate, directly or indirectly, any of the provisions of this chapter.

(6) Revocation by a sister state or territory of a license or certificate by virtue of which one is licensed to practice veterinary medicine in that state or territory, notwithstanding that such license or certificate did not support the application for license to practice in this state.

(7) Conviction of or cash compromise of a charge or violation of the Harrison Narcotic Act, regulating narcotics, in which case the record of such conviction or compromise, as the case may be, shall be conclusive evidence.

(8) Fraud or dishonesty in applying, treating, or reporting on tuberculin or other biological tests.

(9) Employment of anyone but a veterinarian licensed in the state of Minnesota to demonstrate the use of biologics in the treatment of animals.

(10) False or misleading advertising having for its purpose or intent deception or fraud.

(11) Habitual conduct reflecting unfavorably on the profession of veterinary medicine or conduct in violation of law or rules or regulations of the board.

(12) Conviction on a charge of cruelty to animals.

(13) Failure, after written notification by the board, to keep one's premises and all equipment therein in a clean and sanitary condition, according to reasonable standards adopted by the board.

(14) Fraud, deception, or incompetence in the practice of veterinary medicine.

(15) *Unprofessional conduct as defined in rules adopted by the board.*

A plea or verdict of guilty to a charge of a felony or of any offense involving moral turpitude is deemed to be a conviction within the meaning of this section. The board may order the license suspended or revoked, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal.

Sec. 4. Minnesota Statutes 1984, section 156.12, subdivision 2, is amended to read:

Subd. 2. No provision of this chapter shall be construed to prohibit:

(a) A person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) A person who is a regular student in an accredited or approved college

of veterinary medicine from performing duties or actions assigned by his instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) A veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) The owner of an animal and the owner's regular employee from caring for and treating the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) Veterinarians employed by the University of Minnesota from performing their duties with the college of veterinary medicine, college of agriculture, agricultural experiment station, agricultural extension service, medical school, school of public health, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians;

(f) Any person from selling or applying any pesticide, insecticide or herbicide;

(g) Any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) Any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for his or her performance;

(i) A graduate of a college of veterinary medicine other than an accredited or approved college of veterinary medicine as defined in section 1, subdivision 2, from working under the direct personal instruction, control, or supervision of a licensed veterinarian in order to complete the requirements necessary to obtain an ECFVG certificate.

Sec. 5. [REPEALER.]

Minnesota Statutes 1984, section 156.09, is repealed."

Delete the title and insert:

"A bill for an act relating to occupations and professions; concerning the practice of veterinary medicine; allowing foreign veterinary graduates to be admitted to practice under certain conditions; amending Minnesota Statutes 1984, sections 156.001; 156.02, subdivision 1; 156.081, subdivision 2; and 156.12, subdivision 2; repealing Minnesota Statutes 1984, section 156.09."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was referred

S.F. No. 1246: A bill for an act relating to economic security; clarifying the community action program financial assistance requirements; amending Minnesota Statutes 1984, section 268.52, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "with" insert "*the omnibus reconciliation act of 1981,*"

Page 1, line 16, after "*amended*" insert "*in 1984, Public Law Number 98-558*"

Page 1, line 19, strike "FUNDS" and insert "MONEY" and before "State" insert "(a)" and strike "funds" and insert "money"

Page 1, lines 21 and 22, delete "funds" and insert "money"

Page 1, line 23, delete "*grant funds*" and insert "*grants*"

Page 1, line 25, strike "(a) or"

Page 2, line 1, delete "and" and after "(b)" insert "and (c)"

Page 2, line 3, strike "clause" and insert "paragraph" and reinstate the stricken "(d)" and delete "(c)"

Page 2, line 8, strike "(a)"

Page 2, line 11, before "The" insert "(b)" and delete "funds" and insert "money"

Page 2, line 13, delete "*shall be*" and insert "*are*" and after "*follows*" insert a colon and delete "*of*" and insert "*with low income*"

Page 2, line 16, strike "(b)"

Page 2, line 28, before "All" insert "(c)" and delete "funds" and insert "money"

Page 2, line 29, delete "funds" and insert "money"

Page 2, line 30, delete "shall" and insert "must"

Page 2, line 34, strike "(c)" and insert "(d)" and strike "funds" and insert "money"

Page 3, line 4, delete "shall" and insert "must"

Page 3, lines 5 and 7, delete "funds" and insert "money"

Page 3, line 6, delete "shall" and insert "must"

Page 3, after line 10, insert:

"Sec. 3. Minnesota Statutes 1984, section 268.53, subdivision 2, is amended to read:

Subd. 2. [ADMINISTERING BOARD.] Each community action agency shall administer its community action programs through a community action board consisting of 15 to 51 members.

(a) One-third of the members of the board shall be elected public officials, currently holding office, or their representatives.

(b) At least one-third of the members shall be persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served.

(c) The other members shall be officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in

the community. Each member of the board selected to represent a specific geographic area within a community must reside in the area represented.

~~(d) No person selected under clause (b) or (c) shall serve for more than five consecutive years or more than a total of ten years.~~

~~(e) The public community action agency shall have an administering board which meets the requirements of this subdivision.~~

~~(f) (e) The statewide migrant seasonal farmworker organization known as the Minnesota migrant council and Indian reservations carrying out community action programs are exempt from the board composition requirements of this subdivision.~~

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections" and after "2" insert "; and 268.53, subdivision 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1004: A bill for an act relating to occupations and professions; requiring the commissioner of corrections to establish a program to prevent sexual exploitation by psychotherapists; extending the sexual exploitation task force; appropriating money; amending Laws 1984, chapter 631, section 1, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 241.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1984, section 241.021, is amended by adding a subdivision to read:

Subd. 6. [BACKGROUND STUDIES.] The commissioner of corrections is authorized to do background studies on personnel employed by any facility serving children or youth that is licensed under this section. A clerk of any court, the bureau of criminal apprehension, a prosecuting attorney, a county sheriff, or a chief of a local police department, shall assist in these studies by providing to the commissioner, or the commissioner's representative, all criminal conviction data available from local, state, and national criminal history record repositories, including the criminal justice data communications network, pertaining to the following individuals: applicants, operators, all persons living in the household, and all staff of any facility subject to background studies under this subdivision."

Page 2, after line 24, insert:

"Sec. 4. [ADVISORY TASK FORCE ON THE REGULATION OF PSYCHOTHERAPISTS.]

Subdivision 1. [TASK FORCE ESTABLISHED.] An advisory task force is created to study and report to the commissioner of health and the legislature on the need for licensing or regulation of currently unregulated occupations, professions, and individuals engaging in psychotherapy. The task force consists of no more than 16 members, including a psychologist appointed by the board of psychology, a nurse appointed by the board of nursing, a psychiatrist appointed by the board of medical examiners, and the following members appointed by the commissioner of health:

(1) a social worker recommended by the Coalition for the Legal Regulation of Social Workers;

(2) a chemical dependency counselor recommended by the Institute for Chemical Dependency Professionals in Minnesota;

(3) a marriage and family therapist recommended by the Upper Midwest Association for Marriage and Family Therapy;

(4) a counselor recommended by the Minnesota Association for Counseling and Development;

(5) two public members knowledgeable about psychotherapy or the regulation of occupations and professions; and

(6) up to seven additional members who have knowledge and expertise in the procedures and issues related to the regulation of occupations and professions.

The task force shall report its findings and recommendations to the commissioner of health and the legislature by January 1, 1986. In addition to addressing the criteria for regulation specified in section 214.001, subdivision 2, and other matters the task force considers appropriate, the report must address (1) the need to create consequences for psychotherapists who exploit, mistreat, or otherwise harm a client, including consequences that are directly related to their practice of psychotherapy including prohibitions of the right to practice; and (2) the need for a system of redress with the state, for victims of misconduct by psychotherapists, that is directly related to the psychotherapist's practice. Nothing in this section affects or delays the status of the application of any group for regulation under section 214.13. The task force expires when its responsibilities under this section are completed, but no later than June 30, 1987."

Page 2, line 25, delete "[APPROPRIATION.]" and insert "[APPROPRIATIONS.]"

Page 2, line 26, delete "\$ _____" and insert "Subdivision 1. [COMMISSIONER OF CORRECTIONS.] \$50,000"

Page 2, after line 27, insert:

"Subd. 2. [COMMISSIONER OF HEALTH.] \$30,000 is appropriated from the general fund to the commissioner of health for the study of the regulation of psychotherapists, to be available until June 30, 1987.

Sec. 6. [REPEALER.]

Section 2 is repealed on July 1, 1987."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "establishing a legislative study commission on the regulation of psychotherapists;"

Page 1, line 6, after "amending" insert "Minnesota Statutes 1984, section 241.021, by adding a subdivision; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 977, 866, 723, 339, 719, 1176, 1130, 1246 and 1004 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 98 and 533 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committee indicated.

Mr. Chmielewski introduced—

S.F. No. 1529: A bill for an act relating to contracts; providing for payments from contractors to subcontractors; amending Minnesota Statutes 1984, sections 337.01, subdivision 1; 337.03; 337.04; 337.05, subdivision 1; and 337.06; proposing coding for new law in Minnesota Statutes, chapter 337.

Referred to the Committee on Judiciary.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1530: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1, and by adding a subdivision; 3.099, subdivision 1; 3.303, by adding a subdivision; 3.351, subdivision 3; 3.736, subdivision 3; 3C.12, subdivision 7; 10A.32, subdivision 3; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.32; 14.40; 14.47, subdivision 8; 14.48; 14.51; 14.55; 15A.081, subdivisions 1 and 7; 15A.082, subdivisions 2 and 3; 16A.055, subdivision 1; 16A.123, subdivision 3; 16A.127, subdivisions 1, 3, 5, and by adding a subdivision; 16A.128; 16A.1281; 16A.15, subdivision 1; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.641, subdivision 10, and by adding a subdivision; 16A.672, subdivisions 1, 2, and 3; 16B.09, by adding a subdivision; 16B.21, subdivision 1; 16B.22; 16B.24, subdivision 5; 16B.29; 16B.36, subdivision 1; 16B.42,

subdivision 4; 16B.48, subdivision 2; 16B.54, subdivision 2; 16B.70; 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.03, subdivision 2; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2; 40A.13, subdivision 1; 41A.01; 41A.02, subdivisions 5, 7, 8, 11, and by adding subdivisions; 41A.03, subdivisions 1, 3, and by adding a subdivision; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, 3, and by adding subdivisions; 41A.06, subdivisions 1 and 5; 43A.04, subdivision 3; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.15, by adding a subdivision; 43A.19, subdivision 1; 43A.30, subdivision 4, and by adding a subdivision; 46.07, subdivision 2, and by adding a subdivision; 47.015, subdivision 1; 47.0151, subdivision 3; 47.0152; 48.13; 49.05, by adding subdivisions; 52.02, subdivision 3; 52.24, subdivisions 1 and 2; 53.04, by adding a subdivision; 53.10; 55.095; 69.031, subdivision 1; 84.86, subdivision 1; 85.05; 85.22, subdivision 2a; 85.43; 85A.02, by adding a subdivision; 85A.03, subdivisions 4 and 5; 85A.04, subdivision 1; 86.33; 105.44; subdivision 10; 115A.904; 115A.908; subdivision 2; 115A.914, subdivision 1; 116.07, subdivision 4d; 116.12, subdivision 1; 116C.69, subdivision 3; 116C.71, by adding a subdivision; 116J.035, by adding a subdivision; 116J.36, subdivision 6; 116J.76; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 116M.03, subdivision 17; 116M.04, subdivisions 8a and 9; 116M.05, subdivision 8; 116M.06, subdivisions 2 and 5; 116M.07, subdivisions 2, 4, 8, 9, 11, and 13; 116M.08, subdivisions 11, 12, 14, and 15; 116M.10, subdivision 8; 116M.11; 116M.12, subdivisions 3 and 4; 129A.02, subdivision 2; 136.63, by adding a subdivision; 136C.06; 176.102, subdivision 6, and by adding a subdivision; 176.103, subdivision 2; 176.241, subdivisions 3a and 3b; 176.271, subdivision 1; 176.275; 176.305, subdivision 1; 176.321, subdivision 1; 176.421, subdivisions 4 and 5; 176.442; 178.03, by adding a subdivision; 180.03, subdivisions 2, 3, and 4; 180.10; 183.545, by adding a subdivision; 196.051, by adding a subdivision; 204D.11, subdivision 1; 214.06, subdivision 1; 238.02, subdivision 4; 238.05; 238.06; 238.08; subdivisions 2 and 3; 238.09; 238.11, subdivision 1; 238.12, subdivision 3; 238.13; 238.14; 238.15; 238.16, subdivision 1; 238.17, subdivisions 1, 5, 6, and 8; 245.87; 248.07; 248.08; 248.085, by adding a subdivision; 256.736; 256.737; 256C.24; 256C.25, subdivision 1; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.05, subdivision 2; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; 268.686; 270.75, by adding a subdivision; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 298.2211, by adding a subdivision; 326.52; 331A.02, subdivision 1; 334.021; 336.9-302; 352.01, subdivision 2B; 353.34, by adding a subdivision; 361.03, subdivision 5; 361.27; 363.01, subdivision 24, and by adding subdivisions; 363.05, subdivision 2; 363.06, subdivision 8; 363.061, by adding a subdivision; 363.071, subdivision 2; 363.091; 363.116; 400.04, subdivision 1; 403.11, subdivision 1; 462A.03, subdivisions 13 and 14; 462A.05, subdivisions 11, 12, 14a, 15a, 23, and by adding subdivisions; 462A.07, subdivisions 14 and 15; 462A.08, subdivision 3; 462A.20, subdivision 3; 462A.21, subdivision 6, and by adding a subdivision; 462A.22, subdivision 1; 462C.09, by adding a subdivision; 471.65; 472.03, subdivision 9; 472.11, subdivisions 3 and 9; 472.125; 472.13; 473.153, subdivision 2; 473.606, subdivision 1; 473H.10, subdivision 3; 477A.014, by adding a subdivision; 487.01, subdivision 5; and 611.216, subdivision 1, and by adding a subdivision; Laws 1984, chapter 644, section 81, subdivision 2; Laws 1985, chapter 4, section 6, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3; 3C; 5;

16A; 40A; 41A; 43A; 47; 68A; 70A; 84; 85; 88; 97; 104; 105; 116C; 116J; 116M; 139; 175; 179; 198; 256C; 268; 270; 273; 325G; 363; 465; 466; 473; and 480; proposing coding for new law as Minnesota Statutes, chapters 267 and 361A; repealing Minnesota Statutes 1984, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 16C.01; 40.19, subdivisions 3, 4, 10, 12, 14, and 15; 40A.13, subdivisions 2, 3, 4, and 5; 43A.19, subdivision 2; 46.15; 47.20, subdivisions 11 and 12; 48.19; 48.57; 48.58; 48.87; 69.031, subdivision 2; 84.088; 85A.04, subdivision 3; 124.471; 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; 268.81; 268.82; 268.83; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; and 360.389; Laws 1982, chapter 489, section 11; and Laws 1984, chapter 502, article 10, section 12, and article 13, section 15.

Under the rules of the Senate, laid over one day.

MEMBERS EXCUSED

Mr. Johnson, D.J. was excused from the Session of today from 2:00 to 5:15 p.m. Mr. Stumpf was excused from the Session of today from 2:45 to 5:45 p.m. Mr. Belanger was excused from the Session of today from 6:00 to 8:20 p.m. Ms. Reichgott was excused from the Session of today from 5:30 to 6:00 p.m. Mr. Berg was excused from the Session of today at 10:00 p.m.

The following member was excused from today's Session for a brief period of time: Mr. Lessard.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Friday, May 10, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SEVENTH DAY

St. Paul, Minnesota, Friday, May 10, 1985

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Joy M.K. Bussert.

The roll was called, and the following Senators answered to their names:

Adkins	Dieterich	Kroening	Olson	Sieloff
Anderson	Frank	Kronebusch	Pehler	Solon
Belanger	Frederick	Laidig	Peterson, C.C.	Spear
Benson	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	
Diessner	Knutson	Novak	Schmitz	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 8, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
783		81	May 8	May 8
1119		82	May 8	May 8
1329		83	May 8	May 8
	266	84	May 8	May 8
	267	85	May 8	May 8
	428	86	May 8	May 8
	537	87	May 8	May 8
	602	88	May 8	May 8
	907	89	May 8	May 8
	1197	90	May 8	May 8
	1198	91	May 8	May 8
	1226	92	May 8	May 8
	1093	Res. No. 4	May 8	May 8

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, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 563: A bill for an act relating to education; requiring the state board of vocational technical education to adopt policies about minimum class size and placement ratios; exempting certain monetary distributions from certain contract procedures; amending Minnesota Statutes 1984, sections 123.33, subdivision 14; 125.031; 136C.04, subdivisions 9 and 12; 136C.042, subdivision 1; 136C.26, subdivision 1; 136C.28, subdivision 1; and 136C.31; repealing Minnesota Statutes 1984, sections 125.055 and 136C.27, subdivision 1.

Senate File No. 563 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1985

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 563 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 563: A bill for an act relating to education; requiring the state board of vocational technical education to adopt policies about minimum class size and placement ratios; exempting certain monetary distributions from certain contract procedures; validating certain adopted emergency

rules; amending Minnesota Statutes 1984, sections 123.33, subdivision 14; 125.031; 136C.04, subdivisions 9 and 12; 136C.042, subdivision 1; 136C.26, subdivision 1; 136C.28, subdivision 1; and 136C.31; repealing Minnesota Statutes 1984, sections 125.055 and 136C.27, 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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Novak	Schmitz
Anderson	Dicklich	Knaak	Olson	Spear
Belanger	Diessner	Kronebusch	Pehler	Storm
Benson	Dieterich	Lantry	Peterson, C.C.	Stumpf
Bernhagen	Frank	Lessard	Peterson, R.W.	Taylor
Bertram	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Isackson	Moe, D. M.	Ramstad	
Dahl	Johnson, D.E.	Moe, R. D.	Reichgott	
Davis	Jude	Nelson	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. 693: A bill for an act relating to crimes; providing for forfeitures of communications devices and proceeds derived from commission of designated offenses; amending Minnesota Statutes 1984, sections 152.19, subdivision 5; and 609.531.

Senate File No. 693 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1985

Mr. Spear moved that S.F. No. 693 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. 1596, 1627 and 1623.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committee indicated.

H.F. No. 1596: A bill for an act relating to taxation; sales tax; providing for elimination of double taxation in sale and leaseback transactions; appropriating money; amending Minnesota Statutes 1984, sections 297A.01, subdivision 4; and 297A.15, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1627: A bill for an act relating to taxation; property; clarifying the process for appealing certain assessments to the tax or district court; delaying the effective date of the requirement of appearances before county board of equalization for tax appeals; amending Minnesota Statutes 1984, sections 271.01, subdivision 5; and 278.01, subdivision 1; Laws 1984, chapter 502, article 11, section 6.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1623: A bill for an act relating to taxation; limiting tax on certain sales of horses; amending Minnesota Statutes 1984, section 297A.01, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

SECOND READING OF SENATE BILLS

S.F. No. 1530 was read the second time.

MOTIONS AND RESOLUTIONS

S.F. No. 118 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 118

A bill for an act relating to public employee labor relations; regulating public employee mediation; regulating mediation and strikes concerning teachers; providing for arbitration awards in principal and assistant principal disputes; providing penalties; amending Minnesota Statutes 1984, sections 179A.14, subdivision 1; 179A.15; 179A.16, subdivision 7; 179A.17, subdivision 1; 179A.18, subdivisions 2 and 3; and 179A.20, subdivision 3.

April 25, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 118, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 118 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 179A.04, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The director shall:

(a) provide mediation services as requested by the parties until the parties reach agreement. The director may continue to assist parties after they have submitted their final positions for interest arbitration;

(b) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(c) certify to the board items of dispute between parties subject to action of the board under section 179A.16;

(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 under sections 179A.01 to 179A.25;

(f) adopt rules regulating the forms of petitions, notices, and orders; and the conduct of hearings and elections;

(g) receive, catalogue, and file all orders and decisions of the board, all decisions of arbitration panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the director's orders and decisions. All orders and decisions catalogued and filed shall be readily available to the public;

(h) adopt, subject to chapter 14, a grievance procedure to fulfill the purposes of section 179A.20, subdivision 4. The grievance procedure shall not provide for the services of the bureau of mediation services. The grievance procedure shall be available to any employee in a unit not covered by a contractual grievance procedure;

(i) conduct elections;

(j) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(k) collect such fees as are established by rule for empanelment of persons on the labor arbitrator roster maintained by the director or in conjunction with fair share fee challenges.

Sec. 2. Minnesota Statutes 1984, section 179A.05, subdivision 4, is amended to read:

Subd. 4. [OTHER POWERS.] 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 appeals from determinations of the director relating to "supervisory employee," "confidential employee," "essential employee," or "professional employee";

(b) to hear and decide appeals from determinations of the director relating to the appropriateness of a unit;

(c) to hear and decide on the record, determinations of the director relating to a fair share fee challenge;

(d) collect such fees as are established by rule for empanelment of persons on the labor arbitrator roster maintained by the board.

Sec. 3. Minnesota Statutes 1984, section 179A.14, subdivision 1, is

amended to read:

Subdivision 1. [INITIATION OF NEGOTIATION.] (a) When employees or their representatives desire to meet and negotiate an initial agreement establishing terms and conditions of employment, they shall give written notice to the employer and the director. The employer has ten days from receipt of the notice to object or refuse to recognize the employees' representative or the employees as an appropriate unit. If the employer does not object within ten days, the employer must recognize the employee representative for purposes of reaching agreement on terms and conditions of employment for the represented employees. If the employer does object, the employer or employees' representative may petition the director to take jurisdiction of the matter and the director shall investigate the petition.

(b) *When a party to a contract desires to meet and negotiate an agreement subsequent to the initial agreement, the party shall give written notice to the other party and to the director at least 60 days before the termination date of the existing contract. If a party fails to give the required 60-day notice, the party is subject to a fine of \$10 per day for each day the notice is late. The fine for late notice may be waived at the discretion of the director if the director finds that the failure to give timely notice did not prejudice the director or the other party in the fulfillment of their responsibilities and duties. The fine for late notice shall be the only penalty for late notice under this paragraph.*

Sec. 4. Minnesota Statutes 1984, section 179A.15, is amended to read:

179A.15 [MEDIATION.]

Once notice has been given under section 179A.14, the employer or the exclusive representative may petition the director for mediation services.

A petition by an employer shall be signed by the employer or an authorized officer or agent. A petition by an exclusive representative shall be signed by its authorized officer. All petitions shall be delivered to the director in person or sent by certified mail. The petition shall state briefly the nature of the disagreement of the parties. Upon receipt of a petition *and upon concluding that mediation would be useful*, the director shall fix a time and place for a conference with the parties to negotiate the issues not agreed upon, and shall then take the most expedient steps to bring about a settlement, including assisting in negotiating and drafting an agreement.

If the director may, at the request of a party to a labor dispute, assist in settling determines that mediation would be useful in resolving a dispute, the director may mediate the dispute even if no petition neither party has been filed a petition for mediation. In these cases, the director shall proceed as if a petition had been filed.

The director shall not furnish mediation services to any employee or employee representative who is not certified as an exclusive representative.

All parties shall respond to the summons of the director for conferences and shall continue in conference until excused by the director. ~~However, for other than essential employees, mediation conferences following: (1) the expiration date of a collective bargaining agreement, or (2) in the case of teachers, mediation over a period of 60 days after the expiration date of a~~

collective bargaining agreement shall continue only for durations agreeable to both parties.

Sec. 5. Minnesota Statutes 1984, section 179A.16, subdivision 7, is amended to read:

Subd. 7. [DECISION BY THE PANEL.] The panel's order shall be issued by a majority vote of its members. The order shall resolve the issues in dispute between the parties as submitted by the board. *For principals and assistant principals, the panel shall be restricted to selecting between the final offers of the parties on each impasse item. For other employees, if the parties agree in writing, the panel shall be restricted to selecting between the final offers of the parties on each impasse item, or the final offer of one or the other parties in its entirety.* In considering a dispute and issuing its order, the panel shall consider the statutory rights and obligations of public employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations. The panel's decision and order shall be final and binding on all parties.

The panel shall render its order within ten days from the date that all arbitration proceedings have concluded. However, the panel must issue its order by the last date the employer is required by statute, charter, ordinance, or resolution to submit its tax levy or budget or certify its taxes voted to the appropriate public officer, agency, public body or office, or by November 1, whichever date is earlier. The panel's order shall be for the period stated in the order, except that orders determining contracts for teacher units shall be effective to the end of the contract period determined by section 179A.20.

The panel shall send its decision and orders to the board, the director, the appropriate representative of the public employer, and the employees. If any issues submitted to arbitration are settled voluntarily before the arbitrator issues a decision, the arbitrator shall report the settlement to the board and the director.

The parties may at any time prior to or after issuance of an order of the arbitration panel, agree upon terms and conditions of employment regardless of the terms and conditions of employment determined by the order. The parties shall, if so agreeing, execute a written contract or memorandum of contract.

Sec. 6. Minnesota Statutes 1984, section 179A.17, subdivision 1, is amended to read:

179A.17 [NEW EXCLUSIVE REPRESENTATIVES.]

Subdivision 1. [FOR TEACHERS.] If a new or different exclusive representative of teachers employed by a local school district is certified by the director at any time other than the period between 120 days before the termination date of a contract and the termination date of the contract, or if on July 1 of any odd-numbered year a representation proceeding involving the employer and the employer's teachers is before the director, section 179A.18, subdivision 2, clause (1), shall apply. In those cases, however, the employer and the exclusive representative of the teachers shall execute a written contract or memorandum of contract no later than 60 days after a certification by the director of a new or different exclusive representative or the resolution by the director of a representation proceeding. Either party may petition the

director of mediation services for assistance in reaching an agreement. If the employer and the exclusive representative of the teachers fail to execute a contract by 60 days after the certification of a new or different exclusive representative or the resolution by the director of a representation proceeding, they shall be conclusively presumed to be at an impasse after having participated in mediation sessions over a period of no less than 60 days as specified in section 179A.18, subdivision 2, clause (1)(b).

Sec. 7. Minnesota Statutes 1984, section 179A.18, subdivision 2, is amended to read:

Subd. 2. [SCHOOL DISTRICT REQUIREMENTS.] Except as otherwise provided by section 179A.17, subdivision 1, teachers employed by a local school district, other than principals and assistant principals, may strike only under the following circumstances:

(1)(a) the collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179A.17, subdivision 1, has occurred; and

(b) the exclusive representative and the employer have participated in mediation over a period of at least 60 days, 30 days of which have occurred after the expiration date of the collective bargaining agreement, provided that the mediation period established by section 179A.17, subdivision 1, shall govern negotiations pursuant to that section. For the purposes of this subclause the mediation period commences on the day following receipt by the director of a request for mediation that a mediator designated by the director first attends a conference with the parties to negotiate the issues not agreed upon; and

(c) neither party has requested interest arbitration or a request for binding interest arbitration has been rejected; or

(2) 45 days after impasse under section 179A.16, subdivision 1, neither party has requested interest arbitration; or

(3) the employer violates section 179A.13, subdivision 2, clause (9).

Sec. 8. Minnesota Statutes 1984, section 179A.18, subdivision 3, is amended to read:

Subd. 3. [NOTICE.] In addition to the other requirements of this section, no employee may strike unless written notification of intent to strike is served on the employer and the director by the exclusive representative at least ten days prior to the commencement of the strike. For all employees other than teachers, if more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification. For teachers, no strike may commence more than 25 days after service of notification of intent to strike unless, before the end of the 25-day period, the exclusive representative and the employer agree that the period during which a strike may commence shall be extended for an additional period not to exceed five days. Teachers are limited to one notice of intent to strike for each contract negotiation period, provided, however, that a strike notice may be renewed for an additional ten days, the first five of which shall be a notice period during which no strike may occur, if the following conditions have been satisfied:

(1) an original notice was provided pursuant to this section; and

(2) a tentative agreement to resolve the dispute was reached during the original strike notice period; and

(3) such tentative agreement was rejected by either party during or after the original strike notice period.

The first day of the renewed strike notice period shall commence on the day following the expiration of the previous strike notice period or the day following the rejection of the tentative agreement, whichever is later. Notification of intent to strike under subdivisions 1, clause (1); and 2, clause (1), may not be served until the collective bargaining agreement has expired, or if there is no agreement, on or after the date impasse under section 179A.17 has occurred. Notification of intent to strike under subdivision 2, clause (2), may not be served before the 45th day following an impasse under section 179A.16, subdivision 1.

Sec. 9. [EFFECTIVE DATE.]

Sections 3 to 8 are effective the day following final enactment. However, the 60-day notice requirement imposed in section 3 does not apply in 1985 if sections 3 to 8 become effective after April 25, 1985. In this event, the notice required by section 3 must be given within 30 days of the effective date of sections 3 to 8.

Delete the title and insert:

“A bill for an act relating to public employee labor relations; regulating public employee mediation; regulating mediation and strikes concerning teachers; providing for arbitration awards in principal and assistant principal disputes; providing penalties; amending Minnesota Statutes 1984, sections 179A.04, subdivision 3; 179A.05, subdivision 4; 179A.14, subdivision 1; 179A.15; 179A.16, subdivision 7; 179A.17, subdivision 1; 179A.18, subdivisions 2 and 3.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Tom A. Nelson, Ronald R. Dicklich, Lyle G. Mehrkens

House Conferees: (Signed) Steve Sviggum, Harriet McPherson, Ken Nelson

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 118 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. 118 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Nelson	Ramstad
Anderson	Dicklich	Knutson	Novak	Reichgott
Belanger	Diessner	Kroening	Olson	Renneke
Benson	Dieterich	Kronebusch	Pehler	Schmitz
Berglin	Frank	Laidig	Peterson, C. C.	Solon
Bernhagen	Frederickson	Langseth	Peterson, D. C.	Storm
Bertram	Freeman	Lantry	Peterson, D. L.	Stumpf
Brataas	Gustafson	Luther	Peterson, R. W.	Taylor
Chmielewski	Hughes	McQuaid	Petty	Waldorf
Dahl	Isackson	Moe, D. M.	Pogemiller	Willet
Davis	Jude	Moe, R. D.	Purfeerst	

Messrs. Knaak and Merriam voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 88:

Messrs. Nelson; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Peterson, D.L. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stumpf moved that S.F. No. 1000, No. 14 on General Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

Mr. Ramstad moved that S.F. No. 137, No. 9 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Mr. Freeman moved that S.F. No. 981, No. 16 on General Orders, be stricken and re-referred to the Committee on Economic Development and Commerce. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 1036: A bill for an act relating to domestic abuse; providing for service by publication under certain circumstances under the Domestic Abuse Act; clarifying relief and providing for additional relief; amending Minnesota Statutes 1984, section 518B.01, subdivisions 4, 5, 6, and 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Luther	Spear
Anderson	DeCramer	Jude	McQuaid	Storm
Belanger	Dicklich	Kamrath	Moe, D. M.	Stumpf
Benson	Diessner	Knaak	Moe, R. D.	Taylor
Berglin	Dieterich	Knutson	Olson	Wegscheid
Bernhagen	Frank	Kroening	Petty	Willet
Bertram	Freeman	Kronebusch	Pogemiller	
Brataas	Gustafson	Laidig	Purfeerst	
Chmielewski	Hughes	Langseth	Ramstad	
Dahl	Isackson	Lantry	Reichgott	

Messrs. Merriam and Sieloff voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 45: A bill for an act relating to drainage; recodifying the drainage law; amending Minnesota Statutes 1984, sections 40.072, subdivisions 3, 4, 5, 6, and 9; 40.073; 88.43, subdivision 2; 97.484; 97.50, subdivision 1; 105.42, subdivision 1; 105.471; 105.74; 105.81; 111.09, subdivision 2; 111.11; 111.13; 111.30; 111.31; 111.36; 111.78; 112.431, subdivision 2; 112.48, subdivision 1; 112.50; 112.501, subdivision 1; 112.541; 112.59; 112.60, subdivisions 1, 2, and 3; 112.64, subdivisions 2 and 3; 112.65, subdivision 1; 161.28, subdivision 1; 163.17; 357.021, subdivision 2; 375.471; 471.345, subdivision 3; 473.877, subdivision 1; and 473.878, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1984, chapter 106 and section 109.38.

Mr. DeCramer moved to amend S.F. No. 45 as follows:

Page 13, lines 19 and 20, delete "*must be tried*" and insert "*are entitled to a trial*"

Page 13, line 21, after "*filed*" insert "*that is*"

Page 18, line 4, delete "*proposed*"

Page 18, line 5, after "*system*" insert "*proposed*"

Page 18, line 22, delete "*by tiling, enlarging, or extending*"

Page 21, line 29, after "*If*" insert "*part of*" and delete "*and*" and insert "*or*" and delete "*are*" and insert "*is*"

Page 21, line 31, delete "*joint county drainage authority*" and insert "*auditor*"

Page 28, line 35, delete "*is*" and insert "*does*" and delete everything after "*not*" and insert "*meet the legal requirements of this chapter*"

Page 28, line 36, delete everything before the comma

Page 29, line 3, delete "*They*" and insert "*The petitioners*"

Page 29, line 5, after "*If*" insert "*at the adjourned hearing*" and after "*meet*" insert "*the*" and delete "*other*" and insert a comma

Page 29, delete line 6

Page 29, line 7, delete "*and the hearing adjourned*"

Page 42, line 29, delete “: (1)”

Page 42, line 30, delete “, or (2) for a”

Page 42, delete lines 31 to 33

Page 42, line 34, before “*the*” insert “*of*” and delete “*is located*” and insert “*proposed to be used as the outlet*”

Page 42, line 36, after “*of*” insert “*the*”

Page 43, line 2, delete “*who needs*” and insert “*seeking*”

Page 50, line 10, delete “FOR EXCESSIVE” and insert “IF CONTRACT IS NOT AWARDED DUE TO”

Page 50, line 23, delete “*Persons*” and insert “*A person*”

Page 50, line 24, delete “*they determine*” and insert “*the person determines*”

Page 50, line 29, after the first “*the*” insert “*person’s*”

Page 50, line 33, after “*person*” insert “*interested in the drainage system*”

Page 57, line 25, delete “*The*”

Page 57, delete line 26

Page 57, line 27, delete everything before “*The*”

Page 58, line 32, after “*statement*” insert “*under subdivision 2,*”

Page 66, line 9, after “*by*” insert “*the county notifying*”

Page 66, line 10, delete “; *these*” and insert “. *The*”

Page 73, line 29, before “*except*” insert “*whichever is greater,*”

Page 76, line 34, delete “*examine the drainage system and*”

Page 77, line 17, after “*repair*” insert “*proceeding*”

Page 78, line 23, delete “*board*” and insert “*drainage authority*”

Page 82, line 7, delete “*a*” and insert “*the*” and after “*system*” insert “*under this section that included the property that was not assessed*”

Page 82, line 8, delete “*the repair*” and insert “*repairing*”

Page 82, line 9, delete “*improvement*” and insert “*improving*” and delete “*alteration of*” and insert “*altering*”

Page 91, line 4, reinstate the stricken “*sections*” and delete “*sections*”

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend S.F. No. 45 as follows:

Page 72, line 4, delete “*originally constructed or subsequently improved*” and insert “*designed in the establishment of the ditch or, if the ditch has been improved pursuant to this chapter, as when designed in the improvement proceeding*”

CALL OF THE SENATE

Mr. DeCramer imposed a call of the Senate for the balance of the pro-

ceedings on S.F. No. 45. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Laidig	Ramstad
Belanger	Frederick	Kamrath	Lessard	Renneke
Benson	Frederickson	Knaak	McQuaid	Schmitz
Bernhagen	Isackson	Kronebusch	Olson	Sieloff

Those who voted in the negative were:

Adkins	Dicklich	Jude	Purfeerst	Vega
Bertram	Diessner	Knutson	Reichgott	Wegscheid.
Chmielewski	Dieterich	Lantry	Samuelson	
Dahl	Frank	Luther	Solon	
Davis	Freeman	Merriam	Spear	
DeCramer	Hughes	Petty	Stumpf	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 45 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 23, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Peterson, D.C.	Schmitz
Berglin	Diessner	Lantry	Peterson, R. W.	Solon
Bertram	Dieterich	Luther	Petty	Spear
Chmielewski	Frank	Merriam	Pogemiller	Stumpf
Dahl	Freeman	Nelson	Purfeerst	Vega
Davis	Hughes	Novak	Reichgott	Wegscheid
DeCramer	Jude	Pehler	Samuelson	

Those who voted in the negative were:

Anderson	Frederick	Kamrath	Lessard	Renneke
Belanger	Frederickson	Knaak	McQuaid	Sieloff
Benson	Gustafson	Knutson	Mehrrens	Taylor
Bernhagen	Isackson	Kronebusch	Olson	
Brataas	Johnson, D.E.	Laidig	Ramstad	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1103: A bill for an act relating to intoxicating liquor; permitting counties to issue off-sale licenses and combination licenses in towns; amending Minnesota Statutes 1984, section 340.11, subdivision 10a; repealing Minnesota Statutes 1984, section 340.11, subdivision 10b.

Mr. Dieterich moved to amend S.F. No. 1103 as follows:

Page 2, line 19, after "city" insert "with a municipal liquor store"

The motion prevailed. So the amendment was adopted.

S.F. No. 1103 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 32 and nays 32, as follows:

Those who voted in the affirmative were:

Berglin	Gustafson	Lessard	Peterson, R. W.	Stumpf
Chmielewski	Hughes	Luther	Petty	Vega
Dahl	Johnson, D.J.	Merriam	Pogemiller	Waldorf
DeCramer	Jude	Moe, D. M.	Reichgott	Willet
Dicklich	Kroening	Moe, R. D.	Samuelson	
Diessner	Langseth	Novak	Solon	
Freeman	Lantry	Peterson, D.C.	Spear	

Those who voted in the negative were:

Adkins	Davis	Kamrath	Olson	Schmitz
Anderson	Dieterich	Knaak	Pehler	Sieloff
Belanger	Frank	Knutson	Peterson, C.C.	Taylor
Benson	Frederick	Kronebusch	Peterson, D.L.	Wegscheid
Bernhagen	Frederickson	Laidig	Purfeerst	
Bertram	Isackson	McQuaid	Ramstad	
Brataas	Johnson, D.E.	Mehrkens	Renneke	

So the bill, as amended, failed to pass.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on S.F. No. 459 at 12:00 noon:

Messrs. Spear, Merriam and Sieloff. The motion prevailed.

SPECIAL ORDER

S.F. No. 1118: A bill for an act relating to agriculture; requiring lender's response for an agricultural production input lien be sent to borrowers; providing filing procedure; authorizing rules; amending Minnesota Statutes 1984, sections 514.952, subdivisions 2, 3, 4, and 5; 514.954, subdivision 1; 514.956, 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Johnson, D.E.	Luther	Reichgott
Belanger	Dicklich	Jude	McQuaid	Renneke
Benson	Dieterich	Kamrath	Mehrkens	Samuelson
Berglin	Frank	Knaak	Moe, D. M.	Solon
Bernhagen	Frederick	Knutson	Moe, R. D.	Stumpf
Bertram	Frederickson	Kroening	Olson	Taylor
Brataas	Freeman	Kronebusch	Petty	Vega
Chmielewski	Gustafson	Laidig	Pogemiller	Wegscheid
Dahl	Hughes	Langseth	Purfeerst	Willet
Davis	Isackson	Lantry	Ramstad	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1639 at 12:30 p.m.:

Messrs. Langseth, Purfeerst, Mrs. Lantry, Messrs. Schmitz and Mehrkens. The motion prevailed.

SPECIAL ORDER

S.F. No. 565: A bill for an act relating to animals; prohibiting the use of a decompression chamber to destroy an animal; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 343.

Was read the third time 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 18, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lantry	Pehler	Samuelson
Anderson	Dieterich	Lessard	Peterson, C.C.	Solon
Bernhagen	Frank	Luther	Peterson, D.C.	Taylor
Bertram	Isackson	McQuaid	Peterson, D.L.	Vega
Chmielewski	Johnson, D.J.	Merriam	Peterson, R.W.	Waldorf
Dahl	Jude	Moe, D. M.	Petty	Willet
Davis	Knaak	Moe, R. D.	Pogemiller	
DeCramer	Knutson	Novak	Renneke	

Those who voted in the negative were:

Belanger	Frederick	Hughes	Ramstad	Stumpf
Benson	Frederickson	Johnson, D.E.	Reichgott	Wegscheid
Berglin	Freeman	Kamrath	Sieloff	
Brataas	Gustafson	Laidig	Spear	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 35: A bill for an act relating to agriculture; making certain changes in the family farm security program; amending Minnesota Statutes 1984, sections 16A.80, subdivision 2a; 41.56, subdivisions 3, 4, and 4a; 41.57, subdivisions 2 and 3; 41.59, subdivision 1; and 41.61, subdivision 1.

Mr. Davis moved to amend H.F. No. 35, the unofficial engrossment, as follows:

Page 7, after line 2, insert:

“Sec. 9. Minnesota Statutes 1984, section 583.04, is amended to read:

583.04 [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified com-

plaint requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of May 24, 1983, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 90 days. *If the loan or contract for deed is guaranteed by the family farm security program under section 41.56 or 41.58, and the state has acquired the interest of the mortgagee or contract for deed vendor, the family farm security program participant may also request the court to postpone the sale in foreclosure or termination of the contract for up to 18 months for property described in sections 510.01 and 510.02.* Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Sec. 10. [REPEALER.]

Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, is repealed.

Renumber the remaining section

Amend the title as follows:

Page 1, line 9, delete "and" and before the period, insert "; and 583.04; repealing Laws 1983, chapter 215, section 16, as amended"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Pogemiller	Waldorf
Benson	Dicklich	Kronebusch	Renneke	Willet
Berglin	Freeman	Luther	Solon	
Chmielewski	Hughes	Moe, D. M.	Spear	
Dahl	Johnson, D.E.	Moe, R. D.	Stumpf	
Davis	Kamrath	Novak	Vega	

Those who voted in the negative were:

Anderson	Frank	Jude	McQuaid	Taylor
Belanger	Frederick	Knaak	Olson	Wegscheid
Bernhagen	Frederickson	Knutson	Peterson, C.C.	
Bertram	Gustafson	Laidig	Petty	
Brataas	Isackson	Lessard	Ramstad	

The motion prevailed. So the amendment was adopted.

Mr. Davis then moved to amend H.F. No. 35, the unofficial engrossment,

as follows:

Page 7, after line 2, insert:

"Sec. 9. Minnesota Statutes 1984, section 583.04, is amended to read:

583.04 [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months *for the entire homestead and a postponement of up to 18 months for the portion of the property described in sections 510.01 and 510.02, whether encumbered or not.* A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of May 24, 1983, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and *except for a farm homestead on more than ten acres, shall* pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Sec. 10. Minnesota Statutes 1984, section 583.07, is amended to read:

583.07 [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a delay in the foreclosure sale pursuant to sections 583.01 to 583.12, the redemption period pursuant to section 580.23 ~~shall~~ *may* be reduced by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days. If the court does not grant a delay in the foreclosure sale, the redemption period shall be as provided in section 580.23."

Re-number the remaining section

Amend the title accordingly

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the balance of the proceedings on H.F. No. 35. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Wegscheid questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

H.F. No. 35 was then progressed.

SPECIAL ORDER

S.F. No. 821: A bill for an act relating to unclaimed property; extending coverage to corporate stock and other ownership interests; amending Minnesota Statutes 1984, sections 345.35; 345.43; and 345.47.

Mr. Laidig moved to amend S.F. No. 821, as follows:

Page 4, delete lines 14 to 19 and insert:

“Sec. 4. [APPLICATION.]

The initial report filed under sections 1 to 3 for property that was not required to be reported before the effective date of sections 1 to 3 but that is subject to sections 1 to 3 must include all items of property that would have been presumed abandoned during the 15-year period preceding the effective date of sections 1 to 3 as if sections 1 to 3 had been in effect during that period.”

The motion prevailed. So the amendment was adopted.

Mr. Laidig then moved to amend S.F. No. 821 as follows:

Page 4, delete section 4

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

S.F. No. 821 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 46 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kronebusch	Peterson, D.L.	Stumpf
Anderson	Frederick	Laidig	Petty	Taylor
Belanger	Frederickson	Lessard	Pogemiller	Vega
Benson	Freeman	Luther	Ramstad	Waldorf
Berglin	Gustafson	McQuaid	Reichgott	Wegscheid
Bertram	Hughes	Moe, D. M.	Renneke	Willet
Brataas	Johnson, D.E.	Nelson	Samuelson	
Chmielewski	Jude	Novak	Solon	
Dahl	Kamrath	Olson	Spear	
Dicklich	Kroening	Pehler	Storm	

Those who voted in the negative were:

Bernhagen	DeCramer	Isackson	Merriam	Sieloff
Davis	Frank	Knaak	Peterson, C.C.	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 937: A bill for an act relating to wild animals; altering provisions relating to taking and possession of certain animals; amending Minnesota Statutes 1984, sections 98.48, subdivision 5; 100.27, subdivisions 1, 3, and 4; and 100.29, subdivisions 15 and 25.

Mr. Peterson, C.C. moved to amend H.F. No. 937, as amended pursuant to Rule 49, adopted by the Senate April 26, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 791.)

Page 2, line 23, before "and" insert "opossum."

The motion prevailed. So the amendment was adopted.

H.F. No. 937 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 39 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Merriam	Renneke
Anderson	Frederick	Kroening	Moe, R. D.	Sieloff
Belanger	Frederickson	Kronebusch	Nelson	Solon
Benson	Freeman	Laidig	Olson	Stumpf
Bernhagen	Gustafson	Langseth	Peterson, C.C.	Taylor
Bertram	Isackson	Lessard	Peterson, D.L.	Wegscheid
Chmielewski	Johnson, D.E.	Luther	Peterson, R.W.	Willet
DeCramer	Jude	Mehrrens	Ramstad	

Those who voted in the negative were:

Berglin	Frank	Knutson	Pehler	Spear
Dahl	Hughes	Lantry	Petty	Storm
Davis	Johnson, D.J.	McQuaid	Pogemiller	Vega
Dieterich	Knaak	Novak	Reichgott	Waldorf

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 308: A bill for an act relating to intoxicating liquor; hours for Sunday sale; amending Minnesota Statutes 1984, section 340.14, 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 36 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Freeman	Luther	Petty	Stumpf
Bertram	Hughes	McQuaid	Pogemiller	Vega
Brataas	Johnson, D.J.	Mehrrens	Purfeerst	Wegscheid
Dahl	Jude	Merriam	Reichgott	Willet
DeCramer	Kronebusch	Moe, R. D.	Sieloff	
Dicklich	Langseth	Pehler	Solon	
Dieterich	Lantry	Peterson, D.C.	Spear	
Frank	Lessard	Peterson, R.W.	Storm	

Those who voted in the negative were:

Anderson	Chmielewski	Isackson	Kroening	Ramstad
Belanger	Davis	Johnson, D.E.	Laidig	Renneke
Benson	Frederick	Kamrath	Olson	Taylor
Berglin	Frederickson	Knaak	Peterson, C.C.	Waldorf
Bernhagen	Gustafson	Knutson	Peterson, D.L.	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 58: A bill for an act relating to the town of Moorhead; allowing

the town certain powers.

Was read the third time 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:

Adkins	Dieterich	Knutson	Olson	Sieloff
Anderson	Frank	Kroening	Pehler	Spear
Belanger	Frederick	Kronebusch	Peterson, C. C.	Storm
Benson	Frederickson	Laidig	Peterson, D. C.	Stumpf
Berglin	Freeman	Langseth	Peterson, D. L.	Taylor
Bertram	Hughes	Lantry	Peterson, R. W.	Vega
Brataas	Isackson	Lessard	Petty	Waldorf
Chmielewski	Johnson, D. E.	Luther	Pogemiller	Wegscheid
Dahl	Johnson, D. J.	McQuaid	Purfeerst	Willet
Davis	Jude	Mehrkens	Ramstad	
DeCramer	Kamrath	Merriam	Reichgott	
Dicklich	Knaak	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 97: A bill for an act relating to liquor; authorizing farm winery licensees to sell cheese and cheese spreads; amending Minnesota Statutes 1984, section 340.435, 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:

Anderson	Frank	Kroening	Nelson	Reichgott
Belanger	Frederick	Kronebusch	Olson	Renneke
Benson	Frederickson	Laidig	Pehler	Sieloff
Bernhagen	Freeman	Langseth	Peterson, C. C.	Spear
Bertram	Hughes	Lantry	Peterson, D. C.	Storm
Brataas	Isackson	Lessard	Peterson, D. L.	Stumpf
Chmielewski	Johnson, D. E.	Luther	Peterson, R. W.	Taylor
Dahl	Jude	McQuaid	Petty	Vega
Davis	Kamrath	Mehrkens	Pogemiller	Waldorf
DeCramer	Knaak	Merriam	Purfeerst	Wegscheid
Dieterich	Knutson	Moe, R. D.	Ramstad	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 830: A bill for an act relating to courts; eliminating certain mileage expenses that court reporters may claim for reimbursement; eliminating the requirement that a court reporter reside in the district in which he or she is appointed; amending Minnesota Statutes 1984, section 486.05, 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	McQuaid	Reichgott
Anderson	Diessner	Jude	Merriam	Renneke
Belanger	Dieterich	Kamrath	Moe, R.D.	Sieloff
Benson	Frank	Knaak	Olson	Solon
Berglin	Frederick	Knutson	Pehler	Spear
Bernhagen	Frederickson	Kroening	Peterson, D.C.	Storm
Bertram	Freeman	Kronebusch	Peterson, D.L.	Stumpf
Brataas	Gustafson	Laidig	Peterson, R.W.	Taylor
Chmielewski	Hughes	Langseth	Petty	Waldorf
Dahl	Isackson	Lantry	Pogemiller	Wegscheid
Davis	Johnson, D.E.	Luther	Ramstad	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 492: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1984, section 197.23.

Was read the third time 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:

Adkins	Frank	Knutson	Novak	Solon
Anderson	Frederick	Kroening	Olson	Spear
Belanger	Frederickson	Kronebusch	Pehler	Storm
Benson	Freeman	Laidig	Peterson, D.C.	Stumpf
Berglin	Gustafson	Langseth	Peterson, D.L.	Taylor
Bernhagen	Hughes	Lantry	Peterson, R.W.	Waldorf
Bertram	Isackson	Lessard	Petty	Wegscheid
Chmielewski	Johnson, D.E.	Luther	Pogemiller	Willet
Dahl	Johnson, D.J.	McQuaid	Ramstad	
Davis	Jude	Mehrkins	Reichgott	
DeCramer	Kamrath	Merriam	Renneke	
Dieterich	Knaak	Moe, R.D.	Sieloff	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 633: A bill for an act relating to traffic regulations; providing for book racks and "MN" designation on school buses; amending Minnesota Statutes 1984, section 169.44, by adding subdivisions.

Mr. Pehler moved to amend H.F. No. 633, as amended pursuant to Rule 49, adopted by the Senate April 26, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 622.)

Page 1, delete section 1

Page 2, line 11, delete "3" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "book"

Page 1, line 3, delete "racks and"

Page 1, line 6, delete "subdivisions" and insert "a subdivision"

The motion did not prevail. So the amendment was not adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 633, as amended pursuant to Rule 49, adopted by the Senate April 26, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 622.)

Page 2, line 1, after "highways" insert ", after July 1, 1985,"

Page 2, line 11, delete "Section" and insert "Sections 1 to" and delete "is" and insert "are"

The motion prevailed. So the amendment was adopted.

Mr. Willet moved to amend H.F. No. 633, as amended pursuant to Rule 49, adopted by the Senate April 26, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 622.)

Page 1, line 12, delete the comma and insert "and enclosed"

The motion did not prevail. So the amendment was not adopted.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate for the balance of the proceedings on H.F. No. 633. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 633 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 58 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knutson	Moe, R.D.	Schmitz
Anderson	Frank	Kroening	Novak	Sieloff
Belanger	Frederick	Kronebusch	Olson	Spear
Berglin	Frederickson	Laidig	Peterson, C.C.	Storm
Bernhagen	Freeman	Langseth	Peterson, D.C.	Stumpf
Bertram	Gustafson	Lantry	Peterson, D.L.	Taylor
Brataas	Hughes	Lessard	Petty	Vega
Chmielewski	Isackson	Luther	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
DeCramer	Johnson, D.J.	Mehrkens	Ramstad	Willet
Dicklich	Jude	Merriam	Reichgott	
Diessner	Kamrath	Moe, D.M.	Renneke	

Messrs. Benson, Davis, Knaak and Pehler voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 521: A bill for an act relating to counties; allowing counties to

dispose of interests in land without reserving mineral rights under certain circumstances; amending Minnesota Statutes 1984, section 373.01, 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knaak	Moe, R.D.	Spear
Anderson	Frank	Knutson	Olson	Storm
Belanger	Frederick	Kroening	Pehler	Stumpf
Benson	Frederickson	Kronebusch	Peterson, D.C.	Taylor
Berglin	Freeman	Laidig	Peterson, D.L.	Vega
Bernhagen	Gustafson	Langseth	Petty	Waldorf
Bertram	Hughes	Lantry	Pogemiller	Wegscheid
Brataas	Isackson	Lessard	Purfeerst	Willet
Davis	Johnson, D.E.	Luther	Ramstad	
DeCramer	Johnson, D.J.	McQuaid	Renneke	
Dicklich	Jude	Mehrkens	Schmitz	
Diessner	Kamrath	Merriam	Sieloff	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Davis, DeCramer, Langseth and Moe, R.D. introduced—

S.F. No. 1531: A bill for an act relating to agriculture; ratifying the Interstate Compact on Agricultural Grain Marketing; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 236A.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 1532: A bill for an act relating to transportation; transit; providing for performance audits for transit operators receiving financial assistance; amending Minnesota Statutes 1984, section 473.375, subdivision 15.

Referred to the Committee on Transportation.

Mr. Kamrath introduced—

S.F. No. 1533: A resolution memorializing the Congress of the United States to take broad-based action to resolve the American agricultural crisis.

Referred to the Committee on Agriculture and Natural Resources. Mr. Kamrath questioned the reference thereon and, under Rule 35, the resolution was referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Petty moved that S.F. No. 1276, No. 23 on General Orders, be stricken and re-referred to the Committee on Health and Human Services. The motion prevailed.

Mr. Petty moved that S.F. No. 847, No. 32 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 242: Messrs. Dahl, Davis and Isackson.

H.F. No. 848: Ms. Reichgott, Messrs. Petty, Spear, Knaak and Storm.

S.F. No. 5: Messrs. Diessner, Ramstad, Purfeerst, Solon and Johnson, D.E.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED**SPECIAL ORDER**

S.F. No. 1225: A bill for an act relating to agriculture; exempting manufactured home parks and recreational camping areas from food handling licenses; regulating organically grown foods; amending Minnesota Statutes 1984, section 28A.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 31.

Mr. Davis moved to amend S.F. No. 1225 as follows:

Page 2, line 9, delete "*chemical*" and insert "*certain*"

Page 2, line 25, delete "*August 1, 1985*" and insert "*April 1, 1986*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1225 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Moe, R.D.	Sieloff
Anderson	Dicklich	Jude	Novak	Spear
Belanger	Dieterich	Kamrath	Olson	Stumpf
Benson	Frank	Knaak	Pehler	Taylor
Berglin	Frederick	Knutson	Peterson, D.L.	Waldorf
Bernhagen	Frederickson	Kroening	Petty	Wegscheid
Bertram	Freeman	Laidig	Pogemiller	Willet
Brataas	Gustafson	Luther	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Dahl	Isackson	Merriam	Reichgott	
Davis	Johnson, D.E.	Moe, D.M.	Renneke	

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 and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports read by the Secretary be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1127: A bill for an act relating to children; expanding the definition of a medically neglected child; providing for intervention by commissioner of human services after a report of medical neglect; requiring the local agency to report and initiate proceedings in cases of medical neglect; amending Minnesota Statutes 1984, sections 260.015, subdivision 10; 626.556, subdivisions 2 and 10b, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, delete "*the*" and insert "*all*"

Page 2, line 14, after "*correcting*" insert "*all of*"

Page 3, line 28, strike "(d)"

Page 3, line 30, delete "*(e)*" and insert "*(d)*"

Page 3, line 36, reinstate the stricken "*(e)*" and delete "*(f)*"

Page 4, lines 3, 7, 9, and 11, reinstate the stricken language and delete the new language

Page 4, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1984, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible.

When necessary the local welfare agency shall seek authority to remove the child from the custody of his parent, guardian or adult with whom he is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this clause, the parent, legal custodian, or guardian shall be notified, no later than the conclusion of the investigation or assessment, that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, notification of this interview be withheld from the parent, legal custodian, or guardian.

(c) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chairman of the county welfare board or his designee. The time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare agency, or the local law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is deemed necessary by agreement between the school officials and the local welfare agency or local law enforcement agency. Where the school fails to comply with the provisions of this section, the juvenile court may order the school to comply with this provision. School officials shall not disclose to the parent, legal custodian, guardian, or perpetrator that a request to interview the child has been made until after the investigation or assessment has been concluded. Every effort shall be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(d) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(e) Before making an order under paragraph (d), the court shall issue an

order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If a guardian ad litem is appointed, he shall be present at the hearing on the order to show cause.

(f) The commissioner, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, *including medical records*, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings."

Page 5, line 4, delete everything after "*infant*"

Page 5, line 5, delete "*child*"

Page 5, line 8, after "*260.131*" insert "*and by filing an expedited motion*"

Amend the title as follows:

Page 1, line 8, delete "10b" and insert "10"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1510: A bill for an act relating to economic development; creating a special enterprise zone for a large manufacturing facility; providing for the taxation of the facility; authorizing the issuance of bonds; providing assistance to locate a large manufacturing facility in the state; appropriating money; amending Minnesota Statutes 1984, sections 273.1312, subdivisions 3 and 4; and 273.1314, subdivisions 3, 4, 6, 7, 8, 9, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 9, delete "*schools*" and insert "*education*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1127 and 1510 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that H.F. No. 1641 be withdrawn from the Committee on Finance. The motion prevailed.

SUSPENSION OF RULES

Mr. Kroening 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. 1641 and that the rules of the Senate be so far suspended as to give H.F. No. 1641 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1641: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; providing for the compensation of metropolitan government personnel; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1; 3.21; 3.85, subdivision 11; 3.9223, subdivision 1; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 15.50, subdivision 3; 16A.055, subdivision 1; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 16B.09, by adding a subdivision; 16B.29; 43A.07, subdivision 2; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, 16, and by adding subdivisions; 85A.04, subdivision 3; 86.72; 86.75; 97.4841, subdivision 3; 97.4842, subdivision 2; 97.50, subdivision 1; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and by adding a subdivision; 98.47, subdivision 1; 100.271, subdivision 2; 115.03, by adding a subdivision; 115A.05, subdivision 1; 115A.908, subdivisions 2 and 3; 116J.76; 116M.03, by adding a subdivision; 179A.03, subdivision 17; 179A.04, subdivision 3; 179A.13; 179A.16; 179A.21; 179A.25; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.07, subdivision 2a; 268.38, subdivisions 1, 2, 6, 7, and 8; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 361.03, subdivision 5; 361.27; 462C.05, subdivision 2, and by adding a subdivision; 462C.07, subdivision 1, and by adding a subdivision; 473.123, subdivision 5; 473.129, subdivision 2; 473.141, subdivisions 7 and 12; 473.605, subdivision 2; 473.606, subdivisions 1 and 5; 473.704, by adding a subdivision; 473.714; 487.01, subdivision 5; 609.101; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 85A; 97; 116; 139; and 270; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1984, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 46.15; 48.87; 69.031, subdivision 2; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 1; 115A.05, subdivision 3; 115A.201, subdivision 2; 115A.22, subdivision 4; 116M.06, subdivision 5; 116M.07, subdivision 3; 124.471; 179A.03, subdivision 3; 179A.05; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; 360.389; 403.01, subdivision 1; and Laws 1982, chapter 489, section 11.

H.F. No. 1641 was read the second time.

Mr. Kroening moved to amend H.F. No. 1641 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1641, and insert the language after the enacting clause, and the title, of S.F. No. 1530, as introduced.

Mr. Sieloff requested division of the amendment.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1641. The Sergeant at Arms was instructed to bring in the absent members.

The Chair ruled that the amendment was not divisible.

Mr. Sieloff moved to divide the amendment as follows:

Department of Energy and Economic Development

Sections: 28, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 365, 366, 367, 368, 369.

Pollution Control Agency

Sections: 26, 206, 207, 208, 209, 374.

State Planning Agency

Sections: 30, 206, 207, 208, 209, 374.

Administration

Sections: 16, 110, 111, 112, 113, 114, 115, 116, 118, 119, 236, 237, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 342.

Department of Labor and Industry

Sections: 32, 55, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 300.

Veterans Affairs

Sections: 37, 261, 262.

Secretary of State

Sections: 10, 69, 263, 301.

Investment Board

Sections: 14, 71.

Treasurer

Sections: 12, 72, 86, 95, 97-107, 264, 281, 306, 372.

Revenue

Sections: 20, 282, 283, 284, 286.

Department of Natural Resources

Sections: 23, 62, 185, 186, 187, 188, 189, 190, 195, 196, 197, 198, 199, 200, 287, 288, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 363.

LCMR

Sections: 31, 289.

Zoo

Sections: 24, 191, 192, 193, 194.

Employee Relations

Sections: 19, 304.

Department of Human Rights

Sections: 43, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340.

Housing Finance Agency

Sections: 44, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359.

Judiciary

Sections: 3, 4, 5, 6, 7, 8, 57, 58, 96, 375, 376, 377.

Finance

Sections: 18, 88, 89, 90, 91, 92, 93, 94, 102, 108, 183.

Legislature

Sections: 2, 59, 60, 61, 64, 65, 66, 67, 68, 73, 74, 75, 78, 79, 84, 85, 378.

Waste Management Board

Sections: 27, 201, 202, 203.

Employee Relations

Sections: 19, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166.

Military Affairs

Sections: 36, 87.

Administrative Examiner

Sections: 15, 80, 81, 82.

Attorney General's Office

Sections: 13, 76, 77.

Asian Pacific Council

Sections: 41, 63.

Appropriations

Sections: 1-52.

The Chair ruled the Sieloff motion was not in order.

The question recurred on the Kroening amendment.

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved that H.F. No. 1641 be re-referred to the Committee on Finance.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Knaak	Merriam	Sieloff
Belanger	Frederick	Knutson	Moe, D.M.	Storm
Benson	Frederickson	Kronebusch	Olson	Taylor
Bernhagen	Isackson	Laidig	Peterson, D.L.	Waldorf
Brataas	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
DeCramer	Kamrath	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, R.W.	Spear
Berglin	Freeman	Luther	Petty	Stumpf
Bertram	Hughes	Moe, R.D.	Pogemiller	Vega
Chmielewski	Johnson, D.J.	Nelson	Purfeerst	Willet
Dahl	Jude	Novak	Reichgott	
Davis	Kroening	Pehler	Samuelson	
Dicklich	Langseth	Peterson, C.C.	Schmitz	
Diessner	Lantry	Peterson, D.C.	Solon	

The motion did not prevail.

Mr. Kroening moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 269, line 18, after the period, insert "*The metropolitan council shall annually report to the legislature the amount distributed to each implementing agency and its estimate of the percentage of operation and maintenance expenditures paid for with operation and maintenance money.*"

Page 269, line 24, delete "*budget*" and insert "*actual expenditures*"

Page 269, line 25, delete "*budgets*" and insert "*actual expenditures*"

Page 269, line 27, delete "*budget*" and insert "*funding*"

Page 269, line 28, delete "*and its recommendations*" and insert "*based on the actual expenditures made*"

Page 269, line 34, delete "*current*" and insert "*previous*"

Page 269, line 35, delete "*budgeted*" and insert "*made in the previous year*"

Page 270, line 9, before "*acreage*" insert "*80 percent natural resource management land*" and delete "*reserve districts*" and insert "*reserves*"

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 12, line 35, after the period, insert "\$3,500,000 the first year and \$3,500,000 the second year is from the general fund for operating expenses of the 911 emergency telephone service."

Page 20, delete lines 28 to 32

Page 30, line 2, delete "\$3,094,500 \$3,150,100"
and insert "\$1,944,500 \$2,000,100"

Page 31, delete lines 29 to 46

Pages 252 and 253, delete section 342

Page 334, delete section 57

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Frank moved to amend the Johnson, D.E. amendment to H.F. No. 1641 as follows:

Page 1, delete lines 9 to 12 and delete line 14

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 21 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knutson	Petty	Wegscheid
Belanger	Gustafson	McQuaid	Purfeerst	
Benson	Isackson	Mehrkens	Sieloff	
Bertram	Johnson, D.E.	Merriam	Storm	
Brataas	Knaak	Peterson, R.W.	Taylor	

Those who voted in the negative were:

Anderson	Dieterich	Kroening	Nelson	Renneke
Bernhagen	Frederick	Kronebusch	Novak	Schmitz
Chmielewski	Frederickson	Laidig	Olson	Solon
Dahl	Freeman	Langseth	Peterson, D.C.	Spear
Davis	Hughes	Lantry	Peterson, D.L.	Stumpf
DeCramer	Johnson, D.J.	Luther	Pogemiller	Waldorf
Dicklich	Jude	Moe, D.M.	Ramstad	Willet
Diessner	Kamrath	Moe, R.D.	Reichgott	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Johnson, D.E. amendment.

Mr. Johnson, D.E. moved that those not voting be excused from voting. The motion did not prevail.

Mr. Johnson, D.E. moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kamrath	Novak	Sieloff
Anderson	Frederick	Knaak	Olson	Storm
Belanger	Frederickson	Knutson	Peterson, D.L.	Taylor
Benson	Gustafson	Kronebusch	Petty	Wegscheid
Bernhagen	Isackson	Laidig	Purfeerst	
Bertram	Johnson, D.E.	McQuaid	Ramstad	
Brataas	Jude	Mehrkens	Renneke	

Those who voted in the negative were:

Berglin	Dieterich	Lessard	Peterson, D.C.	Spear
Chmielewski	Freeman	Luther	Peterson, R.W.	Stumpf
Dahl	Hughes	Merriam	Pogemiller	Vega
Davis	Johnson, D.J.	Moe, D.M.	Reichgott	Waldorf
DeCramer	Kroening	Moe, R.D.	Samuelson	Willet
Dicklich	Langseth	Nelson	Schmitz	
Diessner	Lantry	Pehler	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 252, after line 24, insert:

“Sec. 342. Minnesota Statutes 1984, section 403.01, subdivision 1, is amended to read:

Subdivision 1. Each county in the metropolitan area shall establish a 911 emergency telephone system on or before December 15, 1982 and each remaining county shall *may* establish a 911 emergency telephone system on or before December 15, 1986.

Sec. 343. Minnesota Statutes 1984, section 403.06, is amended to read:

403.06 [SYSTEM PLANNING AND COORDINATION.]

The department of administration shall coordinate the implementation of 911 systems on or before the deadlines established in section 403.01. The department shall aid counties in the formulation of concepts, methods and procedures which will improve the operation of 911 systems.

Sec. 344. Minnesota Statutes 1984, section 403.08, subdivision 1, is amended to read:

403.08 [PLANS TO BE SUBMITTED.]

Subdivision 1. (a) ~~Before December 15, 1978,~~ Each county shall submit tentative plans for the establishment of a 911 system, *if any*, to the public utility or utilities providing public telephone service within the county, to the department of administration and to the public utilities commission.

(b) The department of administration shall review the plan for consistency with the standards adopted pursuant to section 403.07 and report its findings to the county within six months of receipt of the plan.

(c) The public utilities commission shall review the plan and comment to the county within six months of the receipt of the plan.

(d) Each public utility providing telephone service within the county shall review the plan and transmit to the county good faith estimates of local system implementation expenses within six months of the receipt of the plan.

Sec. 345. Minnesota Statutes 1984, section 403.08, subdivision 2, is amended to read:

Subd. 2. (a) ~~Before December 15, 1979,~~ Each county shall submit final plans for the establishment of a 911 system, *if any*, to the public utility or utilities providing public telephone service within the county, to the department of administration and to the public utilities commission. The final plan shall include a description of all capital and recurring costs for the proposed 911 system.

(b) The department of administration shall review the final plan for consistency with the standards adopted pursuant to section 403.07 and approve or disapprove the plan within six months of receipt.

(c) The public utilities commission shall review the final plan and deter-

mine that portion of plan implementation capital costs which may be applied to the utility company rate base and report findings to the county within six months of receipt of the plan."

Page 252, line 33, delete "is" and insert "that is located within a county that has established a 911 emergency telephone service must be"

Page 253, line 2, delete everything after the period

Page 253, delete lines 3 and 4

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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:

Belanger	Frank	Johnson, D.E.	Mehrrens	Stumpf
Benson	Frederick	Kamrath	Peterson, D.L.	Taylor
Bernhagen	Frederickson	Knutson	Petty	
Chmielewski	Gustafson	Kronebusch	Renneke	
Davis	Isackson	Lessard	Storm	

Those who voted in the negative were:

Adkins	Diessner	Laidig	Nelson	Ramstad
Anderson	Dieterich	Langseth	Novak	Reichgott
Berglin	Freeman	Lantry	Olson	Schmitz
Bertram	Hughes	Luther	Pehler	Sieloff
Brataas	Johnson, D.J.	McQuaid	Peterson, D.C.	Spear
Dahl	Jude	Merriam	Peterson, R.W.	Waldorf
DeCramer	Knaak	Moe, D.M.	Pogemiller	Wegscheid
Dicklich	Kroening	Moe, R.D.	Purfeerst	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Isackson moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 221, after line 1, insert:

"Sec. 303. Minnesota Statutes 1984, section 334.061, is amended to read:

334.061 [AGRICULTURAL CREDIT CORPORATIONS; INTEREST RATE LIMITATIONS.]

A state chartered agricultural credit corporation operating under 12 USC 1401, 1402, 1403, and 1404 may make a charge on its loans at a rate of not more than four and one-half 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 the maximum interest rate allowed to be charged by industrial loan and thrift companies under section 53.04, subdivision 3a."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	McQuaid	Renneke
Belanger	Frederickson	Knutson	Mehrkens	Sieloff
Benson	Isackson	Kronebusch	Olson	Storm
Bernhagen	Johnson, D.E.	Laidig	Petty	Taylor
Brataas	Kamrath	Lessard	Ramstad	

Those who voted in the negative were:

Adkins	Dicklich	Jude	Pehler	Spear
Berglin	Diessner	Kroening	Peterson, D.C.	Stumpf
Bertram	Dieterich	Lantry	Peterson, R.W.	Vega
Chmielewski	Frank	Luther	Pogemiller	Waldorf
Dahl	Freeman	Merriam	Purfeerst	Wegscheid
Davis	Hughes	Moe, R.D.	Reichgott	Willet
DeCramer	Johnson, D.J.	Novak	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Wegscheid moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 93, delete section 109

Page 97, delete section 113

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Waldorf moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 31, delete lines 52 to 62

Page 31, line 48, delete "\$1,927,900 \$1,956,400"
and insert "\$1,427,900 \$1,456,400"

Correct the section totals and the summary by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 39 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Jude	McQuaid	Renneke
Anderson	Frank	Kamrath	Mehrkens	Sieloff
Belanger	Frederick	Knaak	Merriam	Spear
Benson	Frederickson	Knutson	Moe, D.M.	Storm
Bernhagen	Freeman	Kronebusch	Olson	Taylor
Bertram	Gustafson	Laidig	Peterson, D.L.	Waldorf
Brataas	Isackson	Lantry	Petty	Wegscheid
DeCramer	Johnson, D.E.	Lessard	Ramstad	

Those who voted in the negative were:

Chmielewski	Hughes	Nelson	Pogemiller	Willet
Dahl	Johnson, D.J.	Novak	Reichgott	
Davis	Kroening	Pehler	Samuelson	
Dicklich	Luther	Peterson, C.C.	Solon	
Diessner	Moe, R.D.	Peterson, D.C.	Stumpf	

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 29, line 27, delete "189.0" and insert "181.5"

Page 29, delete line 31

Page 31, delete line 48 and insert:
"\$1,281,600 \$1,310,500"

Page 31, delete lines 49 to 62

Page 32, delete line 37 and insert:
"\$ 683,300 \$ 685,700"

Page 32, delete lines 41 to 44

Correct the subdivision and section totals and the summaries by fund

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Moe, D.M.	Taylor
Belanger	Frederickson	Knutson	Olson	Waldorf
Benson	Gustafson	Kronebusch	Peterson, D.L.	Wegscheid
Bernhagen	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	Lantry	Renneke	
Dieterich	Jude	McQuaid	Sieloff	
Frank	Kamrath	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Dicklich	Luther	Peterson, D.C.	Spear
Berglin	Diessner	Merriam	Peterson, R.W.	Stumpf
Bertram	Freeman	Moe, R.D.	Petty	Vega
Chmielewski	Hughes	Nelson	Pogemiller	Willet
Dahl	Johnson, D.J.	Novak	Reichgott	
Davis	Kroening	Pehler	Schmitz	
DeCramer	Langseth	Peterson, C.C.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 30, after line 10, insert:

"The commissioner of energy and economic development, in consultation with the commissioner of agriculture, shall give consideration to doing a feasibility study for a beef-packing plant in southeastern Minnesota."

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Pages 263 and 264, delete section 364

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kamrath	Mehrkens	Ramstad
Anderson	Frederick	Knaak	Merriam	Renneke
Benson	Frederickson	Knutson	Moe, D.M.	Sieloff
Bernhagen	Gustafson	Kronebusch	Olson	Storm
Brataas	Isackson	Laidig	Peterson, D.L.	Taylor
Diessner	Johnson, D.E.	Lantry	Peterson, R.W.	Waldorf
Dieterich	Jude	McQuaid	Petty	

Those who voted in the negative were:

Berglin	Dicklich	Nelson	Purfeerst	Vega
Bertram	Johnson, D.J.	Novak	Reichgott	Willet
Chmielewski	Kroening	Pehler	Schmitz	
Dahl	Langseth	Peterson, C.C.	Solon	
Davis	Luther	Peterson, D.C.	Spear	
DeCramer	Moe, R.D.	Pogemiller	Stumpf	

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 32, delete line 46, and insert:

"BOARD 616,100 803,700"

Page 32, line 47, delete "9" and insert "5"

Correct the summary by fund

Page 132, after line 7, insert:

"Sec. _____, Minnesota Statutes 1984, section 44A.07, is amended to read:

44A.07 [WORLD TRADE CENTER SERVICES.]

Subdivision 1. [SERVICES.] The world trade center board may:

(1) define, formulate, administer, and deliver programs and services through the world trade center;

(2) provide and contract for services and programs through the world trade center, including: a library and research service providing information on world trade; a trade lead service, providing and authenticating information about international trade opportunities; a club for world trade center club members; telecommunications services; translation and interpretation serv-

ices; temporary secretarial and other business services; language instruction; educational conferences and seminars; and other programs and services that serve the purposes of the world trade center, in the determination of the board;

(3) establish and charge fees for services and programs provided ~~without regard to chapter 14;~~

(4) establish membership requirements for Minnesota world trade center operations ~~without regard to chapter 14;~~

(5) establish satellite operations of the Minnesota world trade center;

(6) maintain active membership in the world trade center association;

(7) create an international communication network to coordinate international trade information and activities;

(8) compile international trade information from, among other places, the United States Department of Commerce and private sources, and provide marketing information to business persons;

(9) assist public and private universities or colleges to develop undergraduate or graduate level education programs to train persons regarding export trading; and

(10) coordinate the international trading activities of state and local agencies and organizations.

Subd. 2. [JOINT PROJECTS, CONTRACTS, EXPENDITURES.] In order to implement the authorities of subdivision 1, the board may participate jointly with private persons and public entities in appropriate programs and projects and may enter into contracts to carry out those programs and projects. ~~In making any expenditure or contract the board is not subject to chapter 16.~~

Sec. _____. [44A.08] [SUNSET.]

Sections 44A.01 to 44A.08 are repealed July 1, 1987."

Page 278, line 3, before "46.15" insert "44A.04;"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knaak	Olson	Storm
Belanger	Gustafson	Kronebusch	Peterson, D.L.	
Benson	Isackson	Laidig	Ramstad	
Bernhagen	Johnson, D.E.	McQuaid	Renneke	
Brataas	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Peterson, C.C.	Schmitz
Berglin	Dieterich	Lantry	Peterson, D.C.	Solon
Bertram	Frank	Luther	Peterson, R.W.	Spear
Chmielewski	Freeman	Merriam	Petty	Stumpf
Dahl	Hughes	Moe, D.M.	Pogemiller	Vega
Davis	Jude	Moe, R.D.	Purfeerst	Waldorf
DeCramer	Knutson	Novak	Reichgott	Wegscheid
Dicklich	Kroening	Pehler	Samuelson	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 31, lines 10 and 11, delete "\$3,500,000" and insert "\$3,000,000"

Page 38, delete line 11 and insert:
"\$1,580,000 \$1,580,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 43, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Kamrath	Merriam	Taylor
Anderson	Gustafson	Kronebusch	Peterson, D.L.	
Bernhagen	Isackson	Langseth	Renneke	
Brataas	Johnson, D.E.	Mehrrens	Storm	

Those who voted in the negative were:

Berglin	Frank	Luther	Peterson, R.W.	Solon
Bertram	Freeman	McQuaid	Petty	Spear
Chmielewski	Hughes	Moe, D.M.	Pogemiller	Stumpf
Dahl	Jude	Moe, R.D.	Purfeerst	Vega
Davis	Knaak	Novak	Ramstad	Waldorf
DeCramer	Knutson	Olson	Reichgott	Wegscheid
Dicklich	Kroening	Pehler	Samuelson	Willet
Diessner	Laidig	Peterson, C.C.	Schmitz	
Dieterich	Lantry	Peterson, D.C.	Sieloff	

The motion did not prevail. So the amendment was not adopted.

Mr. Pehler moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 230, line 16, delete "*tranfer*" and insert "*transfer*"

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 99, line 14, to page 100, line 14, delete section 117

Page 132, line 8, to page 141, line 12, delete sections 167 to 181

Page 220, line 27, to page 221, line 1, delete section 302

Page 102, line 2, to page 110, line 30, delete sections 119 to 135

Page 211, lines 1 to 30, delete section 285
Page 271, line 20, to page 272, line 31, delete section 373
Page 110, line 31, to page 124, line 35, delete sections 136 to 156
Page 141, lines 13 to 21, delete section 182
Page 141, line 32, to page 142, line 13, delete section 184
Page 215, line 1, to page 219, line 3, delete sections 291 to 299
Page 72, line 27, to page 74, line 9, delete section 70
Page 214, lines 30 to 36, delete section 290
Page 226, lines 22 to 33, delete section 305
Page 252, lines 13 to 24, delete section 341
Page 262, line 24, to page 263, line 28, delete sections 360 to 362
Page 263, line 35, to page 264, line 22, delete section 364
Page 267, line 6, to page 268, line 26, delete section 370
Page 268, line 27, to page 271, line 9, delete section 371
Page 31, delete lines 10 to 13
Page 276, line 17, to page 277, line 5, delete section 379
Page 59, lines 14 to 20, delete section 53
Page 277, lines 21 to 33, delete section 382
Page 278, line 25, to page 334, line 24, delete Article 2
Page 59, lines 21 to 26, delete section 53A
Page 61, lines 10 to 16, delete section 56
Renumber the sections in sequence and correct the internal references
Amend the title accordingly

Mr. Taylor requested division of the amendment as follows:

First Portion:

Page 99, line 14, to page 100, line 14, delete section 117
Page 132, line 8, to page 141, line 12, delete sections 167 to 181
Page 220, line 27, to page 221, line 1, delete section 302
Renumber the sections in sequence and correct the internal references
Amend the title accordingly

Second Portion:

Page 102, line 2, to page 110, line 30, delete sections 119 to 135
Page 211, lines 1 to 30, delete section 285
Page 271, line 20, to page 272, line 31, delete section 373
Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Third Portion:

Page 110, line 31, to page 124, line 35, delete sections 136 to 156

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fourth Portion:

Page 141, lines 13 to 21, delete section 182

Page 141, line 32, to page 142, line 13, delete section 184

Page 215, line 1, to page 219, line 3, delete sections 291 to 299

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fifth Portion:

Page 72, line 27, to page 74, line 9, delete section 70

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Sixth Portion:

Page 214, lines 30 to 36, delete section 290

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Seventh Portion:

Page 226, lines 22 to 33, delete section 305

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Eighth Portion:

Page 252, lines 13 to 24, delete section 341

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ninth Portion:

Page 262, line 24, to page 263, line 28, delete sections 360 to 362

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Tenth Portion:

Page 263, line 35, to page 264, line 22, delete section 364

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Eleventh Portion:

Page 267, line 6, to page 268, line 26, delete section 370

Renumber the sections in sequence and correct the internal references.

Amend the title accordingly

Twelfth Portion:

Page 268, line 27, to page 271, line 9, delete section 371

Page 31, delete lines 10 to 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Thirteenth Portion:

Page 276, line 17, to page 277, line 5, delete section 379

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fourteenth Portion:

Page 59, lines 14 to 20, delete section 53

Page 277, lines 21 to 33, delete section 382

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fifteenth Portion:

Page 278, line 25, to page 334, line 24, delete Article 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Sixteenth Portion:

Page 59, lines 21 to 26, delete section 53A

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Seventeenth Portion:

Page 61, lines 10 to 16, delete section 56

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the first portion of the amendment.

The roll was called, and there were yeas 26 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kronebusch	Peterson, D.L.	Waldorf
Belanger	Frederickson	Laidig	Purfeerst	Wegscheid
Benson	Isackson	McQuaid	Ramstad	
Bernhagen	Johnson, D.E.	Mehrkens	Sieloff	
Brataas	Kamrath	Moe, D.M.	Storm	
Frank	Knaak	Olson	Taylor	

Those who voted in the negative were:

Adkins	Dieterich	Luther	Peterson, D.C.	Stumpf
Bertram	Freeman	Merriam	Peterson, R.W.	Vega
Chmielewski	Gustafson	Moe, R.D.	Petty	Willet
Dahl	Johnson, D.J.	Nelson	Pogemiller	
Davis	Jude	Novak	Reichgott	
DeCramer	Kroening	Pehler	Schmitz	
Diessner	Langseth	Peterson, C.C.	Solon	

The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the second portion of the amendment.

The roll was called, and there were yeas 24 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Storm
Belanger	Dieterich	Knaak	Moe, D.M.	Taylor
Benson	Frederick	Kronebusch	Peterson, R.W.	Waldorf
Bernhagen	Gustafson	Laidig	Ramstad	Wegscheid
Bertram	Isackson	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Kroening	Peterson, C.C.	Schmitz
Chmielewski	Frederickson	Luther	Peterson, D.C.	Stumpf
Dahl	Freeman	Merriam	Petty	Vega
Davis	Hughes	Moe, R.D.	Pogemiller	Willet
DeCramer	Johnson, D.J.	Novak	Purfeerst	
Diessner	Jude	Pehler	Reichgott	

The motion did not prevail. So the second portion of the amendment was not adopted.

The question was taken on the third portion of the amendment.

The roll was called, and there were yeas 15 and nays 35, as follows:

Those who voted in the affirmative were:

Bernhagen	Frederick	McQuaid	Olson	Ramstad
Dieterich	Knaak	Merriam	Peterson, R.W.	Sieloff
Frank	Laidig	Moe, D.M.	Petty	Storm

Those who voted in the negative were:

Adkins	Dahl	Hughes	Mehrkens	Schmitz
Anderson	Davis	Isackson	Moe, R.D.	Stumpf
Belanger	DeCramer	Jude	Pehler	Taylor
Benson	Diessner	Kamrath	Peterson, D.C.	Vega
Bertram	Frederickson	Kroening	Pogemiller	Waldorf
Brataas	Freeman	Langseth	Purfeerst	Wegscheid
Chmielewski	Gustafson	Luther	Reichgott	Willet

The motion did not prevail. So the third portion of the amendment was not adopted.

The question was taken on the fourth portion of the amendment.

The roll was called, and there were yeas 8 and nays 43, as follows:

Those who voted in the affirmative were:

Knaak	Moe, D.M.	Ramstad	Waldorf	Wegscheid
Laidig	Peterson, R.W.	Sieloff		

Those who voted in the negative were:

Adkins	Davis	Isackson	Merriam	Reichgott
Anderson	DeCramer	Johnson, D.J.	Moe, R.D.	Schmitz
Belanger	Diessner	Jude	Novak	Storm
Benson	Dieterich	Kamrath	Pehler	Stumpf
Bernhagen	Frank	Kroening	Peterson, C.C.	Taylor
Bertram	Frederick	Langseth	Peterson, D.C.	Vega
Brataas	Frederickson	Luther	Peterson, D.L.	Willet
Chmielewski	Freeman	McQuaid	Petty	
Dahl	Hughes	Mehrkens	Pogemiller	

The motion did not prevail. So the fourth portion of the amendment was not adopted.

The question was taken on the adoption of the fifth portion of the amendment.

The roll was called, and there were yeas 38 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Jude	Moe, D.M.	Sieloff
Anderson	Frank	Kamrath	Olson	Storm
Belanger	Frederick	Knaak	Pehler	Taylor
Benson	Frederickson	Kronebusch	Peterson, D.L.	Vega
Bernhagen	Freeman	Laidig	Peterson, R.W.	Waldorf
Bertram	Gustafson	McQuaid	Pogemiller	Wegscheid
Brataas	Isackson	Mehrkens	Purfeerst	
DeCramer	Johnson, D.E.	Merriam	Ramstad	

Those who voted in the negative were:

Chmielewski	Diessner	Langseth	Peterson, C.C.	Schmitz
Dahl	Hughes	Luther	Peterson, D.C.	Solon
Davis	Johnson, D.J.	Moe, R.D.	Petty	Stumpf
Dicklich	Kroening	Nelson	Reichgott	Willet

The motion prevailed. So the fifth portion of the amendment was adopted.

Mr. Moe, R.D. moved that H.F. No. 1641 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Mr. Berg was excused from the Session of today.

Mr. Nelson was excused from the Session of today from 10:00 to 11:00 a.m. Mr. Sieloff was excused from the Session of today from 10:00 to 11:00 a.m. Mr. Diessner was excused from the Session of today from 11:45 a.m. to 2:15 p.m. Mr. Storm was excused from the Session of today from 11:15 a.m. to 2:00 p.m. Mr. Frederick was excused from the Session of today from 10:00 to 11:30 a.m. Messrs. Willet; Kroening; Peterson, C.C.; Langseth; Johnson, D.J. and Novak were excused from the Session of today from 10:00 a.m. to 12:00 noon. Mr. Willet was excused from the Session of today from 12:00 noon to 12:30 p.m. Mrs. Kronebusch was excused from the Session of today from 12:45 to 1:15 p.m. Mr. Langseth, Mrs. Lantry, Messrs. Purfeerst, Schmitz, Mehrkens, Mrs. Kronebusch, Messrs. Ramstad and Lessard were excused from the Session of today from 3:00 to 3:30 p.m. Mr. Peterson, R.W. was excused from the Session of today from 3:00 to 3:30 p.m. Mr. Peterson, C.C. was excused from the Session of today from 5:30 to 7:30 p.m. Mr. Lessard was excused from the Session of today at 7:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Saturday, May 11, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-EIGHTH DAY

St. Paul, Minnesota, Saturday, May 11, 1985

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Senator Dean E. Johnson.

The roll was called, and the following Senators answered to their names:

Adkins	Dieterich	Kroening	Olson	Sieloff
Anderson	Frank	Kronebusch	Pehler	Solon
Belanger	Frederick	Laidig	Peterson, C.C.	Spear
Benson	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Peity	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	
Diessner	Knutson	Novak	Schmitz	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 9, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, signed and deposited in the Office of the Secretary of State Senate File Nos. 143, 86, 1071, 921 and 994.

Sincerely,
Rudy Perpich, Governor

May 10, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, signed and deposited in the Office of the Secretary of State, Senate File Nos. 335, 450, 1087, 1208, 1214, 1291 and 1411.

Sincerely,
Rudy Perpich, Governor

MOTIONS AND RESOLUTIONS

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 1434: A bill for an act relating to real estate; providing for service in forcible entry and unlawful detainer actions; amending Minnesota Statutes 1984, section 566.06.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Moe, R.D.	Ramstad
Anderson	Dieterich	Kroening	Novak	Samuelson
Belanger	Frank	Kronebusch	Olson	Schmitz
Benson	Frederickson	Langseth	Pehler	Taylor
Bernhagen	Gustafson	Lantry	Peterson, C.C.	Waldorf
Bertram	Hughes	Lessard	Peterson, D.C.	Wegscheid
Brataas	Isackson	Luther	Peterson, D.L.	Willet
Chmielewski	Johnson, D.E.	McQuaid	Peterson, R.W.	
Dahl	Johnson, D.J.	Mehrkens	Petty	
DeCramer	Jude	Merriam	Pogemiller	
Dicklich	Kamrath	Moe, D.M.	Purfeerst	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 866: A bill for an act relating to solid waste and sewage sludge management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; granting and clarifying the powers which may be exercised by a county located outside the metropolitan

area if it enters into an agreement with a metropolitan county for solid waste or resource recovery purposes; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27; 115A.84, subdivisions 3 and 4; 115A.919; 400.04, subdivision 1; 473.153, subdivisions 5, 6b, and 7; 473.801, subdivision 1; 473.811, subdivisions 5 and 5a; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Laws 1984, chapter 644, section 83.

Mr. Schmitz moved to amend S.F. No. 866 as follows:

Page 4, after line 32, insert:

“Sec. 7. Minnesota Statutes 1984, section 473.153, subdivision 2, is amended to read:

Subd. 2. [CANDIDATE SITE SELECTION.] The council shall select candidate sites for the disposal of the commission's ~~sewage sludge and~~ solid waste, together with appropriate surrounding buffer areas. The council shall select at least ~~four~~ three candidate sites by September 1, 1983. The council shall evaluate sites for candidacy on the basis of at least the following factors: local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities, distance from the points of generation, and the intrinsic suitability of sites compared with other potential sites. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of the council, counties, or local units of government, no land shall be excluded from consideration for candidacy except land determined by the agency to be intrinsically unsuitable. No site shall be selected for candidacy unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on-site surveys and investigations conducted by the council. The council shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed as candidate sites as soon as available. The council shall propose at least six locations as candidate sites and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. The director shall publish notice of a consolidated hearing on the recommendation. Notice shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to local government units containing a proposed candidate site. The hearing shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the administrative law judge's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the council and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the administrative law judge shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of

each proposed site and shall certify them accordingly within 90 days of the council's proposal of a site. The agency shall not be required to promulgate rules pursuant to chapter 14 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. In selecting candidate sites, the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility."

Page 14, line 16, delete "21" and insert "22"

Page 14, line 21, delete "23" and insert "24"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "plans," insert "disposal sites,"

Page 1, line 19, after "subdivisions" insert "2,"

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend S.F. No. 866 as follows:

Page 13, after line 25, insert:

"Sec. 24. [SOLID WASTE MANAGEMENT.]

Subdivision 1. [LONG-TERM CONTRACTS.] Murray, Nobles, Pipestone, and Rock counties may jointly negotiate and enter into contracts, for a term not to exceed 30 years, for the management of solid waste generated in the counties. This authority supplements other authority of the counties. Contracts made by joint negotiations shall be approved by resolution adopted by the county board of each county. The contract may only be dissolved, before the date specified in the contract, by resolution of the county board of all counties involved.

Subd. 2. [JOINT POWERS AGREEMENT.] Murray, Nobles, Pipestone, and Rock counties may enter into a joint powers agreement for the management of solid waste under subdivision 1. Other counties that enter into a joint powers agreement under section 471.59 with Murray, Nobles, Pipestone, and Rock counties may enter contracts under subdivision 1 in the same manner as the counties in subdivision 1."

Page 14, after line 22, insert:

"Section 24 is effective the day after enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after "funds;" insert "permitting certain counties to make joint contracts or agreements for solid waste management;"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend S.F. No. 866 as follows:

Page 13, after line 25, insert:

“Sec. 24. [PUBLIC WELFARE.]

Of the appropriations to the commissioner of administration for replacing the boiler emission control unit at the Fergus Falls State Hospital in Laws 1983, chapter 344, section 12, subdivision 4, and Laws 1984, chapter 597, section 18, subdivision 3, paragraph (b), up to \$500,000 may be used for solid waste incineration equipment.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after the semicolon, insert “providing for use of an appropriation for solid waste incineration equipment at the Fergus Falls State Hospital;”

The motion prevailed. So the amendment was adopted.

S.F. No. 866 was then progressed.

SPECIAL ORDER

S.F. No. 1414: A bill for an act relating to the city of Plymouth; authorizing the reassessment of special assessments against certain lands in the city.

Was read the third time 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:

Adkins	Frank	Langseth	Peterson, C.C.	Solón
Anderson	Frederickson	Lantry	Peterson, D.C.	Spear
Belanger	Gustafson	Lessard	Peterson, D.L.	Storm
Benson	Hughes	Luther	Peterson, R.W.	Stumpf
Berglin	Isackson	McQuaid	Petty	Taylor
Bernhagen	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf
Bertram	Jude	Merriam	Purfeerst	Wegscheider
Brataas	Kamrath	Moe, D.M.	Ramstad	Willet
Chmielewski	Knaak	Moe, R.D.	Reichgott	
Dahl	Kroening	Nelson	Renneke	
DeCramer	Kronebusch	Olson	Samuelson	
Diessner	Laidig	Pehler	Sieloff	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1176: A bill for an act relating to children; requiring a new job classification in child protection; requiring continuing education; providing for a joint training program; requiring a report to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Mr. Petty moved to amend S.F. No. 1176 as follows:

Page 2, line 8, delete “1984” and insert “1985”

The motion prevailed. So the amendment was adopted.

S.F. No. 1176 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 58 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Olson	Schmitz
Anderson	Frederickson	Langseth	Pehler	Sieloff
Benson	Freeman	Lantry	Peterson, C.C.	Solon
Berglin	Gustafson	Lessard	Peterson, D.C.	Storm
Bernhagen	Hughes	Luther	Peterson, D.L.	Stumpf
Bertram	Isackson	McQuaid	Peterson, R.W.	Taylor
Brataas	Johnson, D.E.	Mehrkens	Petty	Vega
Chmielewski	Johnson, D.J.	Merriam	Pogemiller	Waldorf
Dahl	Jude	Moe, D.M.	Ramstad	Wegscheid
DeCramer	Kamrath	Moe, R.D.	Reichgott	Willet
Dicklich	Knaak	Nelson	Renneke	
Diessner	Kroening	Novak	Samuelson	

Mrs. Kronebusch voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 98: A bill for an act relating to retirement; expanding the availability of certain appropriations for actuarial services.

Mr. Moe, D.M. moved to amend H.F. No. 98, the second unofficial engrossment, as follows:

Page 6, line 18, after the period, insert "*Persons receiving a benefit from the public employees police and fire fund and from the state patrol retirement fund are considered to be receiving a basic annuity or benefit.*"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend H.F. No. 98, the second unofficial engrossment, as follows:

Page 7, delete lines 12 to 27 and insert:

"Subd. 5. [PAYMENTS.] *The amounts necessary to make the lump sum payments for persons receiving annuities from the covered retirement funds listed in subdivision 3, clauses (3), (5), and (6), are appropriated pursuant to section 8. The amounts necessary to make the lump sum payments for the covered retirement funds listed in subdivision 3, clauses (1), (2), and (4), are appropriated from the appropriate retirement funds.*"

Page 7, line 30, delete "\$11,200,000" and insert "\$11,221,960"

Page 7, after line 33, insert:

" <i>teachers retirement fund</i>	2,322,620	2,196,210
<i>state employees retirement fund</i>	1,773,570	1,684,885"

Page 7, delete lines 35 and 36

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 13 and nays 44, as follows:

Those who voted in the affirmative were:

Berglin	Johnson, D.J.	Lantry	Peterson, C.C.	Willet
Frederickson	Knaak	Lessard	Samuelson	
Hughes	Kroening	Pehler	Stumpf	

Those who voted in the negative were:

Adkins	Dieterich	Laidig	Peterson, D.L.	Sieloff
Anderson	Freeman	Langseth	Peterson, R.W.	Solon
Belanger	Gustafson	Luther	Petty	Spear
Benson	Isackson	McQuaid	Pogemiller	Storm
Bernhagen	Johnson, D.E.	Merriam	Purfeerst	Taylor
Bertram	Jude	Moe, D.M.	Ramstad	Vega
Brataas	Kamrath	Moe, R.D.	Reichgott	Waldorf
Dahl	Knutson	Olson	Renneke	Wegscheid
Diessner	Kronebusch	Peterson, D.C.	Schmitz	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 98 was then progressed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 11:30 a.m. The motion prevailed.

The hour of 11:30 a.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on H.F. No. 1641. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Moe, R.D. moved that H.F. No. 1641 be taken from the table. The motion prevailed.

The question recurred on the divided Taylor amendment.

First Portion:

Page 99, line 14, to page 100, line 14, delete section 117

Page 132, line 8, to page 141, line 12, delete sections 167 to 181

Page 220, line 27, to page 221, line 1, delete section 302

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second Portion:

Page 102, line 2, to page 110, line 30, delete sections 119 to 135

Page 211, lines 1 to 30, delete section 285

Page 271, line 20, to page 272, line 31, delete section 373

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Third Portion:

Page 110, line 31, to page 124, line 35, delete sections 136 to 156

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fourth Portion:

Page 141, lines 13 to 21, delete section 182

Page 141, line 32, to page 142, line 13, delete section 184

Page 215, line 1, to page 219, line 3, delete sections 291 to 299

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fifth Portion:

Page 72, line 27, to page 74, line 9, delete section 70

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Sixth Portion:

Page 214, lines 30 to 36, delete section 290

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Seventh Portion:

Page 226, lines 22 to 33, delete section 305

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Eighth Portion:

Page 252, lines 13 to 24, delete section 341

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ninth Portion:

Page 262, line 24, to page 263, line 28, delete sections 360 to 362

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Tenth Portion:

Page 263, line 35, to page 264, line 22, delete section 364

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Eleventh Portion:

Page 267, line 6, to page 268, line 26, delete section 370

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Twelfth Portion:

Page 268, line 27, to page 271, line 9, delete section 371

Page 31, delete lines 10 to 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Thirteenth Portion:

Page 276, line 17, to page 277, line 5, delete section 379

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fourteenth Portion:

Page 59, lines 14 to 20, delete section 53

Page 277, lines 21 to 33, delete section 382

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Fifteenth Portion:

Page 278, line 25, to page 334, line 24, delete Article 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Sixteenth Portion:

Page 59, lines 21 to 26, delete section 53A

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Seventeenth Portion:

Page 61, lines 10 to 16, delete section 56

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the sixth portion of the amendment.

The roll was called, and there were yeas 26 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Gustafson	Kronebusch	Olson	Taylor
Belanger	Isackson	Laidig	Peterson, D.L.	Wegscheid
Benson	Johnson, D.J.	McQuaid	Ramstad	
Bernhagen	Kamrath	Mehrkens	Renneke	
Frederick	Knaak	Moe, D.M.	Sieloff	
Frederickson	Knutson	Novak	Storm	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, R.W.	Stumpf
Berglin	Dieterich	Lessard	Petty	Vega
Bertram	Frank	Luther	Pogemiller	Waldorf
Chmielewski	Freeman	Merriam	Purfeerst	Willet
Dahl	Hughes	Moe, R.D.	Reichgott	
Davis	Johnson, D.E.	Nelson	Samuelson	
DeCramer	Kroening	Peterson, C.C.	Schmitz	
Dicklich	Langseth	Peterson, D.C.	Spear	

The motion did not prevail. So the sixth portion of the amendment was not adopted.

The question was taken on the adoption of the seventh portion of the amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Olson	Sieloff
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Spear
Benson	Gustafson	Laidig	Peterson, R.W.	Taylor
Bernhagen	Isackson	Mehrkens	Petty	Waldorf
Brataas	Kamrath	Merriam	Ramstad	Wegscheid
Dieterich	Knaak	Moe, D.M.	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Novak	Schmitz
Berglin	Diessner	Langseth	Peterson, C.C.	Solon
Bertram	Frank	Lantry	Peterson, D.C.	Stumpf
Chmielewski	Freeman	Lessard	Pogemiller	Vega
Dahl	Hughes	Luther	Purfeerst	Willet
Davis	Johnson, D.E.	Moe, R.D.	Reichgott	
DeCramer	Johnson, D.J.	Nelson	Samuelson	

The motion did not prevail. So the seventh portion of the amendment was not adopted.

The question was taken on the adoption of the eighth portion of the amendment.

The roll was called, and there were yeas 28 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Moe, D.M.	Storm
Belanger	Gustafson	Kronebusch	Olson	Taylor
Benson	Isackson	Laidig	Peterson, D.L.	Waldorf
Bernhagen	Johnson, D.E.	Lessard	Ramstad	Wegscheid
Brataas	Kamrath	McQuaid	Renneke	
Frederick	Knaak	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, D.C.	Solon
Berglin	Dieterich	Luther	Peterson, R.W.	Spear
Bertram	Frank	Merriam	Petty	Stumpf
Dahl	Freeman	Moe, R.D.	Pogemiller	Vega
Davis	Hughes	Nelson	Purfeerst	Willet
DeCramer	Johnson, D.J.	Novak	Samuelson	
Dicklich	Kroening	Peterson, C.C.	Schmitz	

The motion did not prevail. So the eighth portion of the amendment was

not adopted.

The question was taken on the adoption of the ninth portion of the amendment.

The roll was called, and there were yeas 39 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	Mehrkens	Renneke
Anderson	Diessner	Knaak	Merriam	Samuelson
Belanger	Dieterich	Knutson	Moe, D.M.	Sieloff
Benson	Frank	Kronebusch	Olson	Storm
Bernhagen	Frederick	Laidig	Peterson, D.L.	Taylor
Bertram	Frederickson	Langseth	Peterson, R.W.	Waldorf
Brataas	Gustafson	Lessard	Petty	Wegscheid
Dahl	Isackson	McQuaid	Purfeerst	

Those who voted in the negative were:

Berglin	Hughes	Moe, R.D.	Pogemiller	Vega
Chmielewski	Johnson, D.J.	Nelson	Schmitz	Willet
Davis	Kroening	Novak	Solon	
Dicklich	Lantry	Peterson, C.C.	Spear	
Freeman	Luther	Peterson, D.C.	Stumpf	

The motion prevailed. So the ninth portion of the amendment was adopted.

Mr. Taylor withdrew the tenth portion of his amendment.

The question was taken on the adoption of the eleventh portion of the amendment.

The roll was called, and there were yeas 25 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Mehrkens	Renneke
Belanger	Frederickson	Knutson	Moe, D.M.	Sieloff
Benson	Gustafson	Kronebusch	Olson	Storm
Bernhagen	Isackson	Laidig	Peterson, D.L.	Taylor
Brataas	Johnson, D.E.	McQuaid	Ramstad	Waldorf

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, D.C.	Spear
Berglin	Dieterich	Lessard	Peterson, R.W.	Stumpf
Bertram	Frank	Luther	Petty	Vega
Chmielewski	Freeman	Merriam	Pogemiller	Wegscheid
Dahl	Hughes	Moe, R.D.	Purfeerst	Willet
Davis	Johnson, D.J.	Nelson	Samuelson	
DeCramer	Kroening	Novak	Schmitz	
Dicklich	Langseth	Peterson, C.C.	Solon	

The motion did not prevail. So the eleventh portion of the amendment was not adopted.

The question was taken on the adoption of the twelfth portion of the amendment.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kamrath	Mehrkens	Stumpf
Belanger	Frederick	Knutson	Peterson, D.L.	Taylor
Benson	Frederickson	Kronebusch	Purfeerst	Willet
Bernhagen	Gustafson	Langseth	Renneke	
Bertram	Isackson	Lessard	Sieloff	
Brataas	Johnson, D.E.	McQuaid	Storm	

Those who voted in the negative were:

Adkins	Frank	Lantry	Peterson, C.C.	Schmitz
Berglin	Freeman	Luther	Peterson, D.C.	Solon
Chmielewski	Hughes	Merriam	Peterson, R.W.	Spear
Dahl	Johnson, D.J.	Moe, R.D.	Petty	Vega
Dicklich	Knaak	Nelson	Pogemiller	Waldorf
Diessner	Kroening	Novak	Ramstad	
Dieterich	Laidig	Olson	Samuelson	

The motion did not prevail. So the twelfth portion of the amendment was not adopted.

The question was taken on the adoption of the thirteenth portion of the amendment.

The roll was called, and there were yeas 22 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knaak	Mehrkens	Sieloff
Belanger	Gustafson	Knutson	Olson	Taylor
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	
Brataas	Johnson, D.E.	Laidig	Ramstad	
Frederick	Kamrath	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Nelson	Samuelson
Berglin	Diessner	Langseth	Novak	Solon
Bertram	Dieterich	Lantry	Peterson, D.C.	Spear
Chmielewski	Frank	Lessard	Peterson, R.W.	Stumpf
Dahl	Freeman	Luther	Petty	Vega
Davis	Hughes	Merriam	Pogemiller	Waldorf
DeCramer	Johnson, D.J.	Moe, R.D.	Purfeerst	Willet

The motion did not prevail. So the thirteenth portion of the amendment was not adopted.

The question was taken on the adoption of the fifteenth portion of the amendment.

The roll was called, and there were yeas 27 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Moe, D.M.	Storm
Belanger	Frederickson	Knutson	Olson	Taylor
Benson	Gustafson	Kronebusch	Peterson, D.L.	Waldorf
Bernhagen	Isackson	Laidig	Ramstad	
Bertram	Johnson, D.E.	McQuaid	Renneke	
Brataas	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Spear
Berglin	Frank	Luther	Peterson, R.W.	Stumpf
Chmielewski	Freeman	Merriam	Petty	Vega
Dahl	Hughes	Moe, R.D.	Pogemiller	Wegscheid
Davis	Johnson, D.J.	Nelson	Purfeerst	Willet
DeCramer	Kroening	Novak	Reichgott	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

The motion did not prevail. So the fifteenth portion of the amendment was not adopted.

The question was taken on the adoption of the sixteenth portion of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Moe, D.M.	Sieloff
Belanger	Gustafson	Kronebusch	Olson	Storm
Benson	Isackson	Laidig	Peterson, D.L.	Taylor
Bernhagen	Johnson, D.E.	Langseth	Purfeerst	Waldorf
Brataas	Kamrath	McQuaid	Ramstad	Wegscheid
Frederick	Knaak	Mehrrens	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Novak	Samuelson
Berglin	Diessner	Lantry	Pehler	Schmitz
Bertram	Dieterich	Lessard	Peterson, C.C.	Solon
Chmielewski	Frank	Luther	Peterson, D.C.	Spear
Dahl	Freeman	Merriam	Peterson, R.W.	Stumpf
Davis	Hughes	Moe, R.D.	Petty	Vega
DeCramer	Johnson, D.J.	Nelson	Pogemiller	Willet

The motion did not prevail. So the sixteenth portion of the amendment was not adopted.

The question was taken on the adoption of the seventeenth portion of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Mehrrens	Renneke
Belanger	Frederickson	Knutson	Moe, D.M.	Sieloff
Benson	Gustafson	Kronebusch	Olson	Storm
Bernhagen	Isackson	Laidig	Peterson, D.L.	Taylor
Bertram	Johnson, D.E.	Langseth	Petty	Waldorf
Brataas	Kamrath	McQuaid	Ramstad	Wegscheid

Those who voted in the negative were:

Adkins	Diessner	Lantry	Pehler	Schmitz
Berglin	Dieterich	Lessard	Peterson, C.C.	Solon
Chmielewski	Frank	Luther	Peterson, D.C.	Spear
Dahl	Freeman	Merriam	Peterson, R.W.	Stumpf
Davis	Hughes	Moe, R.D.	Pogemiller	Vega
DeCramer	Johnson, D.J.	Nelson	Purfeerst	Willet
Dicklich	Kroening	Novak	Samuelson	

The motion did not prevail. So the seventeenth portion of the amendment was not adopted.

The question recurred on the fourteenth portion of the Taylor amendment.

Fourteenth Portion:

Page 59, lines 14 to 20, delete section 53

Page 277, lines 21 to 33, delete section 382

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Bernhagen requested division of the fourteenth portion as follows:

First Portion:

Page 59, lines 14 to 20, delete section 53

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second Portion:

Page 277, lines 21 to 33, delete section 382

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the divided fourteenth portion of the amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Isackson	Laidig	Ramstad
Anderson	Davis	Johnson, D.E.	McQuaid	Renneke
Belanger	DeCramer	Kamrath	Mehrkens	Sieloff
Benson	Frederick	Knaak	Olson	Storm
Bernhagen	Frederickson	Knutson	Peterson, D.L.	Taylor
Bertram	Gustafson	Kronebusch	Purfeerst	

Those who voted in the negative were:

Berglin	Hughes	Merriam	Peterson, R.W.	Spear
Chmielewski	Johnson, D.J.	Moe, R.D.	Petty	Stumpf
Dahl	Kroening	Nelson	Pogemiller	Vega
Dicklich	Langseth	Novak	Reichgott	Waldorf
Diessner	Lantry	Pehler	Samuelson	Wegscheid
Frank	Lessard	Peterson, C.C.	Schmitz	Willet
Freeman	Luther	Peterson, D.C.	Solon	

The motion did not prevail. So the first portion of the divided fourteenth portion of the amendment was not adopted.

Mr. Taylor withdrew the second portion of the divided fourteenth portion of his amendment.

Mrs. McQuaid moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 12, lines 32 and 33, delete "from the special revenue fund"

Correct the subdivision and section totals and the summaries by fund accordingly

Pages 252 and 253, delete section 342

Renumber the sections in sequence

Correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Johnson, D.E.	McQuaid	Ramstad
Anderson	Frank	Kamrath	Mehrkens	Reichgott
Belanger	Frederick	Knaak	Moe, D.M.	Renneke
Benson	Frederickson	Knutson	Novak	Sieloff
Bernhagen	Gustafson	Kronebusch	Olson	Storm
Bertram	Isackson	Laidig	Purfeerst	Taylor

Those who voted in the negative were:

Berglin	Dieterich	Lessard	Peterson, D.C.	Spear
Chmielewski	Freeman	Luther	Peterson, R.W.	Stumpf
Dahl	Hughes	Merriam	Petty	Vega
Davis	Johnson, D.J.	Moe, R.D.	Pogemiller	Waldorf
DeCramer	Kroening	Nelson	Samuelson	Willet
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Moe, D.M. moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 9, line 34, delete "104,900" and insert "711,300" and delete "106,000" and insert "697,600"

Page 9, line 35, delete "3" and insert "20"

Page 9, delete lines 36 to 47

Page 14, line 55, delete "7,220,800" and insert "6,846,800" and delete "7,258,800" and insert "6,884,800"

Page 14, line 56, delete "131" and insert "122"

Page 14, delete line 57

Page 15, delete lines 1 to 4

Pages 74 and 75, delete section 72

Pages 84 and 85, delete section 86

Pages 88 to 90, delete section 95 and delete sections 97 to 101

Pages 90 and 91, delete sections 105 to 107

Page 271, delete section 372

Page 277, line 35, delete everything after "sections"

Page 277, delete line 36

Page 278, line 1, delete everything before "16C.01"

Page 278, line 3, delete "46.15;"

Page 278, line 5, delete "69.031, subdivision 2;"

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence

Correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 36 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Knutson	Pehler	Storm
Anderson	Frederickson	Kronebusch	Peterson, R.W.	Taylor
Befanger	Gustafson	Laidig	Petty	Waldorf
Benson	Isackson	McQuaid	Pogemiller	Wegscheid
Bernhagen	Johnson, D.E.	Merriam	Ramstad	
Brataas	Jude	Moe, D.M.	Reichgott	
Dieterich	Kamrath	Novak	Renneke	
Frank	Knaak	Olson	Sieloff	

Those who voted in the negative were:

Berglin	Diessner	Lantry	Peterson, D.C.	Stumpf
Bertram	Freeman	Lessard	Purfeerst	Vega
Chmielewski	Hughes	Luther	Samuelson	Willet
Dahl	Johnson, D.J.	Moe, R.D.	Schmitz	
Davis	Kroening	Nelson	Solon	
Dicklich	Langseth	Peterson, C.C.	Spear	

The motion prevailed. So the amendment was adopted.

Mrs. Brataas moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 11, line 24, delete "Workers' Compensation" and insert "General"

Page 11, delete lines 26 to 29

Page 49, line 3, delete "94" and insert "173"

Page 49, line 6, delete "180" and insert "101"

Page 49, line 19, delete "This appropriation" and insert "\$1,596,100 the first year and \$1,662,500 the second year"

Page 49, line 33, delete "\$1,229,900" and insert "\$4,045,300" and delete "\$1,263,500" and insert "\$4,169,400"

Page 49, line 34, delete "This appropriation" and insert "\$1,229,900 the first year and \$1,263,500 the second year"

Page 49, after line 35, insert:

"\$2,815,400 the first year and \$2,905,900 the second year is to reimburse the workers' compensation special compensation fund for benefits paid to injured workers with uninsured employers."

Page 50, delete line 5 and insert:

"\$2,108,000 \$2,060,600"

Page 50, line 7, delete "\$858,500" and insert "\$2,017,700" and delete "\$818,000" and insert "\$1,984,600"

Page 50, line 8, delete "\$1,259,400" and insert "\$90,300" and delete "\$1,267,700" and insert "\$76,000"

Page 50, line 21, delete "\$970,100" and insert "\$968,700" and delete "\$963,800" and insert "\$960,300"

Page 50, line 23, delete "\$305,700" and insert "\$754,300" and delete

“\$308,200” and insert “\$764,600”

Page 50, line 24, delete “\$664,400” and insert “\$214,400” and delete “\$655,600” and insert “\$195,700”

Page 50, delete lines 28 and 29

Correct the subdivision and section totals and the summaries by fund

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Kamrath	McQuaid	Sieloff
Belanger	Frederick	Knaak	Mehrkens	Storm
Benson	Frederickson	Knutson	Olson	Taylor
Bernhagen	Gustafson	Kronebusch	Peterson, D.L.	
Bertram	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	Lessard	Renneke	

Those who voted in the negative were:

Adkins	Dieterich	Luther	Peterson, D.C.	Schmitz
Berglin	Freeman	Merriam	Peterson, R.W.	Solon
Chmielewski	Johnson, D.J.	Moe, R.D.	Petty	Spear
Dahl	Jude	Nelson	Pogemiller	Stumpf
Davis	Kroening	Novak	Purfeerst	Vega
Dicklich	Langseth	Pehler	Reichgott	Waldorf
Diessner	Lantry	Peterson, C.C.	Samuelson	Willett

The motion did not prevail. So the amendment was not adopted.

Mr. Sieloff moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 209, delete section 282

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Renneke moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 28, delete lines 7 to 12

Correct the section totals and the summary by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	McQuaid	Renneke
Belanger	Frederick	Knaak	Olson	Sieloff
Benson	Frederickson	Kronebusch	Peterson, D.L.	Storm
Bernhagen	Isackson	Laidig	Ramstad	Taylor

Those who voted in the negative were:

Berglin	Frank	Luther	Peterson, R.W.	Spear
Bertram	Freeman	Merriam	Petty	Stumpf
Chmielewski	Gustafson	Moe, D.M.	Pogemiller	Vega
Dahl	Hughes	Moe, R.D.	Purfeerst	Waldorf
Davis	Johnson, D.J.	Nelson	Reichgott	Willett
Dicklich	Jude	Novak	Samuelson	
Diessner	Kroening	Pehler	Schmitz	
Dieterich	Lantry	Peterson, D.C.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederick moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Pages 209 and 210, delete section 283

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 31, delete lines 29 to 46

Correct the subdivision and section totals and the summaries by fund

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kamrath	Mehrkens	Sieloff
Anderson	Frederick	Knaak	Moe, D.M.	Storm
Belanger	Frederickson	Knutson	Olson	Taylor
Benson	Gustafson	Kronebusch	Peterson, D.L.	Waldorf
Bernhagen	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Berglin	Dieterich	Lantry	Pehler	Reichgott
Bertram	Freeman	Lessard	Peterson, C.C.	Schmitz
Chmielewski	Hughes	Luther	Peterson, D.C.	Solon
Dahl	Johnson, D.J.	Merriam	Peterson, R.W.	Spear
Davis	Jude	Moe, R.D.	Petty	Stumpf
Dicklich	Kroening	Nelson	Pogemiller	Willett
Diessner	Langseth	Novak	Purfeerst	

The motion did not prevail. So the amendment was not adopted.

Mr. Sieloff moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 278, lines 6 and 7, delete "296.10; 349.212, subdivision 3, as amended by Laws 1985, chapter 3, section 2;"

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 24, line 7, delete "\$8,035,200" and insert "\$8,535,200" and delete "\$8,049,700" and insert "\$8,549,700"

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Mehrkens	Sieloff
Belanger	Frederickson	Knutson	Olson	Storm
Benson	Gustafson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Isackson	Laidig	Purfeerst	
Brataas	Johnson, D.E.	Langseth	Ramstad	
Dahl	Kamrath	Lessard	Renneke	

Those who voted in the negative were:

Adkins	Frank	Luther	Petty	Stumpf
Berglin	Freeman	McQuaid	Pogemiller	Vega
Bertram	Hughes	Novak	Reichgott	Waldorf
Chmielewski	Johnson, D.J.	Pehler	Samuelson	Willet
Dicklich	Jude	Peterson, C.C.	Schmitz	
Diessner	Kroening	Peterson, D.C.	Solon	
Dieterich	Lantry	Peterson, R.W.	Spear	

The motion did not prevail. So the amendment was not adopted.

Mr. Sieloff moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Pages 221 and 222, delete section 303

Pages 228 to 246, delete sections 308 to 328

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 2, line 38, delete "336.9-302;"

Page 2, line 63, delete "and 361A"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Gustafson	Kronebusch	Peterson, R.W.	Taylor
Belanger	Isackson	Langseth	Renneke	Waldorf
Bernhagen	Kamrath	McQuaid	Samuelson	
Brataas	Knaak	Mehrkens	Sieloff	
Frederick	Knutson	Peterson, D.L.	Storm	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, D.C.	Spear
Berglin	Freeman	Luther	Petty	Stumpf
Bertram	Hughes	Merriam	Pogemiller	Vega
Chmielewski	Johnson, D.E.	Moe, R.D.	Purfeerst	Willet
Dahl	Johnson, D.J.	Novak	Ramstad	
Dicklich	Jude	Olson	Reichgott	
Diessner	Kroening	Pehler	Schmitz	
Dieterich	Lantry	Peterson, C.C.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Jude moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 29, line 26, delete "249.0" and insert "246.0"

Page 29, line 27, delete "189.0" and insert "187.5"

Page 29, delete line 31

Page 32, delete line 37, and insert:

"\$ 768,300 \$ 770,700"

Correct the subdivision and section totals and the summaries by fund

Page 278, line 8, after "12" insert "; and chapter 654, article 2, section 151"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kamrath	Mehrkens	Sieloff
Anderson	Frederick	Knaak	Merriam	Storm
Belanger	Frederickson	Knutson	Olson	Waldorf
Benson	Gustafson	Kronebusch	Pehler	
Bernhagen	Isackson	Laidig	Peterson, D.L.	
Brataas	Johnson, D.E.	Lessard	Ramstad	
Dieterich	Jude	McQuaid	Renneke	

Those who voted in the negative were:

Berglin	Freeman	Luther	Petty	Solon
Bertram	Hughes	Moe, R.D.	Pogemiller	Spear
Chmielewski	Johnson, D.J.	Novak	Purfeerst	Stumpf
Dahl	Kroening	Peterson, C.C.	Reichgott	Vega
Dicklich	Langseth	Peterson, D.C.	Samuelson	Willet
Diessner	Lantry	Peterson, R.W.	Schmitz	

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Pages 91 to 93, delete section 108

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

Mrs. Lantry moved to amend the Frederick amendment to H.F. No. 1641 as follows:

Delete lines 5 and 6 of the Frederick amendment and insert:

“Page 93, lines 21 to 25, delete subdivision 5 of section 108”

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Frederick amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Schmitz moved that the vote whereby the Frederick amendment, as amended, to H.F. No. 1641 was adopted on May 11, 1985, be now reconsidered. The motion prevailed.

The question recurred on the Frederick amendment, as amended.

The motion prevailed. So the Frederick amendment, as amended, was adopted.

Mr. Kamrath moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 255, line 26, after the stricken “\$7,500” insert “\$10,000” and reinstate the stricken “, or (b)”

Page 255, line 27, reinstate the stricken “(c)” and delete the new language

Page 257, line 8, before “Grants” insert “*The amount of an accessibility grant must not exceed \$15,000, and the total of accessibility grants and loans to a person or family must not exceed \$20,000.*”

Correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Kamrath then moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Pages 253 and 254, delete section 343

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Laidig	Ramstad
Belanger	Frederickson	Knaak	McQuaid	Renneke
Benson	Gustafson	Knutson	Mehrkens	Sieloff
Bernhagen	Isackson	Kronebusch	Olson	Storm

Those who voted in the negative were:

Adkins	Dieterich	Langseth	Novak	Samuelson
Berglin	Frank	Lantry	Pehler	Schmitz
Bertram	Freeman	Lessard	Peterson, C.C.	Solon
Chmielewski	Hughes	Luther	Peterson, D.C.	Spear
Dahl	Johnson, D.E.	Merriam	Peterson, R.W.	Stumpf
Davis	Johnson, D.J.	Moe, D.M.	Petty	Vega
Dicklich	Jude	Moe, R.D.	Purfeerst	Waldorf
Diessner	Kroening	Nelson	Reichgott	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Sieloff moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 334, delete section 57

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kamrath	McQuaid	Renneke
Belanger	Frederickson	Knaak	Mehrkens	Sieloff
Benson	Gustafson	Knutson	Olson	Storm
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	Taylor
Brataas	Johnson, D.E.	Laidig	Ramstad	Waldorf

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Peterson, C.C.	Solon
Berglin	Frank	Lessard	Peterson, D.C.	Spear
Bertram	Freeman	Luther	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Merriam	Petty	Vega
Dahl	Johnson, D.J.	Moe, R.D.	Purfeerst	Willet
Davis	Jude	Nelson	Reichgott	
Dicklich	Kroening	Novak	Samuelson	
Diessner	Langseth	Pehler	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Ms. Olson moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 20, delete lines 28 to 32 and insert:

“\$1,000,000 the first year is appropriated to the Hennepin county park reserve district to purchase Big Island veterans camp in order to operate it as a park.”

Correct the subdivision and section totals and the summaries by fund

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Gustafson	Knaak	Mehrkens	Taylor
Bernhagen	Isackson	Knutson	Olson	
Brataas	Jude	Laidig	Sieloff	
Frederickson	Kamrath	McQuaid	Storm	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, C.C.	Samuelson
Berglin	Frank	Luther	Peterson, D.C.	Schmitz
Bertram	Freeman	Merriam	Peterson, R.W.	Solon
Chmielewski	Johnson, D.E.	Moe, D.M.	Petty	Spear
Dahl	Johnson, D.J.	Moe, R.D.	Pogemiller	Stumpf
Davis	Kroening	Nelson	Purfeerst	Vega
Dicklich	Langseth	Novak	Ramstad	Waldorf
Diessner	Lantry	Pehler	Reichgott	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Ramstad moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 20, delete lines 28 to 32

Correct the subdivision and section totals and the summaries by fund

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	McQuaid	Sieloff
Belanger	Frederickson	Knaak	Mehrkens	Taylor
Benson	Gustafson	Kronebusch	Ramstad	
Bernhagen	Isackson	Laidig	Renneke	

Those who voted in the negative were:

Adkins	Dieterich	Langseth	Novak	Samuelson
Berglin	Frank	Lantry	Pehler	Schmitz
Bertram	Freeman	Lessard	Peterson, C.C.	Solon
Chmielewski	Hughes	Luther	Peterson, D.C.	Spear
Dahl	Johnson, D.E.	Merriam	Peterson, R.W.	Stumpf
Davis	Johnson, D.J.	Moe, D.M.	Petty	Vega
Dicklich	Jude	Moe, R.D.	Purfeerst	Waldorf
Diessner	Kroening	Nelson	Reichgott	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 32, delete lines 1 to 10

Correct the subdivision and section totals and the summaries by fund ac-

cordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 40, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Frederickson	Laidig	Samuelson
Anderson	Brataas	Isackson	McQuaid	Storm
Belanger	Dieterich	Johnson, D.E.	Mehrkens	
Benson	Frank	Kamrath	Olson	

Those who voted in the negative were:

Berglin	Hughes	Lantry	Peterson, C.C.	Schmitz
Bertram	Johnson, D.J.	Lessard	Peterson, D.C.	Sieloff
Chmielewski	Jude	Luther	Peterson, R.W.	Solon
Dahl	Knaak	Merriam	Petty	Spear
Davis	Knutson	Moe, R.D.	Pogemiller	Stumpf
Dicklich	Kroening	Nelson	Purfeerst	Taylor
Diessner	Kronebusch	Novak	Ramstad	Vega
Freeman	Langseth	Pehler	Reichgott	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 33, line 6, delete "4,898,500" and insert "4,771,900" and delete "4,907,300" and insert "4,780,100"

Page 33, line 8, delete "123.0" and insert "121.0" and delete "122.0" and insert "120.0"

Page 33, line 9, delete "79.5" and insert "77.5" and delete "79.5" and insert "77.5"

Correct the summaries by fund

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kamrath	McQuaid	Renneke
Belanger	Gustafson	Knaak	Mehrkens	Sieloff
Benson	Isackson	Knutson	Olson	Storm
Bernhagen	Johnson, D.E.	Kronebusch	Peterson, D.L.	Taylor
Brataas	Jude	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, R.W.	Spear
Berglin	Frank	Luther	Petty	Stumpf
Bertram	Freeman	Merriam	Pogemiller	Vega
Chmielewski	Hughes	Moe, D.M.	Purfeerst	Waldorf
Dahl	Johnson, D.J.	Moe, R.D.	Reichgott	Willet
Davis	Kroening	Pehler	Samuelson	
Dicklich	Langseth	Peterson, C.C.	Schmitz	
Diessner	Lantry	Peterson, D.C.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Jude moved to amend H.F. No. 1641, as amended by the Senate May 10, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1530.)

Page 6, delete lines 17 to 21

Page 277, delete lines 6 to 8

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D., moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 32 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	Lessard	Schmitz
Anderson	Frank	Kamrath	McQuaid	Sieloff
Belanger	Frederick	Knaak	Mehrkens	Storm
Benson	Frederickson	Knutson	Olson	Taylor
Bernhagen	Gustafson	Kronebusch	Peterson, D.L.	
Bertram	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	Langseth	Renneke	

Those who voted in the negative were:

Berglin	Hughes	Nelson	Pogemiller	Vega
Dahl	Johnson, D.J.	Novak	Purfeerst	Waldorf
Davis	Kroening	Pehler	Reichgott	Willet
Dicklich	Lantry	Peterson, C.C.	Samuelson	
Diessner	Luther	Peterson, D.C.	Solon	
Dieterich	Merriam	Peterson, R.W.	Spear	
Freeman	Moe, R.D.	Petty	Stumpf	

The motion prevailed. So the amendment was adopted.

H.F. No. 1641 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 39 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Peterson, C.C.	Schmitz
Berglin	Frederickson	Lantry	Peterson, D.C.	Solon
Bertram	Freeman	Lessard	Peterson, R.W.	Spear
Dahl	Gustafson	Luther	Petty	Stumpf
Davis	Hughes	Merriam	Pogemiller	Vega
Dicklich	Johnson, D.J.	Moe, R.D.	Purfeerst	Waldorf
Diessner	Jude	Nelson	Reichgott	Willet
Dieterich	Kroening	Novak	Samuelson	

Those who voted in the negative were:

Anderson	Frederick	Knutson	Moe, D.M.	Renneke
Belanger	Isackson	Kronebusch	Olson	Sieloff
Benson	Johnson, D.E.	Laidig	Pehler	Storm
Bernhagen	Kamrath	McQuaid	Peterson, D.L.	Taylor
Brataas	Knaak	Mehrkens	Ramstad	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that S.F. No. 1530, on General Orders, be stricken and laid on the table. The motion prevailed.

MEMBERS EXCUSED

Mr. Berg was excused from the Session of today.

Mr. Davis was excused from the Session of today from 9:00 to 11:00 a.m. Mr. Frank was excused from the Session of today from 10:30 to 11:00 a.m. Mr. Laidig was excused from the Session of today from 9:45 to 10:00 a.m. Ms. Reichgott was excused from the Session of today from 9:00 to 9:30 a.m. and 12:30 to 1:30 p.m. Mr. Freeman was excused from the Session of today from 9:10 to 9:50 a.m. Mr. Frederick was excused from the Session of today from 11:00 a.m. to 3:45 p.m. Mr. Dicklich was excused from the Session of today from 10:30 a.m. to 12:00 noon. Mr. Mehrkens was excused from the Session of today from 3:45 to 4:20 p.m. Mr. Pehler was excused from the Session of today from 12:25 to 1:30 p.m. Mr. DeCramer was excused from the Session of today at 3:45 p.m. Mr. Wegscheid was excused from the Session of today at 5:00 p.m. Mr. Chmielewski was excused from the Session of today at 6:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, May 13, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-NINTH DAY

St. Paul, Minnesota, Monday, May 13, 1985

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul A. Nordstrom.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1639:

Mr. Langseth, Mrs. Lantry, Messrs. Schmitz, Purfeerst and Mehrkens. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of five members of the House, on the amendments adopted by the House to the

following Senate File:

S.F. No. 5: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

There has been appointed as such committee on the part of the House:

Schafer, Gutknecht, McKasy, Valento and Kelly.

Senate File No. 5 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

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. 118, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 118: A bill for an act relating to public employee labor relations; regulating public employee mediation; regulating mediation and strikes concerning teachers; providing for arbitration awards in principal and assistant principal disputes; providing penalties; amending Minnesota Statutes 1984, sections 179A.14, subdivision 1; 179A.15; 179A.16, subdivision 7; 179A.17, subdivision 1; 179A.18, subdivisions 2 and 3; and 179A.20, subdivision 3.

Senate File No. 118 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 418:

H.F. No. 418: A bill for an act relating to local government; excluding firefighter and peace officer job classes from certain aspects of pay equity requirements; amending Minnesota Statutes 1984, section 179A.16, by adding a subdivision; 471.992; 471.993, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 471.9965.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Dempsey, Ozment and Jennings, L. have been appointed as such committee on the part of the House.

House File No. 418 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 418, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1641:

H.F. No. 1641: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; providing for the compensation of metropolitan government personnel; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1; 3.21; 3.85, subdivision 11; 3.9223, subdivision 1; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 15.50, subdivision 3; 16A.055, subdivision 1; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 16B.09, by adding a subdivision; 16B.29; 43A.07, subdivision 2; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, 16, and by adding subdivisions; 85A.04, subdivision 3; 86.72; 86.75; 97.4841, subdivision 3; 97.4842, subdivision 2; 97.50, subdivision 1; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and by adding a subdivision; 98.47, subdivision 1; 100.271, subdivision 2; 115.03, by adding a subdivision; 115A.05, subdivision 1; 115A.908, subdivisions 2 and 3; 116J.76; 116M.03, by adding a subdivision; 179A.03, subdivision 17; 179A.04, subdivision 3; 179A.13; 179A.16; 179A.21; 179A.25; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.07, subdivision 2a; 268.38, subdivisions 1, 2, 6, 7, and 8; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 361.03, subdivision 5; 361.27; 462C.05, subdivision 2, and by adding a subdivision; 462C.07, subdivision 1, and by adding a subdivision; 473.123, subdivision 5; 473.129, subdivision 2; 473.141, subdivisions 7 and 12; 473.605, subdivision 2; 473.606, subdivisions 1 and 5; 473.704, by adding a subdivision; 473.714; 487.01, subdivision 5; 609.101; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 85A; 97; 116; 139; and 270; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1984, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 46.15; 48.87; 69.031, subdivision 2; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 1; 115A.05, subdivision 3; 115A.201, subdivision 2; 115A.22, subdivision 4; 116M.06, subdivision 5; 116M.07, subdivision 3; 124.471;

179A.03, subdivision 3; 179A.05; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; 360.389; 403.01, subdivision 1; and Laws 1982, chapter 489, section 11.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

DenOuden, Piepho, Bishop, Miller and Battaglia have been appointed as such committee on the part of the House.

House File No. 1641 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Kroening moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1641, 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.

MOTIONS AND RESOLUTIONS

Mr. Spear moved that S.F. No. 693 be taken from the table. The motion prevailed.

S.F. No. 693: A bill for an act relating to crimes; providing for forfeitures of communications devices and proceeds derived from commission of designated offenses; amending Minnesota Statutes 1984, sections 152.19, subdivision 5; and 609.531.

CONCURRENCE AND REPASSAGE

Mr. Spear 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: A bill for an act relating to crimes; providing for forfeitures of communications devices and proceeds derived from commission of designated offenses; regulating the use, possession and sale of electronic incapacitation devices; imposing penalties; amending Minnesota Statutes 1984, sections 152.19, subdivision 5; 609.531; and 624.731.

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:

Adkins	Dicklich	Jude	Novak	Samuelson
Anderson	Diessner	Kamrath	Olson	Sieloff
Belanger	Dieterich	Knaak	Pehler	Spear
Benson	Frank	Knutson	Peterson, C. C.	Storm
Berg	Frederick	Kroening	Peterson, D. C.	Stumpf
Bernhagen	Frederickson	Kronebusch	Peterson, D. L.	Taylor
Bertram	Freeman	Lessard	Peterson, R. W.	Vega
Brataas	Gustafson	McQuaid	Petty	Waldorf
Chmielewski	Hughes	Merriam	Pogemiller	Willet
Dahl	Isackson	Moe, D. M.	Ramstad	
Davis	Johnson, D.E.	Moe, R. D.	Reichgott	
DeCramer	Johnson, D.J.	Nelson	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott introduced—

Senate Resolution No. 88: A Senate resolution congratulating the Robinsdale-Cooper High School team, and particularly Todd Kos, Steve Zahn, and Mary Bouta on their superior performance at the Minnesota State High School Speech Tournament.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 83: A bill for an act relating to courts; eliminating restrictions on the chief judge's ability to make assignments to juvenile court in Hennepin and Ramsey counties; amending Minnesota Statutes 1984, section 260.019, subdivision 3.

Mr. Sieloff moved to amend H.F. No. 83, as amended by the Committee on Judiciary, adopted by the Senate April 24, 1985, as follows:

Delete the amendment to section 1

Page 1, lines 13 and 14 of H.F. No. 83, reinstate the stricken language

Page 1, line 14, after the period insert "A party appearing before the juvenile court may upon request have any matter or proceeding heard before a judge who is not assigned to the juvenile court."

Page 1, after line 14, insert:

"Sec. 2. [DESIGNATION OF JUVENILE COURT JUDGE.]

Notwithstanding the provisions of Minnesota Statutes, section 260.019, subdivision 3, the chief judge in Hennepin and Ramsey counties may designate any judge to hear cases under sections 260.011 to 260.301 as a principal assignment regardless of how long the judge has served on that assignment.

Sec. 3. [REPEALER.]

Section 2 is repealed effective August 1, 1987."

Page 1, line 16, delete "*Section 1 is*" and insert "*Sections 1 to 3 are*"

Amend the title as follows:

Delete the amendment to the title

Page 1, line 2 of H.F. No. 83, after the semicolon, insert "temporarily"

Page 1, line 4, after the semicolon, insert "allowing a party to transfer a proceeding to a judge who is not assigned to the juvenile court;"

Mr. Pogemiller moved to amend the Sieloff amendment to H.F. No. 83 as follows:

Page 1, delete lines 6 to 9

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the Sieloff amendment.

The roll was called, and there were yeas 33 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Gustafson	Merriam	Taylor
Anderson	Diessner	Isackson	Moe, D. M.	Vega
Berg	Dieterich	Jude	Peterson, R. W.	Waldorf
Bernhagen	Frank	Knaak	Sieloff	Wegscheid
Bertram	Frederick	Laidig	Solon	Willet
Brataas	Frederickson	Lantry	Spear	
Chmielewski	Freeman	Lessard	Storm	

Those who voted in the negative were:

Belanger	Johnson, D.E.	McQuaid	Peterson, C.C.	Stumpf
Dahl	Kamrath	Mehrkens	Petty	
DeCramer	Kroening	Moe, R. D.	Pogemiller	
Dicklich	Kronebusch	Novak	Ramstad	
Hughes	Luther	Olson	Reichgott	

The motion prevailed. So the amendment was adopted.

H.F. No. 83 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 5, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Isackson	McQuaid	Solon
Anderson	Dicklich	Johnson, D.E.	Mehrkens	Spear
Belanger	Diessner	Jude	Moe, D. M.	Storm
Berg	Dieterich	Kamrath	Moe, R. D.	Stumpf
Bernhagen	Frank	Knaak	Novak	Taylor
Bertram	Frederick	Kroening	Olson	Vega
Brataas	Frederickson	Kronebusch	Peterson, C.C.	Waldorf
Chmielewski	Freeman	Laidig	Peterson, R.W.	Wegscheid
Dahl	Gustafson	Lantry	Pogemiller	Willet
Davis	Hughes	Lessard	Sieloff	

Those who voted in the negative were:

Luther Merriam Petty Ramstad Reichgott

So the bill, as amended, passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Solon moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 3:45 p.m.:

Messrs. Samuelson, Knutson, Solon, Spear and Ms. Berglin. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 88 at 4:00 p.m.:

Messrs. Nelson; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Peterson, D.L. The motion prevailed.

SPECIAL ORDER

S.F. No. 928: A bill for an act relating to occupations and professions; providing for licensure of persons engaged in the sale of hearing instruments; requiring the commissioner of health to reconsider the application of speech language pathologists and audiologists for credentialing; appropriating money; providing a penalty; proposing coding for new law as Minnesota Statutes, chapter 153A.

Mr. Wegscheid moved to amend S.F. No. 928 as follows:

Page 2, line 29, delete "13" and insert "14"

Page 3, delete lines 2 to 8 and insert:

"Persons licensed under chapter 147 are exempt from the requirements of sections 1 to 12. Audiologists who hold the certificate of clinical competence of the American Speech, Language, and Hearing Association are exempt from examination and education requirements under sections 1 to 12, but must obtain a license and pay a fee determined by the commissioner. Sections 1 to 12 do not otherwise preclude or limit the testing of hearing by persons exempt under this section."

The motion prevailed. So the amendment was adopted.

S.F. No. 928 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Isackson	Luther	Pogemiller
Anderson	Dicklich	Johnson, D.E.	McQuaid	Ramstad
Belanger	Diessner	Jude	Mehrkens	Reichgott
Benson	Dieterich	Kamrath	Merriam	Storm
Berg	Frank	Knaak	Moe, D. M.	Stumpf
Bernhagen	Frederick	Kroening	Moe, R. D.	Taylor
Bertram	Frederickson	Kronebusch	Novak	Vega
Chmielewski	Freeman	Laidig	Olson	Waldorf
Dahl	Gustafson	Lantry	Peterson, C.C.	Wegscheid
Davis	Hughes	Lessard	Petty	Willet

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 588: A bill for an act relating to the University of Minnesota; appropriating money for road improvements in the city of Falcon Heights.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Kamrath	Moe, D. M.	Solon
Belanger	Dieterich	Knaak	Moe, R. D.	Storm
Benson	Frank	Kroening	Novak	Stumpf
Berg	Frederick	Kronebusch	Olson	Taylor
Bernhagen	Frederickson	Laidig	Peterson, C.C.	Vega
Bertram	Freeman	Lantry	Petty	Waldorf
Brataas	Gustafson	Lessard	Pogemiller	Willet
Chmielewski	Hughes	Luther	Ramstad	
Dahl	Isackson	McQuaid	Reichgott	
DeCramer	Johnson, D.E.	Mehrkens	Renneke	
Dicklich	Jude	Merriam	Sieloff	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1014: A bill for an act relating to crimes; clarifying the prosecution for failure to appear in court; prohibiting diversion of corporate property; authorizing criminal trials with petit juries composed of six persons for gross misdemeanor prosecutions; admitting into evidence for impeachment purposes certain convictions of prior driving offenses; amending Minnesota Statutes 1984, sections 169.92, subdivision 1; and 593.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 302A and 634.

Mr. Petty moved to amend S.F. No. 1014 as follows:

Page 2, after line 14, insert:

“Sec. 4. Minnesota Statutes 1984, section 611.033, is amended to read:

611.033 [COPY OF CONFESSION OR ADMISSION.]

A statement, confession, or admission in writing shall not be received in evidence in any criminal proceeding against any defendant unless within a reasonable time of the taking thereof the defendant is furnished with a copy thereof and which statement, confession, or admission shall have endorsed thereon or attached thereto the receipt of the accused or certification of a peace officer which shall state that a copy thereof has been received by or made available to the accused. *Nothing in this section shall require that a videotape, audiotape, or transcript thereof, be given to the defendant at the time the statement, confession, or admission is made, or within a reasonable time thereafter, provided the videotape or audiotape is available to the defendant in discovery pursuant to the rules of criminal procedure.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert “clarifying the receipt of a copy

of a confession or admission;”

Page 1, line 10, after the semicolon, insert “611.033;”

The motion prevailed. So the amendment was adopted.

Mr. Petty then moved to amend S.F. No. 1014 as follows:

Pages 1 and 2, delete section 2 and insert:

“Sec. 2. [302A.556] [CRIMINAL LIABILITY.]

Whoever does any of the following with intent to defraud is guilty of a crime and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both:

(1) diverts corporate property to purposes other than those stated in the articles of incorporation or, if no purposes are stated in the articles of incorporation, to purposes other than general business purposes;

(2) authorizes or makes a distribution in violation of section 302A.551; or

(3) deceives the public or individuals in relation to the corporation's means or liabilities.”

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend S.F. No. 1014 as follows:

Page 1, after line 13, insert:

“Section 1. Minnesota Statutes 1984, section 169.02, subdivision 1, is amended to read:

Subdivision 1. The provisions of this chapter relating to the operation of vehicles refer exclusively to the operation of vehicles upon highways, and upon highways, streets, private roads, and roadways situated on property owned, leased, or occupied by the regents of the University of Minnesota, or the University of Minnesota, except:

(1) Where a different place is specifically referred to in a given section;

(2) The provisions of sections 169.09 to 169.13 shall apply upon highways and elsewhere throughout the state to any person who drives, operates, or is in physical control of a motor vehicle within this state or upon the ice of any boundary water of this state.

Sec. 2. Minnesota Statutes 1984, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state:

(a) When the person is under the influence of alcohol;

(b) When the person is under the influence of a controlled substance;

(c) When the person is under the influence of a combination of any two or more of the elements named in clauses (a) and (b);

(d) When the person's alcohol concentration is 0.10 or more; or

(e) When the person's alcohol concentration as measured within two hours of the time of driving is 0.10 or more.

~~The provisions of this subdivision apply, but are not limited in application, to any person who drives, operates, or is in physical control of any motor vehicle in the manner prohibited by this subdivision upon the ice of any lake, stream, or river, including but not limited to the ice of any boundary water.~~

Sec. 3. Minnesota Statutes 1984, section 169.123, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state *or upon the ice of any boundary water of this state* consents, subject to the provisions of this section and section 169.121, to a chemical test of his blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist: (1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity with it; or (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death; or (3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or (4) the screening test was administered and recorded an alcohol concentration of 0.10 or more.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine if the person is under the influence of alcohol or a controlled substance;

(2) that if testing is refused, the person's right to drive will be revoked for a minimum period of one year or, if the person is under the age of 18 years, for a period of one year or until he or she reaches the age of 18 years, whichever is greater;

(3) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a minimum period of 90 days or, if the person is under the age of 18 years, for a period of six months or until he or she reaches the age of 18 years, whichever is greater;

(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by a person of his own choosing; and

(5) that if he refuses to take a test, the refusal will be offered into evidence against him at trial.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. However, if the officer directs that the test shall be of a person's blood or urine, the person may choose whether the test shall be of his blood or urine.

Sec. 4. Minnesota Statutes 1984, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before his driver's license or driver's privilege has been reinstated following its cancellation, suspension or revocation (1) because he drove, operated, or was in physical control of a motor vehicle while under the influence of alcohol or a controlled substance or while he had an alcohol concentration of 0.10 or more or (2) because he refused to take a test which determines the presence of alcohol or a controlled substance when requested to do so by a proper authority, is guilty of a gross misdemeanor. Jurisdiction over prosecutions under this section is in the county court."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for the application of certain traffic regulations; eliminating redundant and surplus language;"

Page 1, line 9, after "sections" insert "169.02, subdivision 1; 169.121, subdivision 1; 169.123, subdivision 2; 169.129;"

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend S.F. No. 1014 as follows:

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1984, section 14.02, subdivision 4, is amended to read:

Subd. 4. [RULE.] "Rule" means every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. It does not include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to the internal management of institutions under the commissioner's control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with section 97.53; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the comprehensive statewide plan of the crime control planning board provided in section 299A.03; (i) special terms and conditions for an interim certificate of confirmation of the Minnesota cable communications board provided in section 238.09; or (j) occupational safety

and health standards provided in section 182.655; or (k) rules of the commissioner of public safety adopted pursuant to section 169.128.

Sec. 2. Minnesota Statutes 1984, section 169.128, is amended to read:

169.128 [RULES OF THE COMMISSIONER OF PUBLIC SAFETY.]

The commissioner of public safety may promulgate *permanent or emergency* rules to carry out the provisions of sections 169.121 and 169.123. The rules may include forms for notice of intention to revoke, which shall describe clearly the right to a hearing, the procedure for requesting a hearing, and the consequences of failure to request a hearing; forms for revocation and notice of reinstatement of driving privileges as provided in section 169.1261; and forms for temporary licenses.

Rules promulgated pursuant to this section are ~~exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the commissioner may use the provisions of section 14.38, subdivisions 5 to 9 subject to sections 14.01 to 14.20 and 14.29 to 14.69.~~

Sec. 3. [RULES REPEALED.]

Minnesota Rules, chapter 7412 is repealed. The commissioner of public safety may adopt rules to carry out the provisions of sections 169.121 and 169.123 only pursuant to section 2."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "crimes" and insert "public safety; subjecting rules relating to drunk driving to certain provisions of the administrative procedure act; repealing rules"

Page 1, line 9, after "sections" insert "14.02, subdivision 4; 169.128;"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 1014 as follows:

Page 1, after line 24, insert:

"Sec. 2. Minnesota Statutes 1984, section 171.17, is amended to read:

171.17 [REVOCATION.]

The department shall forthwith revoke the license of any driver upon receiving a record of such driver's conviction of any of the following offenses:

(1) Manslaughter or criminal negligence resulting from the operating of a motor vehicle;

(2) Any violation of section 169.121;

(3) Any felony in the commission of which a motor vehicle was used;

(4) Failure to stop and disclose identity and render aid, as required under the laws of this state, in the event of a motor vehicle accident resulting in the death or personal injury of another;

(5) Perjury or the making of a false affidavit or statement to the department

under any law relating to the ownership or operation of a motor vehicle;

(6) Except as this section otherwise provides, conviction, plea of guilty, or forfeiture of bail not vacated, upon three charges of violating, within a period of 12 months any of the provisions of chapter 169, or of the rules, regulations, or municipal ordinances enacted in conformance therewith for which the accused may be punished upon conviction by imprisonment;

(7) Conviction of an offense in another state which, if committed in this state, would be grounds for the revocation of the driver's license;

(8) *Fleeing a peace officer by means of a motor vehicle.*

When any judge of a juvenile court, or any of its duly authorized agents, shall determine, formally or informally, that any person under the age of 18 years has committed any offense defined in this section, such judge, or duly authorized agent, shall immediately report such determination to the department; and the commissioner shall immediately revoke the license of that person.

Upon revoking the license of any person, as hereinbefore in this chapter authorized, the department shall immediately notify the licensee, in writing, by depositing in the United States post-office a notice addressed to the licensee at his last known address, with postage prepaid thereon."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring revocation of the drivers license of a person who flees in a motor vehicle from a peace officer;"

Page 1, line 9, before "and" insert "171.17;"

The motion prevailed. So the amendment was adopted.

Mr. Jude moved to amend S.F. No. 1014 as follows:

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1984, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] A person who violates this section or an ordinance in conformity with it is guilty of a misdemeanor.

The following persons are guilty of a gross misdemeanor:

(a) A person who violates this section or an ordinance in conformity with it within five years of a prior conviction under this section, section 169.129, an ordinance in conformity with either of them; or a statute or ordinance from another state in conformity with either of them; and

(b) A person who violates this section or an ordinance in conformity with it within ten years of two or more prior convictions under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them.

For purposes of this subdivision, a prior juvenile adjudication under this section, section 169.129, an ordinance in conformity with either of them, or a

statute or ordinance from another state in conformity with either of them is a prior conviction.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior convictions under this section from a court, the court must furnish the information without charge."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring courts to furnish information relating to prior convictions without charge in gross misdemeanor prosecutions of the driving while under the influence of alcohol law;"

Page 1, line 9, after "sections" insert "169.121, subdivision 3;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1014 was then progressed.

RECONSIDERATION

Mr. Dieterich moved that the vote whereby S.F. No. 1103 failed to pass the Senate on May 10, 1985, be now reconsidered. The motion prevailed.

S.F. No. 1103: A bill for an act relating to intoxicating liquor; permitting counties to issue off-sale licenses and combination licenses in towns; amending Minnesota Statutes 1984, section 340.11, subdivision 10a; repealing Minnesota Statutes 1984, section 340.11, subdivision 10b.

Mr. Dieterich moved that S.F. No. 1103 be placed at the top of General Orders. The motion prevailed.

SPECIAL ORDER

H.F. No. 592: A bill for an act relating to local government; permitting the establishment of special service districts in the city of New Ulm; providing taxing and other financial authority for New Ulm.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Laidig	Reichgott
Anderson	Davis	Isackson	Lessard	Renneke
Belanger	Dicklich	Johnson, D.E.	McQuaid	Sieloff
Benson	Diessner	Johnson, D.J.	Merriam	Storm
Berg	Dieterich	Jude	Moe, D.M.	Stumpf
Bernhagen	Frank	Kamrath	Moe, R.D.	Vega
Bertram	Frederickson	Knaak	Novak	Waldorf
Brataas	Freeman	Kroening	Pogemiller	Wegscheid
Chmielewski	Gustafson	Kronebusch	Ramstad	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 98: A bill for an act relating to retirement; expanding the availability of certain appropriations for actuarial services.

Mr. Moe, D.M. moved to amend H.F. No. 98, the second unofficial engrossment, as follows:

Page 7, line 17, delete "are appropriated" and insert "must be paid"

Page 7, line 30, before "for" insert "from the general fund"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend H.F. No. 98, the second unofficial engrossment, as follows:

Pages 6 and 7, delete sections 7 and 8 and insert:

"Sec. 7. [POST RETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.]

Subdivision 1. [ENTITLEMENT.] Any person who is receiving a retirement annuity, a disability benefit or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 3, 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 3, clause (4), or prior to July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 3, clause (1), (2), (3), or (5), and any person who is receiving either an annuity which was computed under the laws in effect prior to March 5, 1974, or a "\$2 bill and annuity" annuity from the retirement fund specified in subdivision 3, clause (6), and any person who is receiving a retirement annuity, a disability benefit or a surviving spouse's annuity or benefit from the retirement fund specified in subdivision 3, clause (5), which was computed under the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on or prior to December 31, 1977, shall be entitled to receive a post retirement adjustment from the applicable retirement fund in the amount specified in subdivision 2.

Subd. 2. [AMOUNT OF POST RETIREMENT ADJUSTMENT; PAYMENT.] For any person receiving an annuity or benefit on November 30, 1985, or on November 30, 1986, and entitled to receive a post retirement adjustment pursuant to subdivision 1, the post retirement adjustment shall be a lump sum payment in an amount equal to \$18 during 1985 and \$19 during 1986 for each full year of allowable service credited to the person by the respective retirement fund. The post retirement adjustment provided for in this section shall be payable for those persons receiving an annuity or benefit on November 30, 1985, on December 1, 1985, and for those persons receiving an annuity or benefit on November 30, 1986, on December 1, 1986. Nothing in this section shall authorize the payment of a post retirement adjustment to an estate. Notwithstanding Minnesota Statutes, section 356.18, the post retirement adjustment provided for in this section shall be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the post retirement adjustment not be paid.

Subd. 3. [COVERED RETIREMENT FUNDS.] The post retirement ad-

justment provided for in this section shall apply to the following retirement funds:

- (1) public employees retirement fund;
- (2) public employees police and fire fund;
- (3) teachers retirement fund;
- (4) state patrol retirement fund;
- (5) state employees retirement fund of the Minnesota state retirement system; and
- (6) Minneapolis employees retirement fund.

Subd. 4. [TERMINAL AUDIT.] Each covered retirement fund as specified in subdivision 3 shall, as soon as is practical following the payment of the December 1, 1986, post retirement adjustment, calculate the amount of any appropriation apportioned to it which is in excess of the amounts required to pay the post retirement adjustments provided for in this act. The calculations required by this subdivision shall be reported to and verified by the commissioner of finance and amounts equal to these reported excess appropriation amounts shall be returned to the general fund.

Sec. 8. [APPROPRIATION.]

There is hereby appropriated during the 1986-87 biennium, the amount of \$11,429,317 for the purpose of funding the post retirement adjustments provided for in this section. The appropriation shall be apportioned to the retirement funds paying the post retirement adjustment as follows:

	FY 1986	FY 1987
public employees retirement fund	\$1,849,896	\$1,821,454
public employees police and fire fund	76,338	76,551
teachers retirement fund	1,569,042	1,566,075
state patrol retirement fund	59,328	59,489
state employees retirement fund	1,316,736	1,320,386

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Johnson, D.J.	McQuaid	Stumpf
Belanger	Frederick	Kamrath	Novak	Taylor
Benson	Frederickson	Knaak	Peterson, C.C.	Vega
Brataas	Freeman	Kronebusch	Purfeerst	Waldorf
Chmielewski	Hughes	Langseth	Ramstad	Willet
Davis	Isackson	Lantry	Renneke	
DeCramer	Johnson, D.E.	Lessard	Sieloff	

Those who voted in the negative were:

Adkins	Dahl	Gustafson	Luther	Petty
Berg	Diessner	Jude	Merriam	Pogemiller
Bernhagen	Dieterich	Kroening	Moe, D.M.	Spear
Bertram	Frank	Laidig	Moe, R.D.	Storm

The motion prevailed. So the amendment was adopted.

H.F. No. 98 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Moe, D.M.	Spear
Anderson	Diessner	Kamrath	Moe, R.D.	Storm
Belanger	Dieterich	Knaak	Novak	Stumpf
Benson	Frank	Kroening	Peterson, C.C.	Taylor
Berg	Frederick	Kronebusch	Petty	Vega
Bernhagen	Frederickson	Laidig	Pogemiller	Waldorf
Bertram	Freeman	Langseth	Purfeerst	Wegscheid
Brataas	Gustafson	Lantry	Ramstad	Willet
Chmielewski	Hughes	Lessard	Reichgott	
Dahl	Isackson	Luther	Renneke	
Davis	Johnson, D.E.	McQuaid	Schmitz	
DeCramer	Johnson, D.J.	Merriam	Sieloff	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 440: A bill for an act relating to retirement; making various changes in laws governing public retirement funds; amending Minnesota Statutes 1984, sections 3.85, subdivisions 11 and 12; 353.657, subdivision 2a; 354.44, subdivision 6; 354A.35, subdivision 1; 356.20, subdivision 4; 356.215, subdivision 4; 356.216; and 356.70.

Mr. Moe, D.M. moved to amend H.F. No. 440, the unofficial engrossment, as follows:

Page 6, line 33, after "but" insert "*service as determined on a fractional basis*"

Page 12, line 12, after "fund" insert "*, the teachers retirement fund,*"

Page 14, line 17, after "fund" insert "*or the teachers retirement fund, or would have been eligible for coverage under those funds but for this subdivision,*"

Page 14, line 18, after "44" insert "*, and are eligible for social security coverage under the agreement between the state and the secretary of health and human services*"

Page 14, line 21, delete "*the fifth and eighth*" and insert "*all*"

Page 14, line 25, after "except" insert "*those*" and delete "*of the transit*"

Page 14, line 26, delete "*operating division*" and insert "*covered by an agreement with an exclusive bargaining agent*"

Page 14, line 28, after "officers" insert "*, except county sheriffs,*"

Page 14, line 36, delete "*and*"

Page 15, line 2, delete the period and insert "*, and*"

Page 15, after line 2, insert:

“(9) *presidents, vice presidents, chancellors, vice chancellors, directors, deans, assistant vice presidents, assistant deans, associate deans, executive assistants, and associate vice chancellors of the state university system.*”

Page 16, line 35, before the period, insert “

An employee in a position with retirement coverage under the basic program in the public employees retirement fund is not entitled to participate in the plan unless the employee leaves the position and begins employment more than 30 days later in a position with retirement coverage under the plan”

Page 17, line 4, after “official” insert “(1)”

Page 17, line 7, after “and” insert “(2)”

Page 18, line 23, delete “and” and after “1” insert “, 354.44, 354.45, 354.48, and 354.60”

Page 18, line 25, delete “or” and insert a comma and after “353.33” insert “, or 354.48”

Page 21, lines 23, 28, and 35, delete “act” and insert “section”

Page 22, lines 1 and 3, delete “act” and insert “section”

Page 22, after line 11, insert:

“Sec. 25. Minnesota Statutes 1984, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] “Allowable service” means:

(1) Service during years of actual membership in the course of which employee contributions were currently made; periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which he later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(2) Any period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(3) Any period of authorized leave of absence without pay which does not exceed one year, and during or for which a member obtained credit by payments to the fund made in lieu of salary deductions, provided that such payments are made in an amount or amounts based on his average salary on which deductions were paid (a) for the last six months of public service, or (b) that portion of the last six months while he was in public service, to apply to the period in either case immediately preceding commencement of such leave of absence; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion thereof, he shall also, as a condition to the exercise of such election, pay to the fund an amount equivalent to both the required employer and additional employer contributions therefor, such payment to be made currently or within one year from the date the leave of absence terminates, unless the employer by appropriate action of its governing body and made a part of its official records, prior to the date of the first payment of such

employee contribution, certifies to the association in writing that it will cause to be paid such employer and additional employer contributions from the proceeds of a tax levy made pursuant to section 353.28. Payments under this clause shall include interest at the rate of six percent per annum from the date of the termination of the leave of absence to the date payment is made.

(4) Any period during which a member is on an authorized sick leave of absence, without pay limited to one year, or an authorized temporary layoff.

(5) Any period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service pursuant to section 192.262, and pays into the fund employee contributions based upon his salary at the date of return from military service. After June 30, 1983 payment must be made within five years of the date of discharge from the military service. The amount of these contributions shall be in accord with the contribution rates and salary limitations, if any, in effect during such leave, plus interest thereon at six percent per annum compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, shall be paid by the department employing such member upon his return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor. Such member shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty.

(6) *For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the community corrections act, Minnesota Statutes 1984, chapter 401, and transferred into county service under Minnesota Statutes 1984, section 401.04, allowable service means combined years of allowable service as defined in Minnesota Statutes 1984, section 352.01, subdivision 11, and Minnesota Statutes 1984, section 353.01, subdivision 16, paragraphs (1) to (5).*

Page 23, after line 10, insert:

“Sec. 27. Minnesota Statutes 1984, section 353.271, subdivision 2, is amended to read:

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.]

(1) ~~Effective July 1, 1973,~~ For members retiring, the required reserves determined ~~on a five percent~~ using the post-retirement interest assumption specified in section 356.215, subdivision 4d, shall be transferred to the Minnesota post-retirement investment fund as of the date of retirement.

(2) Annuity payments shall be adjusted in accordance with the provisions of section 11A.18.

(3) Notwithstanding section 356.18, increases in payments pursuant to this section will be made automatically unless the intended recipient files written notice with the public employees retirement association requesting that the increase shall not be made.”

Page 24, after line 21, insert:

“Sec. 30. Minnesota Statutes 1984, section 354.05, subdivision 2, is

amended to read:

Subd. 2. [TEACHER.] "Teacher" includes any person who renders service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state located outside of the corporate limits of the cities of the first class as those cities were so classified on January 1, 1979, or in the state universities, or in any charitable or state institution including penal and corrective institutions supported, in whole or in part, by public funds, or who is engaged in educational administration in connection with the state public school system, including the state university system and state community college system, but excluding the University of Minnesota, whether the position be a public office or an employment, not including members of any general governing or managing board or body connected with the systems, or the officers of common, independent, special, or associated school districts, or unorganized territory. The term shall also include an employee of the teachers retirement association unless the employee is covered by the Minnesota state retirement system by virtue of prior employment by the association, and any nurse, counselor, social worker, therapist or psychologist who renders service in the public schools as defined above or in state universities. The term shall also include any person who renders teaching service on a part time basis and who also renders other services for a school district. In such cases, the teachers retirement association shall have the authority to determine whether all or none of the combined employment shall be covered by the teachers retirement association. *The term does not include an employee described in section 352D.02, subdivision 1a, clause (9), who is hired after the effective date of this act.* The term does not mean any person who works for a school or institution as an independent contractor. The term shall not include any person 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 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 on forms prescribed by the executive 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 training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution. The term shall not include any person holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year. The term also shall not include a person exempt from licensure pursuant to section 125.031 or any person who was excluded from membership prior to January 1, 1981 pursuant to Laws 1978, chapter 556, section 1 and Laws 1980, chapter 342, section 8, if the person annually certifies on a form prescribed by the executive director that the person has established and is contributing to an individual retirement account which is based on non-teaching employment."

Page 28, line 36, after "6" insert "or any other physical examinations required by the board. Payment of the disability benefit provided in this

subdivision during a period of partial reemployment shall be discontinued if the board finds that the member is no longer totally and permanently disabled"

Page 36, line 13, strike the colon and insert "*the information required in subdivisions 4a to 4k.*"

Page 36, line 14, strike "(1)" and insert "*Subd. 4a. [NORMAL COST.]*"

Page 36, lines 16 and 17, strike ", computed" and insert "*must be calculated*"

Page 36, line 21, strike "(2)" and insert "*Subd. 4b. [ACCRUED LIABILITY.]*"

Page 36, line 23, after "costs" insert "*must be*"

Page 36, line 25, strike "(3)" and insert "*Subd. 4c. [DEFINED CONTRIBUTION ACCUMULATIONS.]*"

Page 36, line 28, before the period, insert "*must be calculated*"

Page 36, line 32, strike "(4)" and insert "*Subd. 4d. [INTEREST ASSUMPTIONS.]*"

Page 37, lines 1 and 13, before the period, insert "*must be used*"

Page 37, line 14, strike "(5)" and insert "*Subd. 4e. [OTHER ASSUMPTIONS.]*"

Page 37, line 18, strike "and" and insert "*may be utilized. These other assumptions must be*"

Page 37, line 19, strike "(6)" and insert "*Subd. 4f. [ACTUARIAL BALANCE SHEET.]*" and strike "showing" and insert "*must show*"

Page 39, line 18, strike "(7)" and insert "*Subd. 4g. [AMORTIZATION CONTRIBUTIONS.]*"

Page 39, line 20, before the period, insert "*must be calculated*"

Page 41, line 29, strike "(8)" and insert "*Subd. 4h. [ACTUARIAL GAINS AND LOSSES.]*"

Page 41, line 31, before the period, insert "*must be provided*"

Page 42, line 13, strike "(9)" and insert "*Subd. 4i. [MEMBERSHIP TABULATION.]*"

Page 42, line 14, before the period, insert "*must be provided*"

Page 43, line 14, strike "(10)" and insert "*Subd. 4j. [ADMINISTRATIVE EXPENSES.]*" and after "expenses" insert "*must be provided*"

Page 43, line 16, strike "(11)" and insert "*Subd. 4k. [PLAN SUMMARY.]*"

Page 43, line 17, before the period, insert "*must be included*"

Page 47, delete lines 8 to 17 and insert:

"Any member of the teachers retirement association who has been employed or is presently employed by an organization designated in Minnesota

Statutes 1984, section 354.41, subdivision 4, may purchase up to ten years of allowable service credit in the teachers retirement association for service rendered to the organization. Service credit for the service rendered shall be credited upon payment in accordance with the methods prescribed in Minnesota Statutes 1980, section 354.41, subdivision 6. Payment shall be made before July 1, 1986, or date of retirement, whichever is earlier."

Page 47, line 21, delete "either"

Page 47, line 22, delete "or" and insert a comma and delete "association" and insert "fund, or the teachers retirement fund"

Page 47, line 28, delete "or" and insert a comma

Page 47, line 29, delete "association" and insert "fund, or the teachers retirement fund"

Page 47, lines 31 and 33, delete "90" and insert "180"

Page 48, after line 15, insert:

"Sec. 50. [ST. PAUL BUREAU OF HEALTH.]

Any employee of the St. Paul bureau of health who exercised an option granted to employees by Laws 1973, chapter 767, section 4, to retire with benefits calculated under Minnesota Statutes 1967, chapter 425, as modified by Laws 1969, chapter 1102, and who retired under the provisions of that bureau of health plan shall be entitled to receive from the public employees retirement association the greater of either the benefit received on the effective date of this section or a revised benefit. The revised benefit shall be computed based on the employee's years of service and high five years average salary as of the employee's actual date of retirement reduced by one-half of one percent for each month that the employee was under age 65 at the time of the retirement. The revised benefit shall include the appropriate increases provided from the post-retirement investment fund."

Page 48, after line 19, insert:

"Sec. 52. [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 Minnesota Statutes 1984	column B Minnesota Statutes 1984	column C
3.85, subdivision 12	356.215, subdivision 4	356.215, subdivisions 4 to 4k
3A.11, subdivision 1	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
69.77, subdivision 2, clause (2)	356.215, subdivision 4	356.215, subdivisions 4 to 4k
69.77, subdivision 2, clause (2), paragraph (b)	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
69.773, subdivision 4	356.215, subdivision 4	356.215, subdivisions 4 to 4k
69.773, subdivision 4, clause (b), paragraphs (ii),	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
	(iv), and (vi)	

352.85, subdivision 6	356.215, subdivision 4	356.215, subdivisions 4 to 4k
352.86, subdivision 4	356.215, subdivision 4	356.215, subdivisions 4 to 4k
352B.26, subdivision 3	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
354.07, subdivision 1	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
354.532, subdivision 1	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
354A.34	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
354A.41, subdivision 2	356.215, subdivision 4, clause (7)	356.215, subdivision 4g
356.216	356.215, subdivision 4, clause (2)	356.215, subdivision 4g
356.216	356.215, subdivision 4, clause (10)	356.215, subdivision 4j
356.22	356.215, subdivision 4, clause (7)	356.215, subdivision 4g
356.451, subdivision 1	356.215, subdivision 4, clauses (1), (2), (6)(a), and 11	356.215, subdivisions 4, 4a, 4b, 4f, and 4k
422A.06, subdivision 5	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
423A.02	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
424A.02, subdivision 7	356.215, subdivision 4, clause (4)	356.215, subdivision 4d"

Page 48, line 26, after "24" insert ", 25, 27, 28," and delete "26" and insert "30"

Page 48, line 27, delete "30" and insert "33"

Page 48, line 28, after the period, insert "Section 50 is effective June 30, 1985."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, delete the first "subdivision" and insert "subdivisions" and after "2a" insert "and 16"

Page 1, line 12, after the second semicolon, insert "353.271, subdivision 2;"

Page 1, line 13, after the second semicolon, insert "354.05, subdivision 2;"

Mr. Frederickson requested division of the amendment as follows:

First Portion:

Page 6, line 33, after "but" insert "service as determined on a fractional basis"

Page 16, line 35, before the period, insert "

An employee in a position with retirement coverage under the basic pro-

gram in the public employees retirement fund is not entitled to participate in the plan unless the employee leaves the position and begins employment more than 30 days later in a position with retirement coverage under the plan"

Page 17, line 4, after "official" insert "(1)"

Page 17, line 7, after "and" insert "(2)"

Page 18, line 23, delete "and" and after "I" insert ", 354.44, 354.45, 354.48, and 354.60"

Page 18, line 25, delete "or" and insert a comma and after "353.33" insert ", or 354.48"

Page 21, lines 23, 28, and 35, delete "act" and insert "section"

Page 22, lines 1 and 3, delete "act" and insert "section"

Page 22, after line 11, insert:

"Sec. 25. Minnesota Statutes 1984, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] "Allowable service" means:

(1) Service during years of actual membership in the course of which employee contributions were currently made; periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which he later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(2) Any period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(3) Any period of authorized leave of absence without pay which does not exceed one year, and during or for which a member obtained credit by payments to the fund made in lieu of salary deductions, provided that such payments are made in an amount or amounts based on his average salary on which deductions were paid (a) for the last six months of public service, or (b) that portion of the last six months while he was in public service, to apply to the period in either case immediately preceding commencement of such leave of absence; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion thereof, he shall also, as a condition to the exercise of such election, pay to the fund an amount equivalent to both the required employer and additional employer contributions therefor, such payment to be made currently or within one year from the date the leave of absence terminates, unless the employer by appropriate action of its governing body and made a part of its official records, prior to the date of the first payment of such employee contribution, certifies to the association in writing that it will cause to be paid such employer and additional employer contributions from the proceeds of a tax levy made pursuant to section 353.28. Payments under this clause shall include interest at the rate of six percent per annum from the date of the termination of the leave of absence to the date payment is made.

(4) Any period during which a member is on an authorized sick leave of absence, without pay limited to one year, or an authorized temporary layoff.

(5) Any period during which a member is on an authorized leave of ab-

sence to enter military service, provided that the member returns to public service upon discharge from military service pursuant to section 192.262, and pays into the fund employee contributions based upon his salary at the date of return from military service. After June 30, 1983 payment must be made within five years of the date of discharge from the military service. The amount of these contributions shall be in accord with the contribution rates and salary limitations, if any, in effect during such leave, plus interest thereon at six percent per annum compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, shall be paid by the department employing such member upon his return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor. Such member shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty.

(6) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the community corrections act, Minnesota Statutes 1984, chapter 401, and transferred into county service under Minnesota Statutes 1984, section 401.04, allowable service means combined years of allowable service as defined in Minnesota Statutes 1984, section 352.01, subdivision 11, and Minnesota Statutes 1984, section 353.01, subdivision 16, paragraphs (1) to (5)."

Page 23, after line 10, insert:

"Sec. 27. Minnesota Statutes 1984, section 353.271, subdivision 2, is amended to read:

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.]
 (1) ~~Effective July 1, 1973,~~ For members retiring, the required reserves determined ~~on a five percent~~ using the post-retirement interest assumption specified in section 356.215, subdivision 4d, shall be transferred to the Minnesota post-retirement investment fund as of the date of retirement.

(2) Annuity payments shall be adjusted in accordance with the provisions of section 11A.18.

(3) Notwithstanding section 356.18, increases in payments pursuant to this section will be made automatically unless the intended recipient files written notice with the public employees retirement association requesting that the increase shall not be made."

Page 24, after line 21, insert:

"Sec. 30. Minnesota Statutes 1984, section 354.05, subdivision 2, is amended to read:

Subd. 2. [TEACHER.] "Teacher" includes any person who renders service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state located outside of the corporate limits of the cities of the first class as those cities were so classified on January 1, 1979, or in the state universities, or in any charitable or state institution including penal and corrective institutions supported, in whole or in part, by public funds, or who is engaged in educational administration in connection with the state

public school system, including the state university system and state community college system, but excluding the University of Minnesota, whether the position be a public office or an employment, not including members of any general governing or managing board or body connected with the systems, or the officers of common, independent, special, or associated school districts, or unorganized territory. The term shall also include an employee of the teachers retirement association unless the employee is covered by the Minnesota state retirement system by virtue of prior employment by the association, and any nurse, counselor, social worker, therapist or psychologist who renders service in the public schools as defined above or in state universities. The term shall also include any person who renders teaching service on a part time basis and who also renders other services for a school district. In such cases, the teachers retirement association shall have the authority to determine whether all or none of the combined employment shall be covered by the teachers retirement association. *The term does not include an employee described in section 352D.02, subdivision 1a, clause (9), who is hired after the effective date of this act.* The term does not mean any person who works for a school or institution as an independent contractor. The term shall not include any person 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 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 on forms prescribed by the executive 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 training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution. The term shall not include any person holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year. The term also shall not include a person exempt from licensure pursuant to section 125.031 or any person who was excluded from membership prior to January 1, 1981 pursuant to Laws 1978, chapter 556, section 1 and Laws 1980, chapter 342, section 8, if the person annually certifies on a form prescribed by the executive director that the person has established and is contributing to an individual retirement account which is based on nonteaching employment."

Page 28, line 36, after "6" insert "*or any other physical examinations required by the board. Payment of the disability benefit provided in this subdivision during a period of partial reemployment shall be discontinued if the board finds that the member is no longer totally and permanently disabled*"

Page 36, line 13, strike the colon and insert "*the information required in subdivisions 4a to 4k.*"

Page 36, line 14, strike "(1)" and insert "*Subd. 4a. [NORMAL COST.]*"

Page 36, lines 16 and 17, strike “, computed” and insert “*must be calculated*”

Page 36, line 21, strike “(2)” and insert “*Subd. 4b. [ACCRUED LIABILITY.]*”

Page 36, line 23, after “costs” insert “*must be*”

Page 36, line 25, strike “(3)” and insert “*Subd. 4c. [DEFINED CONTRIBUTION ACCUMULATIONS.]*”

Page 36, line 28, before the period, insert “*must be calculated*”

Page 36, line 32, strike “(4)” and insert “*Subd. 4d. [INTEREST ASSUMPTIONS.]*”

Page 37, lines 1 and 13, before the period, insert “*must be used*”

Page 37, line 14, strike “(5)” and insert “*Subd. 4e. [OTHER ASSUMPTIONS.]*”

Page 37, line 18, strike “and” and insert “*may be utilized. These other assumptions must be*”

Page 37, line 19, strike “(6)” and insert “*Subd. 4f. [ACTUARIAL BALANCE SHEET.]*” and strike “showing” and insert “*must show*”

Page 39, line 18, strike “(7)” and insert “*Subd. 4g. [AMORTIZATION CONTRIBUTIONS.]*”

Page 39, line 20, before the period, insert “*must be calculated*”

Page 41, line 29, strike “(8)” and insert “*Subd. 4h. [ACTUARIAL GAINS AND LOSSES.]*”

Page 41, line 31, before the period, insert “*must be provided*”

Page 42, line 13, strike “(9)” and insert “*Subd. 4i. [MEMBERSHIP TABULATION.]*”

Page 42, line 14, before the period, insert “*must be provided*”

Page 43, line 14, strike “(10)” and insert “*Subd. 4j. [ADMINISTRATIVE EXPENSES.]*” and after “expenses” insert “*must be provided*”

Page 43, line 16, strike “(11)” and insert “*Subd. 4k. [PLAN SUMMARY.]*”

Page 43, line 17, before the period, insert “*must be included*”

Page 47, delete lines 8 to 17 and insert:

“*Any member of the teachers retirement association who has been employed or is presently employed by an organization designated in Minnesota Statutes 1984, section 354.41, subdivision 4, may purchase up to ten years of allowable service credit in the teachers retirement association for service rendered to the organization. Service credit for the service rendered shall be credited upon payment in accordance with the methods prescribed in Minnesota Statutes 1980, section 354.41, subdivision 6. Payment shall be made before July 1, 1986, or date of retirement, whichever is earlier.*”

Page 47, line 21, delete “*either*”

Page 47, line 22, delete "or" and insert a comma and delete "association" and insert "fund, or the teachers retirement fund"

Page 47, line 28, delete "or" and insert a comma

Page 47, line 29, delete "association" and insert "fund, or the teachers retirement fund"

Page 47, lines 31 and 33, delete "90" and insert "180"

Page 48, after line 15, insert:

"Sec. 50. [ST. PAUL BUREAU OF HEALTH.]

Any employee of the St. Paul bureau of health who exercised an option granted to employees by Laws 1973, chapter 767, section 4, to retire with benefits calculated under Minnesota Statutes 1967, chapter 425, as modified by Laws 1969, chapter 1102, and who retired under the provisions of that bureau of health plan shall be entitled to receive from the public employees retirement association the greater of either the benefit received on the effective date of this section or a revised benefit. The revised benefit shall be computed based on the employee's years of service and high five years average salary as of the employee's actual date of retirement reduced by one-half of one percent for each month that the employee was under age 65 at the time of the retirement. The revised benefit shall include the appropriate increases provided from the post-retirement investment fund."

Page 48, after line 19, insert:

"Sec. 52. [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>Minnesota Statutes</i> <i>1984</i>	<i>column B</i> <i>Minnesota Statutes</i> <i>1984</i>	<i>column C</i>
3.85, subdivision 12	356.215, subdivision 4	356.215, subdivisions 4 to 4k
3A.11, subdivision 1	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
69.77, subdivision 2, clause (2)	356.215, subdivision 4	356.215, subdivisions 4 to 4k
69.77, subdivision 2, clause (2), paragraph (b)	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
69.773, subdivision 4	356.215, subdivision 4	356.215, subdivisions 4 to 4k
69.773, subdivision 4, clause (b), paragraphs (ii), (iv), and (vi)	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
352.85, subdivision 6	356.215, subdivision 4	356.215, subdivisions 4 to 4k
352.86, subdivision 4	356.215, subdivision 4	356.215, subdivisions 4 to 4k
352B.26, subdivision 3	356.215, subdivision 4, clause (4)	356.215, subdivision 4d

354.07, subdivision 1	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
354.532, subdivision 1	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
354A.34	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
354A.41, subdivision 2	356.215, subdivision 4, clause (7)	356.215, subdivision 4g
356.216	356.215, subdivision 4, clause (2)	356.215, subdivision 4g
356.216	356.215, subdivision 4, clause (10)	356.215, subdivision 4j
356.22	356.215, subdivision 4, clause (7)	356.215, subdivision 4g
356.451, subdivision 1	356.215, subdivision 4, clauses (1), (2), (6)(a), and 11	356.215, subdivisions 4, 4a, 4b, 4f, and 4k
422A.06, subdivision 5	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
423A.02	356.215, subdivision 4, clause (4)	356.215, subdivision 4d
424A.02, subdivision 7	356.215, subdivision 4, clause (4)	356.215, subdivision 4d'

Page 48, line 26, after "24" insert ", 25, 27, 28," and delete "26" and insert "30"

Page 48, line 27, delete "30" and insert "33"

Page 48, line 28, after the period, insert "*Section 50 is effective June 30, 1985.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second Portion:

Page 12, line 12, after "fund" insert "*, the teachers retirement fund,*"

Page 14, line 17, after "fund" insert "*or the teachers retirement fund, or would have been eligible for coverage under those funds but for this subdivision,*"

Page 14, line 18, after "44" insert "*, and are eligible for social security coverage under the agreement between the state and the secretary of health and human services*"

Page 14, line 21, delete "*the fifth and eighth*" and insert "all"

Page 14, line 25, after "except" insert "*those*" and delete "*of the transit*"

Page 14, line 26, delete "*operating division*" and insert "*covered by an agreement with an exclusive bargaining agent*"

Page 14, line 28, after "officers" insert "*, except county sheriffs,*"

Page 14, line 36, delete "and"

Page 15, line 2, delete the period and insert "*, and*"

Page 15, after line 2, insert:

“(9) *presidents, vice presidents, chancellors, vice chancellors, directors, deans, assistant vice presidents, assistant deans, associate deans, executive assistants, and associate vice chancellors of the state university system.*”

Amend the title accordingly

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 22 and nays 32, as follows:

Those who voted in the affirmative were:

Chmielewski	Johnson, D.J.	Moe, D.M.	Peterson, R.W.	Wegscheid
Dahl	Lessard	Moe, R.D.	Petty	Willet
DeCramer	Luther	Nelson	Pogemiller	
Dieterich	McQuaid	Pehler	Sieloff	
Hughes	Merriam	Peterson, D.C.	Stumpf	

Those who voted in the negative were:

Adkins	Brataas	Gustafson	Kronebusch	Renneke
Anderson	Davis	Isackson	Laidig	Storm
Belanger	Dicklich	Johnson, D.E.	Novak	Taylor
Benson	Frank	Jude	Olson	Vega
Berg	Frederick	Kamrath	Peterson, C.C.	
Bernhagen	Frederickson	Knaak	Peterson, D.L.	
Bertram	Freeman	Kroening	Ramstad	

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Frederickson moved to amend H.F. No. 440, the unofficial engrossment, as follows:

Page 14, lines 4 to 7, reinstate the stricken language

Page 14, lines 10 to 14, reinstate the stricken language and delete the new language

Page 14, line 15, delete the new language

Page 14, delete lines 16 to 36

Page 15, delete lines 1 and 2

Page 15, line 3, delete “*Subd. 1b.*”

Page 15, line 23, reinstate the stricken language and delete the new language

CALL OF THE SENATE

Mr. Moe, D.M. imposed a call of the Senate for the balance of the proceedings on H.F. No. 440. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	McQuaid	Renneke
Anderson	DeCramer	Jude	Mehrkens	Samuelson
Belanger	Dicklich	Kamrath	Novak	Sieloff
Benson	Frederick	Knaak	Olson	Storm
Berg	Frederickson	Knutson	Peterson, C.C.	Taylor
Bernhagen	Gustafson	Kroening	Peterson, D.L.	Vega
Bertram	Isackson	Kronebusch	Purfeerst	
Brataas	Johnson, D.E.	Laidig	Ramstad	

Those who voted in the negative were:

Berglin	Hughes	Moe, D.M.	Petty	Wegscheid
Chmielewski	Langseth	Moe, R.D.	Pogemiller	Willet
Dahl	Lantry	Nelson	Reichgott	
Diessner	Lessard	Pehler	Spear	
Frank	Luther	Peterson, D.C.	Stumpf	
Freeman	Merriam	Peterson, R.W.	Waldorf	

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend H.F. No. 440, the unofficial engrossment, as follows:

Page 16, line 14, reinstate everything after the period

Page 16, lines 15 to 24, reinstate the stricken language

Page 16, lines 24 to 35, delete the new language

Page 17, after line 13, insert:

“Subd. 6. After the effective date of this act an employee who becomes employed in a position enumerated in subdivision 1 within 30 days after leaving employment in a position with retirement coverage in a covered fund enumerated in section 356.32, subdivision 2, shall have the option to participate in the plan or to remain in the covered fund. The employee must notify the executive director of the state retirement system within 30 days after assuming the new position of the employee's election to maintain membership in the covered fund.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 45 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Moe, R.D.	Ramstad
Anderson	DeCramer	Johnson, D.J.	Nelson	Reichgott
Belanger	Dicklich	Jude	Novak	Renneke
Benson	Diessner	Kamrath	Olson	Storm
Berg	Frederick	Kroening	Pehler	Stumpf
Bernhagen	Frederickson	Kronebusch	Peterson, C.C.	Taylor
Bertram	Freeman	Lessard	Peterson, D.C.	Vega
Brataas	Hughes	Luther	Peterson, D.L.	Waldorf
Dahl	Isackson	McQuaid	Pogemiller	Willet

Those who voted in the negative were:

Chmielewski	Gustafson	Merriam	Peterson, R.W.	Sieloff
Dieterich	Knaak	Moe, D.M.	Petty	Wegscheid
Frank	Laidig			

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H.F. No. 440, the unofficial engrossment, as follows:

Page 3, after line 34, insert:

“Sec. 3. Minnesota Statutes 1984, section 3A.01, subdivision 8, is amended to read:

Subd. 8. [NORMAL RETIREMENT AGE.] “Normal retirement age” means the age of 60 years with regard to any member of the legislature *vested prior to 1981* or whose service terminates prior to the beginning of the 1981 legislative session, and the age of 62 years with regard to any member of the legislature whose service terminates after the beginning of the 1981 session.”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 440 was then progressed.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports read by the Secretary be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 702: A bill for an act relating to human services; requiring notice to the designated agency in certain proceedings pertaining to persons committed as mentally ill and dangerous; authorizing the commissioner to transfer persons committed as mentally ill and dangerous between regional centers under certain circumstances; amending Minnesota Statutes 1984, sections 253B.14; 253B.18, subdivisions 4b, 5, and 6; and 253B.23, 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. [144A.43] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 4.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of health.

Subd. 3. [HOME CARE SERVICE.] “Home care service” means any of the following services when delivered in a place of residence to a person whose advanced age, illness, disability, or physical condition creates a need for the service:

- (1) nursing services, including the services of a home health aide;*
- (2) personal care services not included under sections 148.171 to 148.299;*
- (3) physical therapy;*
- (4) speech therapy;*

- (5) *respiratory therapy;*
- (6) *occupational therapy;*
- (7) *nutritional services;*
- (8) *homemaker services, meal preparation, and similar nonmedical services when arranged to be provided along with at least one other home care service listed in this subdivision;*
- (9) *medical social services; and*
- (10) *other similar medical services and health-related support services identified by the commissioner in rule.*

Subd. 4. [HOME CARE AGENCY.] "Home care agency" means an organization, unit of government, self-employed individual, or other entity that is regularly engaged in the delivery, directly or by contractual arrangement, of home care services for a fee. "Home care agency" does not include:

- (1) *any home or nursing services conducted by and for the adherents of any recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing;*
- (2) *an individual who only provides services to a relative; or*
- (3) *an agency that only provides chore or housekeeping services which do not involve any medical care or treatment or personal care services.*

Sec. 2. [144A.44] [HOME CARE BILL OF RIGHTS.]

Subdivision 1. [STATEMENT OF RIGHTS.] A person who receives home care services has these rights:

- (1) *the right to receive written information about rights, including what to do if rights are violated;*
- (2) *the right to receive care and services according to a suitable and up-to-date plan, subject to accepted medical and nursing standards, and to take an active part in creating and changing the plan and evaluating care and services;*
- (3) *the right to be told, as part of the doctor's treatment plan, about treatment and services that are being provided or suggested, about other choices that are available, and about the consequences of these choices including the consequences of refusing treatment;*
- (4) *the right to refuse services or treatment;*
- (5) *the right to know, in advance, any limits to the services available from an agency and whether the services are covered by health insurance, medical assistance, or other health programs;*
- (6) *the right to know what the charges are for services, no matter who will be paying the bill;*
- (7) *the right to know that there may be other services available in the community, including other home care services, agencies, and case management services, and to know where to go for information about these services;*
- (8) *the right to choose freely among available agencies and to change agencies after services have begun, within the limits of health insurance,*

medical assistance, or other health programs;

(9) the right to have personal, financial, and medical information kept private;

(10) the right to be served by people who are properly trained and competent to perform their duties;

(11) the right to be treated with courtesy and respect;

(12) the right to be free from physical and verbal abuse;

(13) the right to reasonable notice of changes in services or charges;

(14) the right to a smooth transition when there will be a change in the agency which provides the services;

(15) the right to know how to contact the director of an agency who is responsible for handling problems and where to go for help outside the agency; and

(16) the right to assert these rights without retaliation.

Subd. 2. [INTERPRETATION AND ENFORCEMENT OF RIGHTS.] These rights are established for the benefit of persons who receive home care services. "Home care services" means home care services as defined in section 1, subdivision 3. A home care agency may not require a person to surrender these rights as a condition of receiving services. A guardian or conservator or, when there is no guardian or conservator, a designated person, may seek to enforce these rights. This statement of rights does not replace or diminish other rights and liberties that may exist. The commissioner of health shall establish guidelines for interpretation of these rights.

Sec. 3. [144A.45] [REGULATION OF HOME CARE SERVICES.]

Subdivision 1. [AUTHORITY TO REGULATE.] The commissioner may regulate and control the delivery of home care services in order to protect consumers; assure quality of care; improve access to services; prevent fraud, overcharging and other undesirable practices; promote desirable forms of competition; and control health care costs. The commissioner may:

(1) require home care agencies to furnish relevant information and documentation including information requested for purposes of section 4;

(2) inspect the office and records of an agency during regular business hours;

(3) with the consent of the consumer, visit the home where services are being provided;

(4) issue correction orders and assess civil penalties in accordance with section 144.653, subdivisions 5 to 8; and

(5) take other action the commissioner considers appropriate to accomplish the purposes of sections 1 to 4.

In the exercise of the authority granted in sections 1 to 4, the commissioner shall comply with the applicable requirements of section 144.122, the government data practices act, and the administrative procedure act. When conducting routine office visits or inspections, the commissioner shall provide at least 48 hours advance notice to the home care agency.

Subd. 2. [LICENSURE.] A home care agency may not operate in the state without a current license issued by the commissioner of health. In addition to

the exemptions listed in subdivision 3, the commissioner may by rule exempt other classes of agencies from licensure requirements. When determining whether to exempt a class of agencies, the commissioner shall consider: (1) the extent to which the agencies, or the individuals who provide services through the agencies, are regulated under another law; (2) the risk to the health, safety, and well-being of the client; and (3) other factors the commissioner considers appropriate. The commissioner may establish different classes of licenses for different types of agencies and may impose different standards and requirements for different kinds of home care services.

Subd. 3. [EXEMPTIONS.] The following agencies are exempt from the requirement to obtain a home care agency license:

(1) a person who is licensed under sections 148.171 to 148.299 and who independently provides nursing services in the home without any contractual or employment relationship to a home care agency or other organization;

(2) a personal care attendant authorized by the commissioner of human services to provide services under the medical assistance program as authorized under section 256B.02, subdivision 8, paragraph (17); and

(3) a professional corporation organized under sections 319A.01 to 319A.22.

An exemption under this subdivision does not excuse the exempted agency from complying with applicable provisions of the home care bill of rights.

Subd. 4. [ENFORCEMENT.] The commissioner may refuse to grant or renew a license, or may suspend or revoke a license, for violation of statutes or rules relating to home care services or for conduct detrimental to the welfare of the consumer. In addition to any other remedy provided by law, the commissioner may, without a prior contested case hearing, temporarily suspend a license or prohibit delivery of services by an agency for not more than 60 days if the commissioner determines that the health or safety of a consumer is in imminent danger, provided (1) advance notice is given to the agency; (2) after notice, the agency fails to correct the problem; (3) the commissioner has reason to believe that other administrative remedies are not likely to be effective; and (4) there is a subsequent opportunity for a contested case hearing. The process of suspending or revoking a license must include a plan for transferring affected clients to other agencies. At the request of a licensee who has been issued a correction order, the commissioner shall order a review of the appropriateness of the correction order by a person designated by the commissioner other than the person who issued the correction order. The review process must allow an opportunity for the licensee to submit a brief explanation of the objections to the correction order. If, after receiving the report and recommendation of the reviewer, the commissioner determines that the correction order was issued inappropriately, the commissioner shall retract the correction order and remove from the licensee's record all references to the order.

Subd. 5. [RELATION TO OTHER REGULATORY PROGRAMS.] In the exercise of the authority granted under sections 1 to 4, the commissioner shall not duplicate or replace standards and requirements imposed under another state regulatory program. The commissioner shall not impose additional training or education requirements upon members of a licensed or

registered occupation or profession, except as necessary to address or prevent problems that are unique to the delivery of services in the home or to enforce and protect the rights of consumers listed in section 2. For home care agencies certified under the medicare program, the state standards must not be inconsistent with the medicare standards for medicare services.

Subd. 6. [RULES.] *The commissioner shall, in consultation with representatives of home care agencies, community health service agencies, and consumers, adopt rules to implement sections 1 to 4. The rules shall, to the extent possible, assure the health, safety, well-being, and appropriate treatment of persons who receive home care services.*

Sec. 4. [144A.46] [INFORMATION AND REFERRAL SERVICES.]

The commissioner shall ensure that information and referral services relating to home care are available in all regions of the state. The commissioner shall collect and make available information about available home care services, costs, sources of payment, agencies, the rights of consumers, and other information the commissioner determines to be appropriate. The commissioner may require home care agencies to provide information requested for the purposes of this section, including price information, as a condition of licensure. Specific price information furnished by agencies under this section is not public data and must not be released without the written permission of the agency. The commissioner may publish and make available:

(1) *general information about the range of costs of home care services in the state and a summary of the range of prices charged by specific agencies;*

(2) *summary information about the number and nature of complaints received about individual agencies;*

(3) *summary information about consumer evaluations of individual agencies;*

(4) *limitations on hours, availability of services, and eligibility for third-party payments, applicable to individual agencies; and*

(5) *other information the commissioner determines to be appropriate.*

Sec. 5. Minnesota Statutes 1984, section 144A.51, is amended by adding a subdivision to read:

Subd. 7. "Home care agency" means a home care agency as defined in section 1.

Sec. 6. Minnesota Statutes 1984, section 144A.52, subdivision 3, is amended to read:

Subd. 3. The director may delegate to members of his staff any of his authority or duties except the duty of formally making recommendations to the legislature, administrative agencies, health facilities, health care providers, home care agencies, and the state commissioner of health.

Sec. 7. Minnesota Statutes 1984, section 144A.53, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set

forth in subdivision 2, the methods by which complaints against health facilities, health care providers, *home care agencies*, or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that he may not charge a fee for filing a complaint;

(b) Recommend legislation and changes in rules to the state commissioner of health, legislature, governor, administrative agencies or the federal government;

(c) Investigate, upon a complaint or upon his own initiative, any action or failure to act by a health care provider, *home care agency*, or a health facility;

(d) Request and receive access to relevant information, records, or documents in the possession of an administrative agency, a health care provider, a *home care agency*, or a health facility which he deems necessary for the discharge of his responsibilities;

(e) Enter and inspect, at any time, a health facility; provided that the director shall not unduly interfere with or disturb the activities of a resident unless the resident consents;

(f) Issue a correction order pursuant to section 144.653 or any other law which provides for the issuance of correction orders to health care facilities or *home care agencies*, or under section 3;

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or Title XIX of the United States Social Security Act;

(h) Assist residents of health facilities in the enforcement of their rights under Minnesota law; and

(i) Work with administrative agencies, health facilities, *home care agencies*, and health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Sec. 8. Minnesota Statutes 1984, section 144A.53, subdivision 2, is amended to read:

Subd. 2. [COMPLAINTS.] The director may receive a complaint from any source concerning an action of an administrative agency, a health care provider, a *home care agency*, or a health facility. He may require a complainant to pursue other remedies or channels of complaint open to the complainant before accepting or investigating the complaint.

The director shall keep written records of all complaints and his action upon them. After completing his investigation of a complaint, he shall inform the complainant, the administrative agency having jurisdiction over the subject matter, the health care provider, the *home care agency*, and the health facility of the action taken.

Sec. 9. Minnesota Statutes 1984, section 144A.53, subdivision 3, is amended to read:

Subd. 3. [RECOMMENDATIONS.] If, after duly considering a complaint and whatever material he deems pertinent, the director determines that the complaint is valid, he may recommend that an administrative agency, a health care provider, a *home care agency*, or a health facility should:

- (a) Modify or cancel the actions which gave rise to the complaint;
- (b) Alter the practice, rule or decision which gave rise to the complaint;
- (c) Provide more information about the action under investigation; or
- (d) Take any other step which the director considers appropriate.

If the director requests, the administrative agency, a health care provider, a *home care agency*, or health facility shall, within the time specified, inform the director about the action taken on his recommendation.

Sec. 10. Minnesota Statutes 1984, section 144A.53, subdivision 4, is amended to read:

Subd. 4. [REFERRAL OF COMPLAINTS.] If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board or other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that an official or employee of an administrative agency, a *home care agency*, or health facility has acted in a manner warranting criminal or disciplinary proceedings, he shall refer the matter to the state commissioner of health, the commissioner of human services, an appropriate prosecuting authority, or other appropriate agency.

Sec. 11. Minnesota Statutes 1984, section 144A.54, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by this section, the director may determine the form, frequency, and distribution of his conclusions and recommendations. The director shall transmit his conclusions and recommendations to the state commissioner of health and the legislature. Before announcing a conclusion or recommendation that expressly or by implication criticizes an administrative agency, a health care provider, a *home care agency*, or a health facility, the director shall consult with that agency, health care provider, *home care agency*, or facility. When publishing an opinion adverse to an administrative agency, a health care provider, a *home care agency*, or a health facility, he shall include in the publication any statement of reasonable length made to him by that agency, health care provider, *home care agency*, or health facility in defense or explanation of the action.

Sec. 12. [TEMPORARY PROCEDURES.]

Beginning December 1, 1985, no home care agency may provide home care services in this state without a license issued by the commissioner. The commissioner shall, in consultation with representatives of home care agencies, community health service agencies, and consumers, establish temporary licensing procedures and standards under sections 14.29 to 14.36. Notwithstanding section 14.35, emergency rules adopted under this section are effective until December 31, 1986, or until permanent rules are adopted, whichever is earlier. The activities of the commissioner under this section are limited to the following:

- (1) requiring providers to obtain a license;
- (2) collecting information from providers;
- (3) collecting licensing fees; and
- (4) requiring providers to disclose, to clients, information about rights and complaint procedures.

Granting of a license under temporary procedures does not exempt a home care agency from requirements later adopted in permanent rules.

Sec. 13. Minnesota Statutes 1984, section 246.04, is amended to read:

246.04 [BOOKS AND ACCOUNTS.]

The commissioner of human services shall keep at his office a proper and complete system of books and accounts with each institution, showing every expenditure authorized and made therefor. Such books shall contain a separate account of each extraordinary or special appropriation made by the legislature, with every item of expenditure therefrom. *The commissioner shall maintain a separate fund for all chemical dependency appropriations that will provide for an ascertainable review of receipts and expenditures under section 246.18, subdivision 2.*

Sec. 14. Minnesota Statutes 1984, section 246.18, is amended to read:

246.18 [DISPOSAL OF FUNDS.]

Subdivision 1. [GENERALLY.] Except as provided in subdivision 2, every officer and employee of the several institutions under the jurisdiction of the commissioner of human services shall pay to the accounting officer thereof any funds in his hands belonging to the institution. Every accounting officer, at the close of each month or oftener, shall forward to the commissioner of human services a statement of the amount and sources of all moneys received. On receipt of such statement, the commissioner shall transmit the same to the commissioner of finance, who shall deliver to the state treasurer a draft upon the accounting officer for the same specifying the funds to which it is to be credited. Upon payment of such draft, the amount shall be so credited.

Subd. 2. [CHEMICAL DEPENDENCY FUND.] Money received by a chemical dependency treatment facility operated by a hospital or nursing home under the jurisdiction of the commissioner of human services must be deposited in the state treasury and credited to a chemical dependency fund. Money in the chemical dependency fund is appropriated to the commissioner to operate chemical dependency programs.

Subd. 3. [CHEMICAL DEPENDENCY ACCOUNTS.] The commissioner of finance shall provide accounting procedures for separate interest bearing chemical dependency accounts within the chemical dependency fund for each state facility providing chemical dependency services that will allow money to be readily available to finance chemical dependency programs. In fiscal years 1986 and 1987, unspent money in department of human services administrative and salary accounts that is not transferable to the following fiscal year must be transferred to the chemical dependency fund, up to a maximum of \$2,800,000. After June 30, 1989, the commissioner must not allocate money to a state facility for chemical dependency programs in ex-

cess of the amount of deposits of money received by the facility and deposited in the facility's chemical dependency account without the approval of the governor after consultation with the legislative advisory commission. Twenty percent of the money in the chemical dependency fund that was reappropriated from the state hospital account must be transferred to the state hospitals' chemical dependency accounts on a pro rata basis as an advance payment for chemical dependency services to be delivered under chapter 254B.

Sec. 15. Minnesota Statutes 1984, section 246.23, is amended to read:

246.23 [PERSONS ADMISSIBLE TO INSTITUTIONS.]

No person who has not a settlement in a county, as defined in section 256D.18, shall be admitted to a hospital for the mentally ill, the school for the deaf, the Minnesota braille and sightsaving school, the schools and hospitals for the mentally retarded and persons having epilepsy, or the Owatonna state school, except that the commissioner of human services may authorize admission thereto when the residence cannot be ascertained, or when the circumstances in his judgment make it advisable. *Except for emergency admissions under sections 253B.05 and 253B.11, or when authorized by the commissioner, a chemical dependency program must not admit a chemically dependent person unless the cost of services will be paid for by private money or nongovernmental third-party payments, the person has been placed by a county that is responsible for payment, or the hospital obtains approval of the admission from the county financially responsible for the person. The commissioner shall maintain and enhance cooperative and effective relationships between counties and state hospitals and between the various state hospital chemical dependency programs. In carrying out this responsibility the commissioner shall maintain a regionally based system of chemical dependency programs.* When application is made to a judge of probate for admission to any of the institutions above named for admission thereto, if he finds that the person for whom application is made has not such residence, or that his residence cannot be ascertained, he shall so report to the commissioner; and he may recommend that such person be admitted notwithstanding, giving his reasons therefor. The commissioner of human services shall thereupon investigate the question of residence and, if he finds that such person has not such residence and has a legal residence in another state or country, he may cause him to be returned thereto at the expense of this state. When the overseer of a county poorhouse believes an inmate thereof not to have a residence in the state, but to have a residence elsewhere, he shall so notify the commissioner of human services who shall thereupon proceed in the manner above provided; except that, if deemed impracticable to return such person to the state of his residence, he may so certify and such person shall thereafter be a charge upon the county, town or city in which he has longest resided within the preceding year.

Sec. 16. Minnesota Statutes 1984, section 246.50, is amended by adding a subdivision to read:

Subd. 9. "Chemical dependency programs" means all planned services for chemically dependent persons provided by the commissioner in a specific state hospital, the chemical dependency unit operated by the Ah-Gwah-Ching nursing home, and diagnostic evaluation, prevention, referral, out-

patient, or aftercare services developed as part of licensed residential or nonresidential chemical dependency treatment programs.

Sec. 17. Minnesota Statutes 1984, section 246.51, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES.] The commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the patient is able to pay. If the patient is unable to pay the full cost of care the commissioner shall make a determination as to the ability of the relatives to pay. The patient or relatives or both shall provide the commissioner documents and proofs necessary to determine their ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the patient or relatives, both, liable for the full ~~per capita~~ cost of care until the time when sufficient information is provided. No parent shall be liable for the cost of care given a patient at a state hospital after the patient has reached the age of 18 years. The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care unless appealed from as provided in section 246.55. All money received, *except for chemical dependency receipts*, shall be paid to the state treasurer and placed in the general fund of the state and a separate account kept of it. Responsibility under this section shall not apply to those relatives having gross earnings of less than \$11,000 per year.

Sec. 18. Minnesota Statutes 1984, section 246.54, is amended to read:

246.54 [LIABILITY OF COUNTY; REIMBURSEMENT.]

Except for chemical dependency services provided under chapter 254B, the patient's county shall pay to the state of Minnesota a portion of the cost of care provided in a state hospital to a patient legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall be paid as follows: payments to the state from the county shall equal ten percent of the per capita rate, as determined by the commissioner, for each day, or the portion thereof, that the patient spends at a state hospital. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the per capita rate, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the patient, the patient's estate, or from the patient's relatives, except as provided in section 246.53. No such payments shall be made for any patient who was last committed prior to July 1, 1947.

Sec. 19. [246.64] [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.]

Subdivision 1. [CHEMICAL DEPENDENCY RATES.] Notwithstanding sections 246.50, subdivision 5; 246.511; and 251.011; the commissioner shall establish separate rates for each chemical dependency service operated by the commissioner and may establish separate rates for each service component within the program by establishing fees for services or different per diem rates for each separate chemical dependency unit within the program based on actual costs attributable to the service or unit. The rate must allocate the cost of all anticipated maintenance, treatment, and expenses including depreciation of buildings and equipment, interest paid on bonds issued for capital improvements for chemical dependency programs,

reimbursement and other indirect costs related to the operation of chemical dependency programs other than that paid from the Minnesota state building fund, and losses due to bad debt. The rate must not include allocations of chaplaincy, patient advocacy, or quality assurance costs that are not required for chemical dependency licensure by the commissioner or certification for chemical dependency by the Joint Commission on Accreditation of Hospitals. Notwithstanding any other law, the commissioner shall treat these costs as nonhospital department expenses.

Subd. 2. [DEPRECIATION COLLECTIONS.] In fiscal year 1987, depreciation and principal and interest on bonded debt must be credited to the medical assistance account. Beginning July 1, 1987, depreciation collected under subdivision 1 must be credited to the general fund and principal and interest on the bonded debt collected under subdivision 1 must be credited to the state bond fund.

Subd. 3. [RESPONSIBILITIES OF COMMISSIONER.] The commissioner shall credit all receipts from billings for rates set in subdivision 1, except those credited according to subdivision 2, to the chemical dependency fund. This money must not be used for a hospital activity that is not a chemical dependency service or an allocation of expenditures that are included in the base for computation of the rates under subdivision 1. The commissioner may expand chemical dependency services so long as expenditures are recovered by patient fees. The commissioner may expand or reduce chemical dependency staff complement as long as expenditures are recovered by patient fees. Notwithstanding chapters 176 and 268, the commissioner shall provide for the self-insurance of state hospital chemical dependency programs for the costs of unemployment compensation and workers' compensation claims. The commissioner shall provide a biennial report to the chairs of the senate finance subcommittee on health and human services, the house of representatives health and human services division of appropriations, and the senate and house of representatives health and human services committees.

Sec. 20. Minnesota Statutes 1984, section 252.291, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] The commissioner of human services in coordination with the commissioner of health may approve a new intermediate care facility for mentally retarded persons only in the following circumstances:

(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (b);

(b) when the facility, and is necessary to serve the needs of identifiable mentally retarded persons who are seriously behaviorally disordered or who are physically or sensorily impaired; or

(c) (b) to license beds in new facilities where need was determined by the commissioner prior to June 10, 1983.

Sec. 21. Minnesota Statutes 1984, section 252.291, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF COMMISSIONER OF HUMAN SERVICES.]

The commissioner shall:

(a) establish *and enforce* standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to assure that appropriate services are provided in the least restrictive setting;

(b) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for mentally retarded persons; and

(c) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1982.

(d) develop a state plan for the delivery and funding of residential day and support services to the mentally retarded in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before the 15th of January of each biennium beginning January 15, 1985. The biennial mental retardation plan shall include but not be limited to:

(1) county by county maximum intermediate care bed utilization quotas;

(2) plans for the development of the number and types of services alternative to intermediate care beds;

(3) procedures for the administration and management of the plan;

(4) procedures for the evaluation of the implementation of the plan; and

(5) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Sec. 22. Minnesota Statutes 1984, section 252.32, is amended to read:

252.32 [FAMILY ~~SUBSIDY~~ SUPPORT PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED; APPLICATION.] Within the limits of appropriations, the commissioner of human services may provide subsidies to families with mentally retarded children in order to enable those families to continue caring for the children in their own homes. The commissioner may establish criteria for determining eligibility for a subsidy and subsidy amounts and conditions for use of subsidies the commissioner of human services shall establish a program to provide subsidies to families to enable them to care for their dependents with handicaps in their own homes. This program is limited to families with dependents under the age of 22 who have mental retardation or a related condition and otherwise would require or be eligible for placement in a licensed residential facility under section 245.782, subdivision 6. Applications for the subsidy must be made by the county social service agency to the department of human services. The ap-

plication must specify the needs of the family and how the subsidy will be used.

Subd. 2. [INDIVIDUAL SERVICE PLAN.] An individual service plan for the dependent must be developed by the county social service agency and agreed to by the parents. A transitional plan must be developed for the dependent when the dependent turns age 17 in order to assure an orderly transition to other services when the family terminates services under this program.

Subd. 3. [SUBSIDY AMOUNT; USE.] Subsidy amounts must be determined by the commissioner of human services. The subsidy may be used to cover the costs of special equipment, special clothing or diets, related transportation, therapy, medications, respite care, medical care, diagnostic assessments, modifications to a home or vehicle, and other services or items that assist the family and dependent. The maximum monthly amount is \$250, except that a variance may be granted by the commissioner for special or emergency circumstances.

Sec. 23. Minnesota Statutes 1984, section 253B.14, is amended to read:

253B.14 [TRANSFER OF COMMITTED PERSONS.]

The commissioner may transfer any committed person, other than a person committed as mentally ill and dangerous to the public, from one regional center to any other institution under his jurisdiction which is capable of providing proper care and treatment. *A person committed as mentally ill and dangerous may be transferred out of the Minnesota Security Hospital and between treatment facilities under section 253B.18, subdivision 6.* When a committed person is transferred from one treatment facility to another, written notice shall be given to the committing court and to his parent or spouse or, if none is known, to an interested person, and the designated agency.

Sec. 24. Minnesota Statutes 1984, section 253B.18, subdivision 4b, is amended to read:

Subd. 4b. [PASS-ELIGIBLE STATUS; NOTIFICATION.] The following patients committed to the Minnesota security hospital shall not be placed on pass-eligible status unless that status has been approved by the medical director of the Minnesota security hospital:

(a) a patient who has been committed as mentally ill and dangerous and who

(1) was found incompetent to proceed to trial for a felony or was found not guilty by reason of mental illness of a felony immediately prior to the filing of the commitment petition;

(2) was convicted of a felony immediately prior to or during his commitment as mentally ill and dangerous; or

(3) is subject to a commitment to the commissioner of corrections; and

(b) a patient who has been committed as a psychopathic personality, as defined in section 526.09.

At least ten days prior to a determination on the status, the medical director shall notify *the designated agency*, the committing court, the county attorney

of the county of commitment, an interested person, the petitioner, and the petitioner's counsel of the proposed status, and their right to request review by the special review board. If within ten days of receiving notice any notified person requests review by filing a notice of objection with the commissioner and the head of the treatment facility, a hearing shall be held before the special review board. The proposed status shall not be implemented unless it receives a favorable recommendation by a majority of the board and approval by the commissioner. The order of the commissioner is appealable as provided in section 253B.19.

Nothing in this subdivision shall be construed to give a patient an affirmative right to seek pass-eligible status from the special review board.

Sec. 25. Minnesota Statutes 1984, section 253B.18, subdivision 5, is amended to read:

Subd. 5. [PETITION; NOTICE OF HEARING; ATTENDANCE; ORDER.] A petition for an order of transfer, discharge, provisional discharge, or revocation of provisional discharge shall be filed with the commissioner and may be filed by the patient or by the head of the treatment facility. The special review board shall hold a hearing on each petition prior to making any recommendation. Within 45 days of the filing of the petition, *the designated agency*, the committing court, the county attorney of the county of commitment, an interested person, the petitioner and his counsel shall be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The commissioner shall issue his order no later than 14 days after receiving the recommendation of the special review board. A copy of the order shall be sent by certified mail to every person entitled to statutory notice of the hearing within five days after it is issued. No order by the commissioner shall be effective sooner than 15 days after it is issued.

Sec. 26. Minnesota Statutes 1984, section 253B.18, subdivision 6, is amended to read:

Subd. 6. [TRANSFER.] (a) Persons who have been found by the committing court to be mentally ill and dangerous to the public shall not be transferred out of the Minnesota Security Hospital unless it appears to the satisfaction of the commissioner, after a hearing and favorable recommendation by a majority of the special review board, that the transfer is appropriate. Transfer may be to other regional centers under the commissioner's control. In those instances where a commitment also exists to the department of corrections, transfer may be to a facility designated by the commissioner of corrections. *The commissioner, at his or her discretion, may transfer any person committed as mentally ill and dangerous from a regional center to the Minnesota Security Hospital or between regional centers.*

The following factors are to be considered in determining whether a transfer is appropriate:

- (i) the person's clinical progress and present treatment needs;
- (ii) the need for security to accomplish continuing treatment;
- (iii) the need for continued institutionalization;

(iv) which facility can best meet the person's needs; and

(v) whether transfer can be accomplished with a reasonable degree of safety for the public.

Sec. 27. Minnesota Statutes 1984, section 253B.23, subdivision 7, is amended to read:

Subd. 7. [APPEAL.] The commissioner or any other aggrieved party may appeal to the court of appeals from any order entered under this chapter as in other civil cases.

Upon perfection of the appeal, the return shall be filed forthwith. *Except for an appeal heard under section 253B.19*, the court of appeals shall hear the appeal within 45 days after service of the notice of appeal. This appeal shall not suspend the operation of the order appealed from until the appeal is determined, unless otherwise ordered by the court of appeals.

Sec. 28. [254B.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 28 to 36.

Subd. 2. [AMERICAN INDIAN.] For purposes of services provided under section 36, subdivision 7, "American Indian" means a person who is a member of an Indian tribe, and the commissioner shall use the definitions of "Indian" and "Indian tribe" and "Indian organization" provided in Public Law Number 93-638. For purposes of services provided under section 36, subdivision 4, "American Indian" means a resident of federally recognized tribal lands who is recognized as an Indian person by the federally recognized tribal governing body.

Subd. 3. [CHEMICAL DEPENDENCY SERVICES.] "Chemical dependency services" means a planned program of care for the treatment of chemical dependency or chemical abuse to minimize or prevent further chemical abuse by the person. Diagnostic, evaluation, prevention, referral, detoxification, and aftercare services that are not part of a program of care licensable as a residential or nonresidential chemical dependency treatment program are not chemical dependency services for purposes of this section.

Subd. 4. [COMMISSIONER.] Unless otherwise indicated, "commissioner" means the commissioner of human services.

Subd. 5. [LOCAL AGENCY.] "Local agency" means the agency designated by a board of county commissioners or a human services board to make placements and submit state invoices according to sections 28 to 36.

Subd. 6. [LOCAL MONEY.] "Local money" means county levies, community social services block grants, federal social services money, or other money that may be spent at county discretion to provide chemical dependency services eligible for payment according to sections 28 to 36.

Sec. 29. [254B.02] [CHEMICAL DEPENDENCY ALLOCATION PROCESS.]

Subdivision 1. [CHEMICAL DEPENDENCY TREATMENT ALLOCATION.] The commissioner shall annually divide the money available in the chemical dependency fund that is not held in reserve by counties from a

previous allocation. Ten percent of the money must be set aside as a reserve account for county payment under subdivision 3. Twelve percent of the money must be reserved for treatment of American Indians by eligible vendors under section 36. The remainder of the money must be allocated among the counties according to the following formula, using the most recent data available from the state demographer:

(a) The average of the median income of the state for the last three years for which data is available must be divided by the average median income of each county for the last three years for which data is available, to determine the income factor for the county.

(b) The income factor must be multiplied by the population of the county less the population of American Indians in the county, to determine the adjusted population.

(c) The adjusted population of the county must be divided by the sum of all county adjusted populations to determine the allocation rate.

(d) The allocation rate must be multiplied by the remainder of the money after set-asides to determine the allocation to each county.

Subd. 2. [COUNTY ADJUSTMENT; MAXIMUM ALLOCATION.] The commissioner shall determine the state money used by each county in fiscal year 1985, using all state data sources. If available records do not provide specific chemical dependency expenditures for every county, the commissioner shall determine the amount of state money using estimates based on available data. In state fiscal year 1987, a county must not be allocated more than 150 percent of the state money spent by or on behalf of the county for chemical dependency treatment services eligible for payment under section 32. The allocation maximums must be increased by 25 percent each year. After fiscal year 1991, there must be no allocation maximum. The commissioner shall reallocate the excess over the maximum to counties allocated less than the fiscal year 1985 state money, using the following process:

(a) The allocation is divided by 1985 state expenditures to determine percentage of prior expenditure, and counties are ranked by percentage of prior expenditure.

(b) The allocation of the lowest ranked county is raised to the same percentage of prior expenditure as the second lowest ranked county. The allocation of these two counties is then raised to the percentage of prior expenditures of the third lowest ranked county.

(c) The operations under paragraph (b) are repeated with each county by ranking until the money in excess of the allocation maximum has been allocated.

Subd. 3. [RESERVE ACCOUNT.] The commissioner shall allocate money from the reserve account to counties that, during the current fiscal year, have met or exceeded the base level of expenditures for eligible chemical dependency services from local money. The commissioner shall establish the base level for fiscal year 1987 as the amount of local money used for eligible services in calendar year 1985. In later years, the base level must be increased in the same proportion as state appropriations to implement sections 28 to 36 are increased. The base level must not be decreased if appro-

priations are decreased in later years. The local match rate for the reserve account is the same rate as applied to the initial allocation. Reserve account payments must not be included when calculating the county adjustments made according to subdivision 2. A county must not receive more than 30 percent of the total reserve account that is available at the beginning of the fiscal year. The commissioner shall allocate 50 percent of the reserve fund to counties in proportion to the county treatment allocation. The money reserved for a county and other reserve funds under this section may be paid as invoices are received. During the last quarter of the fiscal year, the commissioner may reallocate reserve funds that will otherwise be unused to make payments for invoices from counties that are eligible for payments under this subdivision.

Subd. 4. [ALLOCATION SPENDING LIMITS.] Money allocated according to subdivision 1 and section 36, subdivision 3, is available for payments for up to two years. The commissioner shall deduct payments from the most recent year allocation in which money is available. Allocations under this section that are not used within two years must be reallocated to the reserve account for payments according to subdivision 3. Allocations under section 36, subdivision 3, that are not used within two years must be reallocated for payments under section 36, subdivision 4.

Subd. 5. [ADMINISTRATIVE ADJUSTMENT.] The commissioner may make payments to local agencies from money allocated under this section to support administrative activities under sections 30 and 31. The administrative payment must not exceed three percent of the county allocation and must not be paid if the level of expenditures indicates that the allocation for the year will be exhausted by payments for services from the allocation. The payment must be made under this section at the end of each quarter from any unspent allocation for that year.

Sec. 30. [254B.03] [RESPONSIBILITY TO PROVIDE CHEMICAL DEPENDENCY TREATMENT.]

Subdivision 1. [LOCAL AGENCY DUTIES.] (a) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.01 to 14.69.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select eligible vendors of chemical dependency services who can provide economical care. A local agency must not provide direct chemical dependency services, as defined in section 28, subdivision 3, as a vendor. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

Subd. 2. [CHEMICAL DEPENDENCY SERVICES.] (a) Payment from the chemical dependency fund is limited to payments for services other than detoxification that, if located outside of a licensed hospital and federally

recognized tribal lands, would be required to be licensed by the commissioner as a residential or nonresidential treatment program under sections 245.781 to 245.812. Vendors receiving payments from the chemical dependency fund must not require copayment from a recipient of benefits for services provided under this subdivision.

(b) A county may, from its own resources, provide chemical dependency services for which state payments are not made.

(c) The commissioner shall coordinate chemical dependency services and determine whether there is a need for any proposed expansion of chemical dependency treatment services. The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.

Subd. 3. [LOCAL AGENCIES TO PAY STATE FOR COUNTY SHARE.] Local agencies shall submit invoices to the state on forms supplied by the commissioner and according to procedures established by the commissioner. Local agencies shall pay the state for the county share of the invoiced services.

Subd. 4. [DIVISION OF COSTS.] The county shall out of local money reimburse the state for 15 percent of the cost of chemical dependency services costs paid by the state under this section. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section. Fifteen percent of any state collections from private or third-party pay must be distributed to the county that paid for the treatment under this section.

Subd. 5. [RULES.] The commissioner shall adopt rules as necessary to implement sections 28 to 36.

Sec. 31. [254B.04] [ELIGIBILITY FOR CHEMICAL DEPENDENCY FUND SERVICES.]

Subdivision 1. [ELIGIBILITY.] Persons eligible for benefits under sections 256D.01 to 256D.21 and persons eligible for federal health care benefits under section 256B.06 are entitled to chemical dependency fund services.

Subd. 2. [AMOUNT OF CONTRIBUTION.] The commissioner shall adopt a sliding fee scale to determine the amount of contribution to be required from persons whose income and nonexempt property are greater than the standard of assistance under sections 256B.06 and 256D.01 to 256D.21. The commissioner may adopt an existing fee scale from another assistance program or from the state facilities by publication in the state register. The fee scale must not provide assistance to persons whose income is more than 115 percent of the state median income. Payments of liabilities under this section are medical expenses for purposes of determining spend-down under sections 256B.06 and 256D.01 to 256D.21.

Sec. 32. [254B.05] [VENDOR ELIGIBILITY.]

Programs licensed by the commissioner are eligible vendors. Hospital and American Indian programs that, if located outside of a licensed hospital or outside of federally recognized tribal lands, would be required to be licensed to provide chemical dependency primary treatment, extended care, transitional residence, or outpatient treatment services, are eligible vendors. Detoxification programs are not eligible vendors. Programs that, if located outside of a hospital and outside of federally recognized tribal lands, would not be licensed as a chemical dependency residential or nonresidential treatment program under sections 245.781 to 245.812 are not eligible vendors.

Sec. 33. [254B.06] [REIMBURSEMENT; PAYMENT; DENIAL.]

Subdivision 1. [STATE COLLECTIONS.] The commissioner is responsible for all collections from persons determined to be partially responsible for the cost of care of an eligible person receiving services under sections 28 to 36. The commissioner may collect all third-party payments for chemical dependency services provided under sections 28 to 36, including private insurance and federal medicaid and medicare financial participation. The commissioner shall credit to the general fund a percentage of collections to pay for the cost of billing and collections. The remaining receipts must be credited to the chemical dependency fund.

Subd. 2. [ALLOCATION OF COLLECTIONS.] The commissioner shall allocate all federal financial participation collections to counties under section 29, subdivision 1. Section 29, subdivision 2, must not be applied to the quarterly allocation of federal money. The commissioner shall retain 85 percent of patient payments and third-party payments and allocate the collections to the treatment allocation for the county that is financially responsible for the person. Fifteen percent of patient and third-party payments must be paid to the county financially responsible for the patient.

Subd. 3. [PAYMENT; DENIAL.] The commissioner shall pay eligible vendors for placements made by local agencies under section 30, subdivision 1, and placements by tribal designated agencies according to section 36. The commissioner may reduce or deny payment of the state share when services are not provided according to the placement criteria established by the commissioner. The commissioner may pay for all or a portion of improper county chemical dependency placements and bill the county for the entire payment made when the placement did not comply with criteria established by the commissioner.

Sec. 34. [254B.07] [THIRD-PARTY LIABILITY.]

The state agency provision and payment of, or liability for, chemical dependency medical care is the same as in section 256B.042.

Sec. 35. [254B.08] [FEDERAL WAIVERS.]

The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of services to persons who need chemical dependency services. The commissioner may seek amendments to the waivers or apply for additional waivers to contain costs. The commissioner shall ensure that payment for the cost of providing chemical dependency services under the federal waiver plan does not exceed the cost of chemical dependency services that

would have been provided without the waived services.

Sec. 36. [254B.09] [INDIAN RESERVATION ALLOCATION OF CHEMICAL DEPENDENCY FUND.]

Subdivision 1. [AMERICAN INDIAN CHEMICAL DEPENDENCY ACCOUNT.] The commissioner shall pay eligible vendors for chemical dependency services to American Indians on the same basis as other payments, except that no local match is required when an invoice is submitted by the governing authority of a federally recognized American Indian tribal body on behalf of a current resident of the reservation under this section.

Subd. 2. [AMERICAN INDIAN AGREEMENTS.] The commissioner may enter into agreements with federally recognized tribal units to pay for chemical dependency treatment services provided under sections 28 to 36. The agreements must require the governing body of the tribal unit to fulfill all county responsibilities regarding the form and manner of invoicing, and provide that only invoices for eligible vendors according to section 32 will be included in invoices sent to the commissioner for payment, to the extent that money allocated under subdivision 3 is used.

Subd. 3. [TRIBAL NONPARTICIPATION.] If a federally recognized tribal governing body has not entered into an agreement under subdivision 2 or cancels the agreement, money must be reallocated to the account established by subdivision 5.

Subd. 4. [TRIBAL ALLOCATION.] 42.5 percent of the American Indian chemical dependency account must be allocated to the federally recognized American Indian tribal governing bodies that have entered into an agreement under subdivision 2 as follows: \$10,000 must be allocated to each governing body and the remainder must be allocated in direct proportion to the population of the reservation according to the most recently available estimates from the federal Bureau of Indian Affairs.

Subd. 5. [TRIBAL RESERVE ACCOUNT.] The commissioner shall reserve 7.5 percent of the American Indian chemical dependency account. The reserve must be allocated to those tribal units that have used all money allocated under subdivision 4 according to agreements made under subdivision 2. An American Indian tribal governing body may receive not more than 30 percent of the reserve account in a year. Money must be allocated as invoices are received.

Subd. 6. [AMERICAN INDIAN TRIBAL PLACEMENTS.] After entering into an agreement under subdivision 2, the governing authority of each reservation may submit invoices to the state for the cost of providing chemical dependency services to residents of the reservation according to the placement regulations governing county placements, except that local match requirements are waived. The governing body may designate an agency to act on its behalf to provide placement services and manage invoices by written notice to the commissioner and evidence of agreement by the agency designated.

Subd. 7. [NONRESERVATION INDIAN ACCOUNT.] Fifty percent of the American Indian chemical dependency allocation must be held in reserve by the commissioner in an account for treatment of Indians not residing on lands of a reservation receiving money under subdivision 4. This money must

be used to pay for services certified by county invoice to have been provided to an American Indian eligible recipient. Money allocated under this subdivision may be used for payments on behalf of American Indian county residents only if, in addition to other placement standards, the county certifies that the placement was appropriate to the cultural orientation of the client.

Sec. 37. Minnesota Statutes 1984, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

- (8) Physical therapy and related services;
- (9) Dental services, excluding cast metal restorations;
- (10) Laboratory and xray services;

(11) The following if prescribed by a licensed practitioner: drugs, eye-glasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the

commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the Administrative Procedure Act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the Administrative Procedure Act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the Administrative Procedure Act;

(12) Diagnostic, screening, and preventive services;

(13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing

homes and home health agencies; and

(18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, *except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under sections 28 to 36. The commissioner shall include chemical dependency services in the state medical assistance plan for federal reporting purposes, but payment must be made under sections 28 to 36.*

Sec. 38. Minnesota Statutes 1984, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance ~~or who would be eligible for medical assistance within 180 days of admission to a nursing home;~~ and (3) who need services that are not available at that time in the county through other public assistance.

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

~~The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.~~

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assis-

tance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay ten percent of the costs.

The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 39. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 1a. SCREENING.] At the time of the client's annual review, the county shall use a uniform screening tool specified by the commissioner to report the client's social, habilitative, developmental, and medical needs.

Sec. 40. Minnesota Statutes 1984, section 256B.092, subdivision 3, is amended to read:

Subd. 3. [TERMINATION OF SERVICES.] County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and state hospital providers in accordance with individual service plans. Medical assistance services not needed shall not be authorized by county agencies nor funded by the commissioner.

The county agencies shall not authorize, nor shall the commissioner provide medical assistance funding for, services in an intermediate care facility for the mentally retarded unless an individual assessment of service needs documents that:

(1) the person has mental retardation;

(2) the person requires 24-hour supervision and active treatment for medical, behavioral, or habilitation needs; and

(3) less restrictive or less costly services appropriate to the client's needs cannot be made available to meet the person's assessed service needs.

The commissioner may determine whether medical assistance funding should continue to be authorized for services to an individual in an intermediate care facility for the mentally retarded. The determination must be based on the review of the individual service plan and on the findings of the Minnesota department of health quality assurance and review survey and other information that the commissioner may request.

Sec. 41. Minnesota Statutes 1984, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who ~~are entitled to~~ require the level of care provided by

an intermediate care facility for mentally retarded persons, *an intermediate care facility, or a skilled nursing facility* or for whom there is a reasonable indication that they might need the services in the near future. The screening team shall make an evaluation of need within 15 working days of the request for service after a person's individual service plan indicates that the person is in need of or may be at risk of placement in an intermediate care facility for the mentally retarded, intermediate care facility, or a skilled nursing facility and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons, intermediate care facility, or a skilled nursing facility. The screening team shall consist of the case manager, the client, a parent or guardian as appropriate to the client's legal status, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, assigned by the commissioner. A qualified mental retardation professional is not required for persons being discharged from one community intermediate care facility for mentally retarded persons to another if the admitting facility is less restrictive and less costly. The case manager shall consult with the client's physician or other persons as necessary to make this evaluation. Other persons may be invited to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.

Sec. 42. [256B.095] [COMMUNITY CARE INCENTIVE GRANTS.]

Subdivision 1. [GRANTS FOR ELDERLY SERVICES.] To the extent of appropriations specifically designated for this purpose, the commissioner shall provide grants to counties for community services for the elderly. Grants must be allocated according to the formula used for alternative care grants under section 256B.091, subdivision 8. Grants must be used to provide services to the elderly as part of the annual plan required under section 393.07, subdivision 2a. The county agency may use grant money to supplement services available through other public assistance or service programs but must not use grant money to replace services available through other programs or to establish new programs for which public money is available through sources other than grants provided under this section. Grant money received under this section must not be used for services for persons who are receiving alternative care grant services under section 256B.091, subdivision 8.

Subd. 2. [SLIDING FEE SCHEDULE; EXEMPT RULES.] The commissioner shall establish a sliding fee schedule for requiring payment of the cost of providing services under this section to persons who are eligible for the services but who are not eligible for medical assistance. For purposes of establishing the sliding fee schedule and later amendments to it, the commissioner is exempt from the rulemaking provisions of chapter 14, except section 14.38, subdivision 7. The commissioner shall publish the sliding fee schedule and any later amendments in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final form.

Subd. 3. [RULEMAKING.] The commissioner shall adopt permanent rules concerning the grant program.

Sec. 43. Minnesota Statutes 1984, section 256B.19, subdivision 1, is

amended to read:

Subdivision 1. [DIVISION OF COST.] The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: Payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state and ten percent shall be paid by the county of financial responsibility, *for the following medical assistance expenses:*

(1) *medical assistance expenses for all services except skilled nursing facility, intermediate care facility I, and intermediate care facility II care;*

(2) *medical assistance expenses for skilled nursing facility, intermediate care facility I, and intermediate care facility II care for persons who were admitted to a nursing home before July 1, 1985, but did not become eligible for medical assistance until after that date; and*

(3) *medical assistance expenses for skilled nursing facility, intermediate care facility I, and intermediate care facility II care for persons who were admitted to a nursing home in this state as a resident of another state and later became eligible for medical assistance as a Minnesota resident.*

For all other medical assistance expenses for skilled nursing facility, intermediate care facility I, and intermediate care facility II care, payments must be made as follows:

(a) *Seventy-five percent of the expense of assistance not paid by federal money available for that purpose must be paid by the state and 25 percent must be paid by the county of financial responsibility.*

(b) *The state shall pay to the county an additional amount equal to 15 percent of the nonfederal share of the average monthly medical assistance expense for skilled nursing facility, intermediate care facility I, and intermediate care facility II care incurred by that county during the fiscal year ending June 30, 1984, adjusted for inflation, as an incentive to the county to use noninstitutional long-term care services. This incentive payment must be made on or before the 20th day of each month for the succeeding month. Incentive payments received by a county under this paragraph must be used for nursing home care or alternative community services for the elderly. As a condition of receiving incentive payments, the county must not decrease county support of services to the elderly below the level of support that existed on January 1, 1985, according to criteria established by the commissioner of human services. The commissioner of human services may establish a separate account or fund to facilitate the payments.*

For counties where health maintenance organizations are under contract to the state to provide services to medical assistance recipients, the division of the nonfederal share of medical assistance expenses for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

State contracts with health maintenance organizations shall assure medical

assistance recipients of at least the comprehensive health maintenance services defined in section 62D.02, subdivision 7. The contracts shall require health maintenance organizations to provide information to the commissioner concerning the number of people receiving services, the number of encounters, the type of services received, evidence of an operational quality assurance program pursuant to section 62D.04 and information about utilization.

Persons who become eligible for medical assistance after July 1, 1984, who are not participating in any Medicaid demonstration project as defined under sections 256B.70 and 256B.71, and who choose at the time of application for assistance to receive services from a health maintenance organization, shall be guaranteed six months of coverage by a state contracted health maintenance organization if the recipient remains in the health maintenance organization from the time of initial enrollment. The continued eligibility guarantee shall not be granted when ineligibility for medical assistance is due to death, loss of state or county residency, failure to respond to the county's efforts to contact the recipient, failure to locate the recipient, or when the recipient is eligible for continued eligibility as defined in section 256B.062.

Sec. 44. Minnesota Statutes 1984, section 256B.501, subdivision 8, is amended to read:

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for ~~waivered services or~~ training and habilitation services for very dependent persons with special needs in an amount in excess of the rates allowed pursuant to subdivisions 2, 4, 5, and 6, and procedures to be followed for rate limitation exemptions for intermediate care facilities for mentally retarded persons. No excess payment or limitation exemption shall be authorized unless the need for the service is documented in the individual service plan of the person or persons to be served, the type and duration of the services needed are stated, and there is a basis for estimated cost of the services. *Payments made under this subdivision are limited to very dependent persons with special needs who otherwise would be placed or retained in a state hospital. The total payment for residential and day training and habilitation services for a very dependent person with special needs must not exceed the payment for providing services in a state hospital except in cases where the payment for residential services exceeds 85 percent of the payment for state hospital services. In this case, the total payment for residential and day training and habilitation services for a very dependent person with special needs must not exceed 115 percent of the payment for state hospital services, and only day training and habilitation providers are eligible to receive additional funds made available under this exception.*

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal ~~audits~~ reviews.

Sec. 45. Minnesota Statutes 1984, section 256B.70, is amended to read:

256B.70 [DEMONSTRATION PROJECT WAIVER.]

Each hospital that participates as a provider in a demonstration project,

established by the commissioner of human services to deliver medical assistance, or *chemical dependency* services on a prepaid, capitation basis, is exempt from the prospective payment system for inpatient hospital service during the period of its participation in that project.

Sec. 46. Minnesota Statutes 1984, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.]

(a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and x-ray services, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select vendors of medical care who can provide the most economical care consistent with high medical standards and may contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall encourage county boards to submit proposals for demonstration projects designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8, except that where counties enter into prepaid capitation agreements, payments shall be as provided in section 256.966, subdivision 2.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. For the period July 1, 1983 to June 30, 1984, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than 25 percent. For the period July 1, 1984 to June 30, 1985, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under section 256.967

for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent. There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical payments for which state payments are not made.

(e) Chemical dependency services that are reimbursed under sections 28 to 36 must not be reimbursed under general assistance medical care.

Sec. 47. Minnesota Statutes 1984, section 256D.37, subdivision 1, is amended to read:

Subdivision 1. *(a) For all applicants for 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 individuals who apply to the appropriate local agency for supplemental aid, 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.*

(b) The state standard of assistance for shelter must provide for the recipient's needs for shelter, heating, cooking, electrical, water, sewer, and garbage removal. The monthly state standard of assistance for shelter must be determined as provided in this subdivision. If the recipient does not reside with a spouse who receives Minnesota supplemental aid, the state standard of assistance for shelter is the actual cost for shelter or \$151, whichever is less. If the recipient resides with a spouse who receives Minnesota supplemental aid, the state standard of assistance for shelter for the married couple is the actual cost for shelter or \$227, whichever is less. The actual shelter cost for married and unmarried recipients who share a residence must be determined by dividing the sum of the total monthly shelter cost for the residence by the number of persons who share the residence, unless the recipient can justify a greater or lesser share. The state standard of assistance for basic needs must provide the needs of the recipient for food, clothing and personal needs, reading material, laundry, household supply items, transportation, and other personal needs.

(c) The monthly state standard of assistance for basic needs is \$234 for an individual who does not share a residence with another person, and \$184 for an individual who shares a residence with another person or persons.

(d) When a recipient is a resident of a state hospital or a dwelling with a negotiated rate, the recipient is not eligible for a shelter standard, a basic needs standard, or for special needs payments. The state standard of assistance for those recipients is the clothing and personal needs allowance for medical assistance recipients under section 256B.35. Minnesota supplemental aid may be paid to negotiated rate facilities at the rates in effect on March 1, 1985, for services provided under the supplemental aid program to

residents of the facility, up to the maximum negotiated rate specified in this section. The rate for room and board or a licensed facility must not exceed \$800. The maximum negotiated rate does not apply to a facility described in section 256B.431, subdivision 4, paragraph (b). The following facilities are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until June 30, 1987:

(1) a facility that only provides services to persons with mental retardation; and

(2) a facility not certified to participate in the medical assistance program that is licensed as a boarding care facility as of March 1, 1985, and only provides care to persons aged 65 or older. Beginning July 1, 1987, these facilities are subject to applicable supplemental aid limits, and mental retardation facilities must meet all applicable licensing and reimbursement requirements for programs for persons with mental retardation. The negotiated rates may be paid for persons who are placed by the local agency or who elect to reside in a room and board facility or a licensed facility for the purpose of receiving physical, mental health, or rehabilitative care, provided the local agency agrees that this care is needed by the person. When Minnesota supplemental aid is used to pay a negotiated rate, the rate payable to the facility must not exceed the rate paid by an individual not receiving Minnesota supplemental aid. To receive payment for a negotiated rate, the dwelling must comply with applicable laws and rules establishing standards necessary for health, safety, and licensure. The negotiated rate must be adjusted by the annual percentage change in the urban consumer price index (CPI-U) for Minneapolis-St. Paul as published by the Bureau of Labor Statistics between the previous two Octobers, new series index (1967-100). 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.

Sec. 48. Minnesota Statutes 1984, section 393.07, is amended by adding a subdivision to read:

Subd. 2a. [LEAD AGENCY FOR SERVICES TO THE ELDERLY.] The county board shall be the lead agency responsible for planning and coordinating services to the elderly including housing, income support, health, and social services. The commissioner of human services shall provide technical assistance to the board in its exercise of the lead agency function. The board shall submit to the commissioner an annual plan for services to the elderly and an annual report concerning services provided and progress toward accomplishing objectives. The commissioner shall adopt rules which establish standards for the annual plan and the annual report.

Sec. 49. Minnesota Statutes 1984, section 626.557, subdivision 2, is

amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed to serve adults pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812; a mental health program receiving funds pursuant to section 245.61; or a home ~~healthcare~~ *health care* agency ~~certified for participation in Titles XVIII or XIX of the Social Security Act, United States Code, title 42, sections 1395 et seq licensed by the state under section 3.~~

(b) "Vulnerable adult" means any person 18 years of age or older:

(1) Who is a resident or inpatient of a facility;

(2) Who receives services at or from a facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812, except a person receiving outpatient services for treatment of chemical dependency or mental illness;

(3) Who receives services from a home ~~health care~~ *health care* agency ~~certified for participation under Titles XVIII or XIX of the Social Security Act, United States Code, title 42, sections 1395 et seq and 1396 et seq licensed by the state under section 3; or~~

(4) Who, regardless of residence or type of service received, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, or by contract, or agreement.

(d) "Abuse" means:

(1) Any act which constitutes a violation under sections 609.221 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345; or

(2) The intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress.

(e) "Neglect" means:

(1) Failure by a caretaker to supply the vulnerable adult with necessary food, clothing, shelter, health care or supervision; or

(2) The absence or likelihood of absence of necessary food, clothing, shelter, health care, or supervision for a vulnerable adult.

(f) "Report" means any report received by the local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

(1) The commissioner of health, for facilities as defined in clause (a)

which are required to be licensed or certified by the department of health;

(2) The commissioner of human services, for facilities required by sections 245.781 to 245.813 to be licensed;

(3) Any licensing board which regulates persons pursuant to section 214.01, subdivision 2; and

(4) Any agency responsible for credentialing human services occupations.

Sec. 50. [APPROPRIATIONS.]

Subdivision 1. [CHEMICAL DEPENDENCY FUND.] The general fund appropriations for the general assistance, general assistance medical care, and medical assistance programs are reduced by the amount attributable to chemical dependency services covered under chapter 254B and this amount is reappropriated to the commissioner of human services for transfer to the chemical dependency fund.

The general fund appropriation for the state hospital account is reduced by the amount attributable to chemical dependency programs and this amount is reappropriated to the commissioner of human services for transfer to the chemical dependency fund. This amount must be increased by the amount of salary supplement funds allocated for chemical dependency services in fiscal year 1987.

Norwithstanding any other law, \$1,050,000 of the federal alcohol and drug block grant is appropriated to the commissioner of human services for the chemical dependency fund.

Subd. 2. [TRANSFERS.] Seventy percent of the appropriation for alternative care grants under Minnesota Statutes, section 256B.091, subdivision 8, is transferred to the community care incentive fund for purposes of section 42, to be available until June 30, 1987. The funding necessary for section 256B.19, subdivision 1, is available from the appropriation for medical assistance. Savings realized because of limits on payments to negotiated rate facilities under the supplemental aid and general assistance programs are transferred to the adult mental illness residential grants program for grants to facilities affected by the limits to assure continuation of appropriate care and services to residents.

Subd. 3. [COMMISSIONER OF HEALTH.] \$307,600 is appropriated to the commissioner of health for the regulation of home care services, \$107,700 to be available for the fiscal year ending June 30, 1986, and \$199,900 to be available for the fiscal year ending June 30, 1987.

Subd. 4. [AMERICAN INDIAN GRANTS.] The general fund appropriation for chemical dependency services grants for American Indians is reduced by \$695,000 and reappropriated to the commissioner of human services for transfer to the chemical dependency services fund.

Sec. 51. [REPEALER.]

Minnesota Statutes 1984, section 252.27, subdivision 4, is repealed.

Sec. 52. [EFFECTIVE DATES.]

Sections 13, 14, 16 to 18, and 47 are effective January 1, 1986. Sections 15, 19, 28 to 37, and 50 are effective July 1, 1986. Section 51 is effective

August 1, 1985.”

Delete the title and insert:

“A bill for an act relating to health and human services; requiring licensure and regulation of home care agencies; creating a chemical dependency fund to pay for chemical dependency services; modifying the family subsidy program for families with children with mental retardation; requiring notice to the designated agency in certain proceedings pertaining to persons committed as mentally ill and dangerous; authorizing transfer of persons committed as mentally ill and dangerous; establishing requirements for the supplemental aid program; establishing a grant program for community services for the elderly; changing the method of determining and paying the state share of nursing home payments under medical assistance; designating the county board as the lead agency for services to the elderly; requiring a study of rates paid to negotiated rate facilities; appropriating money; amending Minnesota Statutes 1984, sections 144A.51; by adding a subdivision; 144A.52, subdivision 3; 144A.53, subdivisions 1, 2, 3, and 4; 144A.54, subdivision 1; 246.04; 246.18; 246.23; 246.50, by adding a subdivision; 246.51, subdivision 1; 246.54; 252.291, subdivisions 2 and 3; 252.32; 253B.14; 253B.18, subdivisions 4b, 5, and 6; 253B.23, subdivision 7; 256B.02, subdivision 8; 256B.091, subdivision 8; 256B.092, subdivisions 3 and 7, and by adding a subdivision; 256B.19, subdivision 1; 256B.501, subdivision 8; 256B.70; 256D.03, subdivision 4; 256D.37, subdivision 1; 393.07, by adding a subdivision; and 626.557, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144A; 246; and 256B; proposing coding for new law as Minnesota Statutes, chapter 254B; repealing Minnesota Statutes 1984, section 252.27, subdivision 4.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1125: A bill for an act relating to victims of crime; establishing a crime victim ombudsman; providing the ombudsman with authority to investigate complaints with regard to treatment of victims; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete “and 2” and insert “to 3”

Page 1, lines 21 and 22, delete “public defenders and members of their staff;”

Page 2, lines 9 and 10, delete “and must be an attorney licensed to practice in the state of Minnesota”

Page 2, line 14, after “witnesses” insert “provided under chapter 611A”

Page 2, line 15, after “services” insert “by victim assistance programs”

Page 2, line 16, delete “or misconduct of”

Page 3, lines 18 and 19, delete “the time specified by the ombudsman”

and insert "a reasonable time"

Page 3, delete lines 22 to 36 and insert:

"Sec. 4. [611A.75] [REPORT TO LEGISLATURE.]

The crime victim ombudsman shall report to the legislature by February 1 of each odd-numbered year on the implementation and administration of the crime victim ombudsman act.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective January 1, 1986.

The governor shall not appoint a crime victim ombudsman until the commissioner of finance has determined that sufficient money will be available from the federal government to pay all the costs of the crime victim ombudsman's office."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was referred

S.F. No. 988: A bill for an act relating to independent school district No. 347, Willmar; authorizing AVTI construction projects subject to certain conditions.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 268: A bill for an act relating to Independent School District No. 742, St. Cloud; authorizing AVTI construction projects subject to certain conditions.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 494: A bill for an act relating to health; regulating community health services; amending Minnesota Statutes 1984, sections 145.912, subdivision 15; 145.917, subdivisions 2 and 3; 145.921; and 145.922; repealing Minnesota Statutes 1984, section 145.912, subdivisions 16, 17, and 18.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, after line 36, insert:

"Sec. 6. [PINE COUNTY COMMUNITY HEALTH SERVICES.]

Subdivision 1. [REQUIREMENTS.] Notwithstanding the population requirement of section 145.917, subdivision 1, paragraph (a), Pine county is eligible for a subsidy under section 145.921, effective July 1, 1985, provided:

(1) the county meets all other requirements of sections 145.913 and

145.917;

(2) the county meets the population requirement of section 145.917, subdivision 1, paragraph (a), on or before January 1, 1986; and

(3) sufficient funds are appropriated for this purpose.

Subd. 2. [PAYMENT.] Payment of the subsidy authorized by this special law must begin on the last day of the month following the month in which the county complies with subdivision 1. The subsidy for the period July 1, 1985, through December 31, 1985, must be provided in a single payment. Subsequent payments must be made as prescribed in section 145.921."

Page 8, line 1, delete "6" and insert "7"

Page 8, line 3, after the period, insert "*Section 6 is repealed effective January 2, 1986.*"

Sec. 8. [EFFECTIVE DATE.]

Section 6 is effective without local approval the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "permitting Pine county to participate separately in the community health services system;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1094: A bill for an act relating to human services; revising methods for determining state payments to counties for administrative costs of public assistance programs; revising the community social services act; requiring the commissioner to develop standards; establishing minimum funding levels; amending Minnesota Statutes 1984, sections 256D.22; 256E.05, subdivision 3; 256E.06, subdivisions 2, 2a, 5, 6, and by adding subdivisions; and 256E.09, subdivisions 1, 2, and 3; repealing Minnesota Statutes 1984, section 256E.06, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 22, delete "40" and insert "50"

Page 2, line 28, delete "*one-fourth*" and insert "*one-half*"

Page 2, line 33, after the semicolon, insert "*and*"

Page 2, delete lines 34 to 36

Page 3, line 1, delete "*(3) one-fourth*" and insert "*(2) one-half*"

Page 3, line 4, delete "*; and*" and insert a period

Page 3, delete lines 5 to 8

Page 8, after line 10, insert:

"Sec. 9. Minnesota Statutes 1984, section 256E.08, subdivision 1, is

amended to read:

Subdivision 1. [RESPONSIBILITIES.] The county board of each county shall be responsible for administration, planning and funding of community social services. Each county board shall singly or in combination with other county boards as provided in section 256E.09 prepare a social services plan and shall update the plan biennially. Upon final approval of the plan by the county board or boards, the plan shall be submitted to the commissioner. The county board shall distribute money available pursuant to sections 256E.06 and 256E.07 for community social services.

The authority and responsibilities of county boards for social services for groups of persons identified in section 256E.03, subdivision 2, shall include contracting for or directly providing:

(1) *information about the symptoms and characteristics of specific problems of the identified groups in order to increase understanding and acceptance by the general public, to help alleviate fears of seeking help, and to enable access to appropriate assistance;*

(2) *an assessment of the needs of each person applying for services assistance which estimates the nature and extent of the problem to be addressed and identifies the means available to meet the person's needs for services. These diagnostic and evaluation activities shall evaluate the functioning of each person with regard to an illness or disability, screen for placement, and determine what services are needed;*

~~(2)~~ (3) *protection for safety, health or well-being by providing services directed at the goal of attaining the highest level of independent functioning appropriate to the individual preferably without removing those persons from their homes aimed at alleviating urgent needs of each person by the determination of urgent need, shielding persons in hazardous conditions when individuals are unable to care for themselves, and provision of urgently needed assistance;*

(4) *supportive and rehabilitative activities which assist each person to function at the highest possible level of independence appropriate to the individual preferably without removing those persons from their homes; these activities include both increasing the client level of functioning and maintaining current levels of functioning;*

~~(3)~~ (5) *a means of facilitating access of physically handicapped or impaired persons to services activities appropriate to their needs; and*

(6) *administrative activities which coordinate and facilitate the effective use of formal and informal helping systems in order to best address client needs and goals. This includes assisting the client in making informed decisions about opportunities and services, assuring timely access to needed assistance, providing opportunities and encouragement for self-help activities, and coordinating all services to meet the client's needs and goals. County case management shall be responsible for determining appropriate care and activities.*

If after appropriate notice a county does not fulfill its responsibilities or is not in compliance with the applicable department rule, the commissioner shall certify a reduction of up to 20 percent of the county's annual community

social services act funding, or an equivalent amount from state administrative aids, and the state shall provide the responsibilities in this subdivision. When a county is so notified, it may appeal according to the provisions in section 256E.06, subdivision 10."

Page 10, after line 8, insert:

"Sec. 13. [STUDY.]

The commissioner of human services and representatives of counties shall study the planning and reporting requirements under the community social services act, including the required contents of the biennial plan, and provide a report and recommendations to the legislature by January 1, 1986, on methods of minimizing the administrative burdens imposed on counties under the act."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "requiring a study;"

Page 1, line 10, after the first semicolon, insert "256E.08, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1125, 988, 268, 494 and 1094 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 702 was read the second time.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Ms. Berglin introduced—

S.F. No. 1534: A bill for an act relating to human services; requiring the commissioner to develop a process for quality of care evaluation of facilities for adult mentally ill persons; requiring a report; amending Minnesota Statutes 1984, section 245.783.

Referred to the Committee on Health and Human Services.

Mr. Renneke introduced—

S.F. No. 1535: A bill for an act relating to consumer protection; providing alternative security requirements for health and social referral clubs; amending Minnesota Statutes 1984, section 325G.27, subdivision 2.

Referred to the Committee on Economic Development and Commerce.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 418: Mr. Merriam, Ms. Berglin and Mrs. Brataas.

H.F. No. 1641: Messrs. Kroening, Dahl, Luther, Willet and Frederickson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Tuesday, May 14, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTIETH DAY

St. Paul, Minnesota, Tuesday, May 14, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Bernie Schreiner.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 756 at 1:00 p.m.:

Messrs. Johnson, D.J.; Novak; Peterson, C.C.; Merriam and Petty. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mrs. Lantry moved that the following members be excused for a Conference Committee on H.F. No. 1639 at 1:00 p.m.:

Messrs. Schmitz, Purfeerst, Langseth, Mehrkens and Mrs. Lantry. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641 at 1:00 p.m.:

Messrs. Willet, Luther, Dahl, Frederickson and Kroening. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 88 at 1:30 p.m.:

Messrs. Nelson; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Peterson, D.L. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

April 15, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Arts is hereby respectfully submitted to the Senate for confirmation as required by law:

Allegra W. Parker, 785 N. Ferndale Rd., Wayzata, Hennepin County, has been appointed by me, effective April 17, 1985, for a term expiring the first Monday in January, 1986.

(Referred to the Committee on Veterans and General Legislation.)

Sincerely,
Rudy Perpich, Governor

May 9, 1985

The Honorable David Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
86		93	May 9	May 9
143		94	May 9	May 9
921		95	May 9	May 9
994		96	May 9	May 9

1071

362
1199

97
98
99

May 9
May 9
May 9

May 9
May 9
May 9

Sincerely,
Joan Anderson Growe
Secretary of State

May 14, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1308.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 71, 207, 901 and 1254.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 43: A bill for an act relating to transportation; regulating motor carriers; establishing gross vehicle weight limits for courier service vehicles; providing that hours of service rules do not apply to farm vehicles; exempting certain farm vehicles from the vehicle identification rule; providing for rescission of canceled permits if a carrier has insurance coverage; excluding modular home movers from regulation as building movers; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 174A.06; 221.011, subdivisions 13 and 25; 221.025; 221.031, subdivisions 2 and 6; 221.131, by adding a subdivision; 221.161, subdivision 1; 221.185, subdivision 4, and by adding a subdivision; 221.231; 221.291, subdivision 1; 221.65; 221.67; 221.68; 221.81, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1984, sections 221.296, subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66.

Senate File No. 43 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Langseth moved that the Senate do not concur in the amendments by the House to S.F. No. 43, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

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. 583: A bill for an act relating to crimes; making certain trespasses and assaults a gross misdemeanor; providing for the admissibility of certain evidence in domestic abuse prosecutions; amending Minnesota Statutes 1984, sections 609.224 and 609.605; proposing coding for new law in Minnesota Statutes, chapter 634.

Senate File No. 583 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 583 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 583 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:

Adkins	Davis	Johnson, D.E.	McQuaid	Renneke
Anderson	DeCramer	Jude	Moe, R.D.	Sieloff
Belanger	Dicklich	Kamrath	Nelson	Spear
Benson	Diessner	Knaak	Olson	Storm
Berg	Dieterich	Knutson	Pehler	Stumpf
Berglin	Frank	Kroening	Peterson, D.C.	Taylor
Bernhagen	Frederickson	Kronebusch	Peterson, D.L.	Wegscheid
Bertram	Freeman	Laidig	Peterson, R.W.	Willet
Chmielewski	Hughes	Lessard	Ramstad	
Dahl	Isackson	Luther	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 676: A bill for an act relating to towns; authorizing the conduct of town business at places located outside the town; amending Minnesota Statutes 1984, sections 365.51 and 365.52; proposing coding for new law in Minnesota Statutes, chapter 365.

Senate File No. 676 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Chmielewski moved that the Senate do not concur in the amendments by the House to S.F. No. 676, 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. 954: A bill for an act relating to veterans; reestablishing the board of governors of the Big Island Veterans Camp; providing for its appointment and duties; transferring certain state land to the board; providing for the possible disposition of the land by the board; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1984, sections 197.13; 197.15; 197.16; 197.17; 197.18; and 197.19.

Senate File No. 954 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 954 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 954 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Laidig	Ramstad
Anderson	Davis	Isackson	Lessard	Renneke
Belanger	DeCramer	Johnson, D.E.	Luther	Sieloff
Benson	Dicklich	Johnson, D.J.	McQuaid	Spear
Berg	Diessner	Jude	Merriam	Storm
Berglin	Dieterich	Kamrath	Moe, R.D.	Stumpf
Bernhagen	Frank	Knaak	Novak	Taylor
Bertram	Frederickson	Knutson	Olson	Waldorf
Brataas	Freeman	Kroening	Peterson, C.C.	Wegscheid
Chmielewski	Gustafson	Kronebusch	Petty	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. 952: A bill for an act relating to occupations and professions; providing for licensing of alarm and communication contractors and in-

stallers by the board of electricity; amending Minnesota Statutes 1984, sections 326.01, by adding subdivisions; 326.241; 326.242, subdivisions 7 and 8, and by adding subdivisions; 326.243; 326.244, subdivisions 4 and 5; and 326.246.

Senate File No. 952 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Waldorf moved that the Senate do not concur in the amendments by the House to S.F. No. 952, 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. 196: A bill for an act relating to crimes; requiring the county attorney to prosecute failure to report child abuse or neglect; providing for the reporting of child abuse or neglect; defining certain terms; clarifying immunity from liability for reporting child abuse or neglect; providing for concise summaries of disposition of reports; making technical changes; prescribing penalties; amending Minnesota Statutes 1984, sections 388.051, subdivision 2; and 626.556, subdivisions 1, 2, 3, 4, 4a, 5, 6, 9, and 11.

Senate File No. 196 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Moe, R.D. moved that S.F. No. 196 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. 623: A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1984, sections 518.552; and 518.64, subdivision 2.

Senate File No. 623 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Moe, R.D. moved that S.F. No. 623 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 House File No. 558:

H.F. No. 558: A bill for an act relating to metropolitan government; pro-

viding conditions for the disposal of certain sports facilities property; requiring the metropolitan mosquito control district to establish a research program to evaluate the effects of its control program on other fauna; amending Minnesota Statutes 1984, sections 473.556, subdivision 6; and 473.704, by adding a subdivision.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Blatz, Ozment and Long have been appointed as such committee on the part of the House.

House File No. 558 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Freeman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 558, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 729:

H.F. No. 729: A bill for an act relating to retirement; providing for an increased redemption benefit option for participants in the Hennepin county supplemental retirement program; allowing withdrawal from the program; amending Laws 1969, chapter 950, sections 1, subdivision 1, as amended; and 4, as amended; and Laws 1983, chapter 100, section 1.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Scheid, Knickerbocker, Gutknecht, Sviggum and Sarna have been appointed as such committee on the part of the House.

House File No. 729 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 729, 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 that the House refuses to concur in the Senate amendments to House File No. 633:

H.F. No. 633: A bill for an act relating to traffic regulations; providing for a temporary definition of school bus; providing for book racks and "MN" designation on school buses; amending Minnesota Statutes 1984, section

169.44, by adding subdivisions.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Valan, Dempsey and Quist have been appointed as such committee on the part of the House.

House File No. 633 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Johnson, D.E. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 633, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 986: A bill for an act relating to workers' compensation; providing for miscellaneous changes; amending Minnesota Statutes 1984, sections 176.021, subdivision 3b; 176.101, subdivision 3e; 176.102, subdivisions 3 and 8; 176.103, subdivision 3; 176.136, by adding a subdivision; 176.138; 176.191, subdivision 3; 176.511, subdivisions 1 and 2; and 176.66, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1984, sections 176.081, subdivision 4; and 176.134.

Senate File No. 986 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 986 and that the bill be placed on its repassage as amended.

CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on S.F. No. 986. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Frank moved that the Senate do not concur in the amendments by the House to S.F. No. 986, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Berglin	Freeman	Moe, D.M.	Peterson, R.W.	Vega
Dahl	Hughes	Moe, R.D.	Pogemiller	Waldorf
Davis	Johnson, D.J.	Nelson	Reichgott	Willet
Dicklich	Kroening	Novak	Samuelson	
Diessner	Luther	Peterson, C.C.	Solon	
Frank	Merriam	Peterson, D.C.	Spear	

Those who voted in the negative were:

Adkins	Brataas	Isackson	Laidig	Ramstad
Anderson	Chmielewski	Johnson, D.E.	Lessard	Renneke
Belanger	DeCramer	Jude	McQuaid	Sieloff
Benson	Dieterich	Kamrath	Olson	Storm
Berg	Frederick	Knaak	Pehler	Stumpf
Bernhagen	Frederickson	Knutson	Peterson, D.L.	Taylor
Bertram	Gustafson	Kronebusch	Petty	

The motion did not prevail.

The question recurred on the motion of Mr. Chmielewski.

The roll was called, and there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kamrath	Olson	Storm
Anderson	DeCramer	Knaak	Pehler	Stumpf
Belanger	Dieterich	Kronebusch	Peterson, D.L.	Taylor
Benson	Frederick	Laidig	Petty	Wegscheid
Berg	Frederickson	Langseth	Ramstad	Willet
Bernhagen	Gustafson	Lessard	Renneke	
Bertram	Isackson	McQuaid	Schmitz	
Brataas	Johnson, D.E.	Mehrkens	Sieloff	

Those who voted in the negative were:

Berglin	Freeman	Merriam	Peterson, R.W.	Spear
Dahl	Johnson, D.J.	Moe, D.M.	Pogemiller	Vega
Davis	Jude	Moe, R.D.	Purfeerst	Waldorf
Dicklich	Kroening	Nelson	Reichgott	
Diessner	Lantry	Novak	Samuelson	
Frank	Luther	Peterson, D.C.	Solon	

The motion prevailed.

S.F. No. 986: A bill for an act relating to workers' compensation; excluding certain injuries from coverage; providing the conditions for organization of certain insurance associations; providing for the workers' compensation benefits; transferring certain duties from the department of commerce to the department of labor and industry; providing for miscellaneous changes; amending Minnesota Statutes 1984, sections 66A.08, subdivision 4; 79.37; 176.021, by adding subdivisions; 176.101, subdivisions 3e, 3i, and 3t; 176.102, subdivisions 3 and 8; 176.103, subdivision 3; 176.136, by adding a subdivision; 176.138; 176.191, subdivisions 3 and 5; 176.511, subdivisions 1 and 2; 176.66, subdivision 10; and 352E.03; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1984, sections 176.081, subdivision 4; and 176.134.

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 23, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Mehrkens	Renneke
Anderson	DeCramer	Kamrath	Moe, R.D.	Schmitz
Belanger	Dieterich	Knaak	Olson	Sieloff
Benson	Frederick	Knutson	Pehler	Storm
Berg	Frederickson	Kronebusch	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Laidig	Petty	Taylor
Bertram	Hughes	Langseth	Purfeerst	Wegscheid
Brataas	Isackson	Lessard	Ramstad	Willet
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	

Those who voted in the negative were:

Berglin	Freeman	Merriam	Peterson, D.C.	Spear
Dahl	Johnson, D.J.	Moe, D.M.	Peterson, R.W.	Vega
Dicklich	Kroening	Nelson	Pogemiller	Waldorf
Diessner	Lantry	Novak	Samuelson	
Frank	Luther	Peterson, C.C.	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 House Files, herewith transmitted: H.F. Nos. 229, 607, 1369, 1589 and 857.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 229: A bill for an act relating to retirement; early retirement without reduction in annuities; amending Minnesota Statutes 1984, section 356.70, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 607: A bill for an act relating to retirement; authorizing municipalities to establish and finance defined contribution plans for municipal ambulance and rescue volunteers; amending Minnesota Statutes 1984, sections 356.24; and 356.25; proposing coding for new law as Minnesota Statutes, chapter 424B.

Referred to the Committee on Governmental Operations.

H.F. No. 1369: A bill for an act relating to retirement; Moorhead police and firefighters relief associations; clarifying receipt of amortization state aid; consolidation into the public employees police and fire fund; terminating the special fund of the Moorhead firefighters relief association; transferring of assets and records; amending Minnesota Statutes 1984, section 423A.02; repealing Laws 1945, chapter 277; Laws 1951, chapter 499; Laws 1955, chapter 75; Laws 1965, chapter 190; Laws 1967, chapter 775; Laws 1969, chapter 138; Laws 1975, chapter 120; Laws 1978, chapter 563, section 8; Laws 1979, chapter 216, sections 27 to 43; Laws 1980, chapter 600, section 16; Laws 1981, chapter 224, section 236; and Laws 1982, chapter 578, article 3, section 18.

Referred to the Committee on Governmental Operations.

H.F. No. 1589: A bill for an act relating to collection and dissemination of

data; classifying government data as confidential, private, nonpublic, protected nonpublic, and public; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and classifications of inactive investigative data; refining provisions of the data practices act; authorizing a court to order the release of certain information; amending Minnesota Statutes 1984, sections 13.03, subdivision 3, and by adding subdivisions; 13.08, subdivision 1, and by adding a subdivision; 13.09; 13.32, subdivision 1; and by adding a subdivision; 13.39, by adding a subdivision; 13.43, subdivision 4; 13.46, subdivisions 1, 2, 3, 7, and 10; 13.65, subdivision 1; 13.71; 13.72, by adding subdivisions; 13.82, subdivisions 1 and 5, and by adding subdivisions; 13.83, by adding a subdivision; 13.84, subdivisions 1 and 6; 144.335, subdivision 2; and 254A.09; repealing Minnesota Statutes 1984, sections 13.73 and 13.81; proposing coding for new law in Minnesota Statutes, chapters 13 and 144.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1013, now on General Orders.

H.F. No. 857: A bill for an act relating to insurance; authorizing the receiver of an insolvent insurer to accelerate the distribution of available assets in payment of claims against the insurer; establishing priority of certain claims; providing for recoupment of assessments; amending Minnesota Statutes 1984, sections 60B.44, subdivisions 1 and 4; 60B.46, by adding subdivisions; 60C.05, subdivision 1; 60C.18; and 61B.07, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 905, now on General Orders.

MOTIONS AND RESOLUTIONS

Mr. Ramstad moved that the name of Mr. Petty be added as a co-author to S.F. No. 348. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 89: A Senate resolution congratulating the girls track and field team from Rosemount High School for winning the 1984 Class AA State High School Girls Track and Field Championship.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1235, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1235 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1235

A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; amending Laws 1981, chapter 190, section 3.

May 9, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1235, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1235 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Laws 1981, chapter 190, section 3, is amended to read:

Sec. 3. [CONVEYANCE OF RIGHT-OF-WAY.]

The commissioner of natural resources, in the name of the state, may convey to adjoining property owners by quitclaim deed, at not less than the appraised value, the following described real property, *which is part of the Heartland Trail identified in Minnesota Statutes, section 85.015, subdivision 12*, when the state's title has been clarified either through litigation or land exchange:

A strip of land 100 feet in width extending over and across Government Lots Four (4) and Five (5), the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) and the Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4) of Section Nine (9); Government Lots One (1), Two (2), Three (3), Four (4) and Five (5) and the Southwest Quarter of the Southwest Quarter (SW 1/4 SW 1/4) of Section Sixteen (16); Government Lots One (1) and Two (2) and the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4) of Section Twenty (20); Government Lot One (1), of Section Twenty-one (21); said strip of land being 50 feet in width on each side of the center line of the main track, now removed, of the former Saint Paul, Minneapolis and Manitoba Railway Company, now Burlington Northern Incorporated, as originally located and established over and across said Sections Nine (9), Sixteen (16), Twenty (20) and Twenty-one (21), Township One Hundred Forty-three (143) North, Range Thirty-one (31) West, *and any other lands which are not needed for trail purposes.*

The ~~deed~~ conveyances shall be in a form approved by the attorney general.

Sec. 2. [REPEALER.]

Laws 1984, chapter 502, article 13, section 15, is repealed, and notwithstanding Minnesota Statutes, section 645.35, is void from the time of its

enactment.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; repealing a prior land conveyance; amending Laws 1981, chapter 190, section 3; repealing Laws 1984, chapter 502, article 13, section 15."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Maurice J. Zaffke, Paul M. Thiede

Senate Conferees: (Signed) Gerald L. Willet, Gene Merriam, John Bernhagen

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1235 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. 1235 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:

Adkins	DeCramer	Jude	Nelson	Samuelson
Anderson	Dicklich	Kamrath	Novak	Sieloff
Belanger	Diessner	Knaak	Olson	Solon
Benson	Dieterich	Knutson	Pehler	Spear
Berg	Frank	Kronebusch	Peterson, D.C.	Storm
Berglin	Frederick	Laidig	Peterson, D.L.	Stumpf
Bernhagen	Frederickson	Lessard	Peterson, R.W.	Taylor
Bertram	Freeman	Luther	Petty	Vega
Brataas	Gustafson	McQuaid	Pogemiller	Waldorf
Chmielewski	Hughes	Merriam	Ramstad	Wegscheid
Dahl	Isackson	Moe, D.M.	Reichgott	Willet
Davis	Johnson, D.E.	Moe, R.D.	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 274, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 274 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 274

A bill for an act relating to crimes; defining "dangerous weapon" to include flammable liquids; amending Minnesota Statutes 1984, section 609.02, subdivision 6.

May 9, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 274, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 274 be further amended as follows:

Page 1, after line 14, insert:

"As used in this subdivision, "flammable liquid" means Class I flammable liquids as defined in section 9.108 of the Uniform Fire Code, but does not include intoxicating liquor as defined in section 340.07."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dennis Ozment, David T. Bishop, Ken Nelson

Senate Conferees: (Signed) Don Frank, Darril Wegscheid, Dean E. Johnson

Mr. Frank moved that the foregoing recommendations and Conference Committee Report on H.F. No. 274 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. 274 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Novak	Solon
Anderson	Dicklich	Kamrath	Olson	Spear
Belanger	Diessner	Knutson	Peterson, D.C.	Storm
Benson	Dieterich	Kronebusch	Peterson, D.L.	Stumpf
Berg	Frank	Laidig	Peterson, R.W.	Taylor
Berglin	Frederick	Lessard	Petty	Vega
Bernhagen	Frederickson	Luther	Pogemiller	Waldorf
Bertram	Freeman	McQuaid	Ramstad	Wegscheid
Brataas	Gustafson	Merriam	Reichgott	Willet
Chmielewski	Hughes	Moe, D.M.	Renneke	
Dahl	Isackson	Moe, R.D.	Samuelson	
Davis	Johnson, D.E.	Nelson	Sieloff	

Mr. Knaak voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 889, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 889 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 889

A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

May 9, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 889, 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. 889 be further amended as follows:

Page 3, after line 10, insert:

"Sec. 6. Minnesota Statutes 1984, section 204C.05, subdivision 1, is amended to read:

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.

Subd. 2. [ELECTIONS; ORGANIZED TOWN.] *The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section 473.121, subdivision 2, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town*

electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.

Subd. 3. [ELECTIONS; UNORGANIZED TERRITORY.] An unorganized territory or unorganized territories which constitute a voting district may have shorter voting hours if at least 20 percent of the registered voters residing in the voting district sign a petition for shorter hours and present it to the county auditor. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The county auditor shall either post or publish notice of the changed hours, within the voting district, 30 days before the election."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "allowing certain municipalities to set shorter voting hours;"

Page 1, line 8, after "164.06;" insert "204C.05, subdivision 1;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dennis C. Frederickson, Loren Solberg, Sylvester Uphus

Senate Conferees: (Signed) Joe Bertram, Gary M. DeCramer, Doran L. Isackson

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on H.F. No. 889 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. 889 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McQuaid	Reichgott
Anderson	DeCramer	Isackson	Moe, R.D.	Samuelson
Belanger	Dicklich	Johnson, D.E.	Novak	Sieloff
Benson	Diessner	Jude	Olson	Spear
Berg	Dieterich	Kamrath	Peterson, D.C.	Storm
Bernhagen	Frank	Knaak	Peterson, D.L.	Stumpf
Bertram	Frederick	Kronebusch	Peterson, R.W.	Taylor
Brataas	Frederickson	Laidig	Petty	Waldorf
Chmielewski	Freeman	Lessard	Pogemiller	Wegscheid
Dahl	Gustafson	Luther	Ramstad	Willet

Ms. Berglin, Messrs. Merriam; Moe, D.M. and Vega voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 265: A bill for an act relating to insurance; dramshop liability; authorizing annual aggregate policy limits; amending Minnesota Statutes 1984, section 340.11, subdivision 21.

Mr. Luther moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 5, after line 32, insert:

"This subdivision does not prohibit an insurer from providing the coverage required by this subdivision in combination with other insurance coverage."

Page 6, line 3, strike "of a" and insert "*that is*" and strike "group"

Page 6, line 4, before the period insert "*, liquor vendors, and the public. No less than one-half of the committee members shall represent casualty insurers and surplus lines agents or brokers*"

Page 6, line 4, after "commerce" insert "*or the commissioner's designated representative*"

Page 6, line 7, strike "requesting liquor liability market assistance"

Page 6, line 9, strike everything after "commerce"

Page 6, strike lines 10 and 11

Page 6, line 12, strike everything before the period

Page 7, line 3, after "insurer" insert "*who offers liquor liability insurance*"

Page 7, lines 6 and 7, strike "and with the assigned risk plan"

Page 7, line 8, strike "under the plan" and insert "*to the assigned risk plan and the market assistance program*"

Page 7, after line 8, insert:

"A written notice of refusal must be provided to any applicant who has requested only liquor liability insurance if the insurer chooses to only offer liquor liability insurance in combination with other types of insurance.

A written notice of refusal must be provided by an insurer to any applicant who receives an offer of coverage from that insurer that is in excess of the rate charged by the assigned risk plan for similar coverage and risk. A notice

is not required if the rate for the coverage offered is less than 20 percent in excess of the assigned risk plan rates, provided that the offered rate is the rate that the insurer has filed with the commissioner of commerce if the insurer is required to file its rates with the commissioner. If the insurer is not required to file its rates with the commissioner, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

A notice of refusal is not required to be filed if there is not an insurer offering liquor liability insurance in the state.

To be eligible to participate in the assigned risk plan an applicant must apply for coverage through the market assistance program. Application to the market assistance program must be made no later than the time of application to the assigned risk plan. If the market assistance program is unable to secure coverage then coverage may be extended by the assigned risk plan."

Page 8, after line 10, insert:

(8) The rating plan may be amended by rule pursuant to chapter 14 or by the following expedited procedures:

(a) Any person may, by written petition served upon the commissioner, request that a hearing be held to amend the rating plan.

(b) The commissioner shall forward a copy of the petition to the chief administrative law judge within three business days of its receipt. The chief administrative law judge shall, within three business days of receipt of the copy of the petition or a request for a hearing by the commissioner, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The hearing date must be set no less than 60 days nor more than 90 days from the date of receipt of the petition by the commissioner.

(c) The commissioner of commerce shall publish a notice of the hearing in the state register at least 30 days before the hearing date. The notice should be similar to that used for rulemaking under the administrative procedures act. Approval by the administrative law judge of the notice prior to publication is not required.

(d) The hearing and all matters taking place after the hearing are a contested case under chapter 14. Within 45 days from the commencement of the hearing and within 15 days of the completion of the hearing the administrative law judge shall submit a report to the commissioner of commerce. The parties, or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedure to conform with the 45-day requirement.

(e) The commissioner shall render a decision within ten business days of the receipt of the administrative law judge's report.

(f) If all parties to the proceeding agree, any of the previous requirements may be waived or modified.

(g) A petition for a hearing to amend the rating plan received by the commissioner within 180 days of the date of the commissioner's decision in a

prior proceeding to amend the rating plan is invalid and requires no action.

(9) A liquor vendor shall be denied or terminated from coverage through the assigned risk plan if the liquor vendor disregards safety standards, laws, rules, or ordinances pertaining to the offer, sale, or other distribution of liquor.

The commissioner may by rule establish other conditions for denial or termination from coverage through the assigned risk plan."

Page 8, line 11, strike "(8)" and insert "(10)" and strike the comma

Page 8, line 12, strike "including emergency rules,"

Page 8, delete lines 21 to 24

Page 14, line 4, delete "Section 7 is" and insert "Sections 7 and 9 are"

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "modifying provisions relating to the assigned risk plan;"

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 13, delete lines 26 to 33 and insert:

"Subd. 2. [BAD FAITH NOTICE.] A claimant who in bad faith gives notice to a licensee who did not sell or barter liquor to the alleged intoxicated person is subject to liability for actual damages, which shall include the reasonable out-of-pocket attorney fees incurred by the licensee in the defense of the bad faith notice."

CALL OF THE SENATE

Mr. Diessner imposed a call of the Senate for the balance of the proceedings on H.F. No. 265. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Nelson	Solon
Anderson	Diessner	Kamrath	Novak	Spear
Belanger	Dieterich	Knaak	Olson	Storm
Benson	Frank	Kroening	Pehler	Stumpf
Berg	Frederick	Kronebusch	Peterson, D.C.	Taylor
Bernhagen	Frederickson	Laidig	Peterson, D.L.	Vega
Bertram	Freeman	Lessard	Peterson, R.W.	Waldorf
Brataas	Gustafson	Luther	Petty	Wegscheid
Chmielewski	Hughes	McQuaid	Pogemiller	Willet
Dahl	Isackson	Merriam	Ramstad	
Davis	Johnson, D.E.	Moe, R.D.	Renneke	

Mr. Sieloff voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 11, line 28, strike "or incurs"

Page 11, line 29, strike "other pecuniary loss"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	McQuaid	Stumpf
Anderson	Dieterich	Kamrath	Mehrkens	Taylor
Belanger	Frederick	Knaak	Peterson, D.L.	Vega
Benson	Frederickson	Knutson	Renneke	Wegscheid
Berg	Gustafson	Kronebusch	Samuelson	
Bernhagen	Isackson	Laidig	Sieloff	
Bertram	Johnson, D.E.	Lessard	Storm	

Those who voted in the negative were:

Berglin	Frank	Luther	Pehler	Ramstad
Brataas	Freeman	Merriam	Peterson, C.C.	Reichgott
Dahl	Hughes	Moe, D.M.	Peterson, D.C.	Schmitz
Davis	Johnson, D.J.	Moe, R.D.	Peterson, R.W.	Solon
DeCramer	Kroening	Nelson	Petty	Spear
Dicklich	Langseth	Novak	Pogemiller	Waldorf
Diessner	Lantry	Olson	Purfeerst	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Stumpf moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 11, line 28, strike ", or incurs"

Page 11, line 29, strike "other pecuniary loss"

Page 12, after line 15, insert:

"Subd. 3. [PRESUMED DAMAGES IN CASE OF DEATH.] *In the case of an individual who is deceased and where a person is found liable under this section for a person's death, the individual or those claiming damages on the person's behalf, shall be conclusively presumed collectively to be damaged in the amount of \$20,000; provided, however, that nothing herein shall prevent a claimant from recovering a greater amount of damages to the extent allowable and proven under this section.*"

The question was taken on the adoption of the amendment.

Mr. Chmielewski moved that those not voting be excused from voting. The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 43 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Sieloff
Anderson	DeCramer	Jude	Mehrkens	Storm
Belanger	Diessner	Kamrath	Olson	Stumpf
Benson	Dieterich	Knaak	Peterson, C.C.	Taylor
Berg	Frank	Knutson	Peterson, D.L.	Vega
Bernhagen	Frederick	Kronebusch	Purfeerst	Wegscheid
Bertram	Frederickson	Laidig	Renneke	Willet
Brataas	Gustafson	Langseth	Samuelson	
Chmielewski	Isackson	Lessard	Schmitz	

Those who voted in the negative were:

Berglin	Kroening	Novak	Pogemiller	Waldorf
Dahl	Lantry	Pehler	Ramstad	
Dicklich	Luther	Peterson, D.C.	Reichgott	
Freeman	Merriam	Peterson, R.W.	Solon	
Hughes	Moe, R.D.	Petty	Spear	

The motion prevailed. So the amendment was adopted.

H.F. No. 265 was then progressed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 3:00 p.m.:

Messrs. Samuelson, Knutson, Solon, Spear and Ms. Berglin. The motion prevailed.

SPECIAL ORDER

H.F. No. 1045: A bill for an act relating to taxation; making administrative and technical changes to income tax and property tax refund provisions; amending Minnesota Statutes 1984, sections 60A.13, subdivision 1a; 80A.09, subdivision 1; 136D.28, subdivision 4; 136D.741, subdivision 7; 136D.89, subdivision 4; 270.67, by adding a subdivision; 270.75, subdivision 4; 290.06, subdivision 3d; 290.069, subdivision 5; 290.08, subdivision 8; 290.09, subdivision 4; 290.095, subdivision 10; 290.101, subdivision 1; 290.172; 290.18, subdivision 2; 290.42; 290.50, subdivision 2; 290.523, subdivision 2; 290.92, subdivisions 5a, 6, 19, and 28; 290.97; 290.9726, subdivision 2; 290A.03, subdivisions 3 and 11; 290A.11, subdivision 2, and by adding a subdivision; 290A.19; repealing Laws 1983, chapters 213, section 2; and 247, section 122; and Laws 1984, chapter 514, article 2, section 13.

Ms. Reichgott moved to amend H.F. No. 1045 as amended pursuant to Rule 49, adopted by the Senate May 3, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1104.)

Page 14, line 2, delete the new language

Page 14, delete lines 3 to 5

Page 15, line 11, before "Any" insert "*Effective with payments made after April 1, 1988,*"

Page 17, line 1, after "which" insert "(1)" and strike "pursuant to section 8 of the"

Page 17, strike lines 2 and 3

Page 17, line 4, strike "for low and moderate income families" and insert "to, or for, the claimant based on the income of the claimant or the claimant's family, or (2) a subsidy is paid to a public housing authority that owns or operates the claimant's rental unit, pursuant to United States Code, title 42, section 1437c"

Page 17, line 6, after the period insert "For purposes of this subdivision, 'rent subsidy' does not include any housing assistance received under aid to families with dependent children, general assistance, Minnesota supplemental assistance, supplemental security income, or similar income maintenance programs."

Page 19, line 33, after "Sections" insert "1,"

Page 20, line 7, delete "1984" and insert "1985"

Page 20, line 16, after "chapter" insert "which"

The motion prevailed. So the amendment was adopted.

H.F. No. 1045 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Storm
Anderson	Diessner	Knaak	Olson	Stumpf
Belanger	Dieterich	Kroening	Pehler	Taylor
Benson	Frank	Kronebusch	Peterson, C.C.	Vega
Berg	Frederick	Laidig	Peterson, D.C.	Waldorf
Bernhagen	Frederickson	Lessard	Peterson, R.W.	Wegscheid
Bertram	Gustafson	McQuaid	Petty	Willet
Chmielewski	Hughes	Merriam	Ramstad	
Dahl	Isackson	Moe, D.M.	Reichgott	
Davis	Johnson, D.E.	Moe, R.D.	Renneke	
DeCramer	Jude	Nelson	Sieloff	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 968: A bill for an act relating to education; authorizing post-secondary boards to award scholarships based on academic achievement; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; authorizing state universities to adopt and enforce parking rules on their property; permitting payroll deductions for employees of state universities and the state university board for an eligible nonprofit university foundation; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R.D.	Renneke
Anderson	Dicklich	Knaak	Nelson	Sieloff
Belanger	Diessner	Kroening	Novak	Storm
Benson	Dieterich	Kronebusch	Olson	Stumpf
Berg	Frank	Laidig	Pehler	Taylor
Bernhagen	Frederickson	Lessard	Peterson, D.C.	Vega
Bertram	Gustafson	Luther	Peterson, D.L.	Waldorf
Chmielewski	Hughes	McQuaid	Peterson, R.W.	Willet
Dahl	Isackson	Merriam	Petty	
Davis	Johnson, D.E.	Moe, D.M.	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 850: A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.095; 201.12, subdivision 2; 201.15, subdivision 1; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03; repealing Minnesota Statutes 1984, sections 204B.19, subdivision 3; and 201.061, subdivision 2.

Mr. Hughes moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 6, after line 14, insert:

“Sec. 13. [204B.45] [MAIL BALLOTING.]

A town having fewer than 400 registered voters and not located in a metropolitan county as defined by section 473.121 may apply to the county auditor to provide balloting by mail at a county or state election with no polling place other than the office of the auditor or clerk. The county board may provide for balloting by mail in unorganized territory. Notice of the election and the special mail procedure must be given at least six weeks before the election. No earlier than 20 days or later than 18 days before the election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the town or unorganized territory. Eligible voters not registered at the time the ballots are mailed may apply for ballots under chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The costs of the mailing must be paid by the election jurisdiction in which the voter resides. A ballot received by 8:00 p.m. on the day of the election must be counted. The Minnesota election law applies to mail balloting except as provided by this section or by rules adopted by the secretary of state, but only paper ballots may be used. The secretary of state shall adopt rules for the conduct of mail balloting; including instructions to voters, procedures for challenge of voters, public obser-

vation of the counting of ballots, and procedures for proper handling and safeguarding of ballots to ensure the integrity of the election."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing for town mail elections;"

Page 1, line 13, after the second semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 204B;"

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 9, line 26, delete "and" and after "2" insert "; and 204B.36, subdivision 5"

Amend the title as follows:

Page 1, line 14, delete "and"

Page 1, line 15, after "2" insert "; and 204B.36, subdivision 5"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Isackson	Laidig	Renneke
Belanger	Bertram	Johnson, D.E.	McQuaid	Storm
Benson	Brataas	Kamrath	Olson	Taylor
Berg	Gustafson	Kronebusch	Peterson, D.L.	

Those who voted in the negative were:

Chmielewski	Frank	Kroening	Pehler	Sieloff
Dahl	Frederickson	Lessard	Peterson, D.C.	Stumpf
Davis	Freeman	Luther	Peterson, R.W.	Vega
DeCramer	Hughes	Merriam	Petty	Waldorf
Diessner	Jude	Moe, R.D.	Ramstad	Wegscheid
Dieterich	Knaak	Nelson	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 7, after line 7, insert:

"Sec. 14. Minnesota Statutes 1984, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the first Tuesday after the second Monday in ~~September~~ June in each even numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state

general election, other than presidential electors.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Hughes questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Pogemiller moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 1, after line 17, insert:

“Section 1. [10A.241] [TRANSFER OF FUNDS AND DEBTS FROM ONE PRINCIPAL CAMPAIGN COMMITTEE TO ANOTHER.]

Notwithstanding any provisions of this chapter to the contrary, a candidate may:

(1) terminate his principal campaign committee for one state office by transferring all funds and debts of that committee to his principal campaign committee for another state office, provided that any outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, after the second semicolon, insert “proposing coding for new law in Minnesota Statutes, chapter 10A;”

Mr. Knaak questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mrs. Kronebusch moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 6, after line 14, insert:

“Sec. 13. Minnesota Statutes 1984, section 204C.04, is amended to read:
204C.04 [EMPLOYEES; TIME OFF TO VOTE.]

Every employee who is eligible to vote at a state general election in *Minnesota* 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 *in the election in this state* 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 section 210A.141.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "clarifying the provision of time off to vote;"

Page 1, line 11, after "2;" insert "204C.04;"

The motion prevailed. So the amendment was adopted.

H.F. No. 850 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 10, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Isackson	Moe, R.D.	Sieloff
Anderson	Davis	Johnson, D.E.	Olson	Storm
Belanger	DeCramer	Jude	Peterson, D.C.	Stumpf
Benson	Diessner	Kamrath	Peterson, D.L.	Vega
Berg	Frederick	Kronebusch	Petty	Wegscheid
Bernhagen	Frederickson	Lessard	Ramstad	Willet
Bertram	Gustafson	McQuaid	Reichgott	
Chmielewski	Hughes	Moe, D.M.	Renneke	

Those who voted in the negative were:

Brataas	Frank	Knaak	Laidig	Merriam
Dieterich	Freeman	Kroening	Luther	Peterson, R.W.

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Hughes moved that S.F. No. 987, No. 11 on General Orders, be stricken and re-referred on the Committee on Elections and Ethics. The motion prevailed.

Mr. Hughes moved that S.F. No. 1086, No. 18 on General Orders, be stricken and returned to its author. The motion prevailed.

SPECIAL ORDER

H.F. No. 576: A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1984, sections 624.7132, subdivision 16; and 624.717; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 624.718.

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on H.F. No. 576. The Sergeant at Arms was instructed to bring in the absent members:

Mr. Lessard moved to amend H.F. No. 576, the unofficial engrossment, as follows:

Page 1, delete lines 18 to 21

Page 1, line 22, delete "(2)" and insert "(a)"

Page 1, line 24, delete "(3)" and insert "(b)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, R.D.	Schmitz
Anderson	Davis	Kamrath	Olson	Sieloff
Belanger	DeCramer	Knutson	Pehler	Stumpf
Benson	Dicklich	Kronebusch	Peterson, D.L.	Taylor
Berg	Frederick	Laidig	Purfeerst	Wegscheid
Bernhagen	Frederickson	Langseth	Ramstad	Willet
Bertram	Isackson	Lessard	Renneke	
Chmielewski	Johnson, D.E.	Mehrkens	Samuelson	

Those who voted in the negative were:

Berglin	Freeman	Lantry	Nelson	Reichgott
Brataas	Gustafson	Luther	Peterson, D.C.	Solon
Diessner	Hughes	McQuaid	Peterson, R.W.	Spear
Dieterich	Knaak	Merriam	Petty	Storm
Frank	Kroening	Moe, D.M.	Pogemiller	Vega

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 576, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [471.633] [FIREARMS.]

Subdivision 1. [DEFINITION.] For purposes of this section, “Morton Grove ordinance” means an ordinance, order, or other regulation that prohibits the possession of pistols, as defined in section 624.712, subdivision 2, within the geographic limits of a governmental subdivision.

Subd. 2. [MORTON GROVE ORDINANCE PROHIBITED.] Notwithstanding any contrary provision of sections 624.711 to 624.718 or any other law, a home rule charter or statutory city, including a city of the first class, a county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, may not adopt a Morton Grove ordinance.”

Delete the title and insert:

“A bill for an act relating to local government; prohibiting local governments from adopting Morton Grove ordinances; proposing coding for new law in Minnesota Statutes, chapter 471.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 43, as follows:

Those who voted in the affirmative were:

Berglin	Freeman	Luther	Pehler	Reichgott
Brataas	Gustafson	Merriam	Peterson, D.C.	Spear
Diessner	Hughes	Moe, D.M.	Peterson, R.W.	Vega
Dieterich	Kroening	Nelson	Petty	
Frank	Lantry	Novak	Pogemiller	

Those who voted in the negative were:

Adkins	Davis	Kamrath	Moe, R.D.	Sieloff
Anderson	DeCramer	Knaak	Olson	Solon
Belanger	Dicklich	Knutson	Peterson, C.C.	Storm
Benson	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berg	Frederickson	Laidig	Purfeerst	Taylor
Bernhagen	Isackson	Langseth	Ramstad	Wegscheid
Bertram	Johnson, D.E.	Lessard	Renneke	Willet
Chmielewski	Johnson, D.J.	McQuaid	Samuelson	
Dahl	Jude	Mehrkens	Schmitz	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 576 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 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Olson	Schmitz
Anderson	Dicklich	Knaak	Pehler	Sieloff
Belanger	Dießner	Knutson	Peterson, C.C.	Solon
Benson	Frederick	Kronebusch	Peterson, D.L.	Storm
Berg	Frederickson	Laidig	Peterson, R.W.	Stumpf
Bernhagen	Gustafson	Langseth	Purfeerst	Taylor
Bertram	Isackson	Lessard	Ramstad	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	Willet
Dahl	Johnson, D.J.	Mehrkens	Renneke	
Davis	Jude	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Berglin	Freeman	Luther	Novak	Spear
Brataas	Hughes	Merriam	Peterson, D.C.	Vega
Dieterich	Kroening	Moe, D.M.	Petty	
Frank	Lantry	Nelson	Pogemiller	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 866: A bill for an act relating to solid waste and sewage sludge management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; granting and clarifying the powers which may be exercised by a county located outside the metropolitan area if it enters into an agreement with a metropolitan county for solid waste or resource recovery purposes; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27; 115A.84, subdivisions 3 and 4; 115A.919; 400.04, subdivision 1; 473.153, subdivisions 5, 6b, and 7; 473.801, subdivision 1; 473.811, subdivisions 5 and 5a; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 473;

repealing Laws 1984, chapter 644, section 83.

Mr. Dicklich moved to amend S.F. No. 866 as follows:

Page 4, after line 22, insert:

“Sec. 6. [116C.715] [DISPOSAL SITE PROHIBITION.]

Subdivision 1. [HIGH LEVEL RADIOACTIVE WASTE.] No high level radioactive waste may be disposed of on a site located over, or in a manner that may reasonably be expected to contaminate, potable water.

Subd. 2. [HAZARDOUS WASTE.] No hazardous waste may be disposed of on a site located over, or in a manner that may reasonably be expected to contaminate, potable water.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 4, after line 22, insert:

“Sec. 6. [116C.715] [HIGH LEVEL RADIOACTIVE WASTE DISPOSAL SITE PROHIBITION.]

No high level radioactive waste may be disposed of on a site located over, or in a manner that may reasonably be expected to contaminate, potable water.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second Portion:

Page 4, after line 22, insert:

“Sec. 6. [HAZARDOUS WASTE DISPOSAL SITE PROHIBITION.]

No hazardous waste may be disposed of in an underground site located over, or in a manner that may reasonably be expected to contaminate, potable water.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the amendment.

The motion prevailed. So the first portion of the amendment was adopted.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 866. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the second portion of the

Dicklich amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 25 and nays 26, as follows:

Those who voted in the affirmative were:

Benson	Dicklich	Johnson, D.E.	Lessard	Renneke
Bernhagen	Frederick	Johnson, D.J.	McQuaid	Schmitz
Bertram	Frederickson	Jude	Olson	Stumpf
Chmielewski	Gustafson	Kamrath	Purfeerst	Vega
Dahl	Isackson	Kronebusch	Ramstad	Willet

Those who voted in the negative were:

Adkins	DeCramer	Laidig	Moe, R.D.	Storm
Anderson	Dieterich	Langseth	Novak	Taylor
Belanger	Frank	Lantry	Petty	
Berg	Freeman	Luther	Pogemiller	
Brataas	Knaak	Merriam	Reichgott	
Davis	Kroening	Moe, D.M.	Sieloff	

The motion did not prevail. So the second portion of the Dicklich amendment was not adopted.

Mr. Stumpf moved to amend S.F. No. 866 as follows:

Page 13, after line 25 insert:

“Sec. 24. [PENNINGTON COUNTY; RESOURCE RECOVERY.]

Subdivision 1. [LEASE OR SALE OF PROPERTY.] Pennington county may sell or lease any facilities or property or property rights to accomplish the purposes specified in chapter 400. The property may be sold or leased in the manner provided by section 400.14, or may be sold or leased in the manner and on the terms and conditions determined by the county board.

Subd. 2. [APPLICATION.] This section is effective in Pennington county the day after compliance with Minnesota Statutes, section 645.021, subdivision 3.”

ReNUMBER the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend the Dicklich amendment to S.F. No. 866, adopted by the Senate May 14, 1985, as follows:

Page 1, line 5, after “be” insert “permanently”

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 866 as follows:

Page 13, after line 25, insert:

“Sec. 24. [ITASCA COUNTY; GRANT, ADVANCE, OR LOAN FROM FEDERAL OR STATE GOVERNMENT.]

Itasca county may by ordinance accept from the government of the United

States or the state of Minnesota, grants, loans, or advances of money for energy improvements to heating facilities under chapter 116J or sections 298.292 to 298.298, and may make agreements to repay any such loans or advances without submitting the proposal to a vote of the people."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 16, after the semicolon, insert "permitting Itasca county to accept loans, advances, or grants from federal or state government;"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 866 as follows:

Page 16, delete section 29

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 30, delete everything after "473"

Page 1, line 31, delete everything before the period

The question was taken on the adoption of the amendment.

Mr. Storm moved that those not voting be excused from voting. The motion did not prevail.

Mr. Belanger moved that those not voting be excused from voting. The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting. The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting.

The question was taken on the adoption of the motion.

The roll was called.

Mr. Sieloff moved to close the roll on the Luther motion to excuse those not voting on the Luther amendment.

The roll was called and there were yeas 48 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Novak	Samuelson
Belanger	Freeman	Kronebusch	Olson	Sieloff
Benson	Gustafson	Laidig	Peterson, D.C.	Storm
Berg	Isackson	Lessard	Peterson, D.L.	Stumpf
Davis	Johnson, D.E.	Luther	Peterson, R.W.	Taylor
DeCramer	Johnson, D.J.	McQuaid	Petty	Vega
Dicklich	Jude	Merriam	Pogemiller	Waldorf
Diessner	Kamrath	Moe, D.M.	Purfeerst	Willet
Dieterich	Knaak	Moe, R.D.	Ramstad	
Frederick	Knutson	Nelson	Reichgott	

Those who voted in the negative were:

Adkins	Bertram	Chmielewski	Dahl	Pehler
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The motion prevailed. So the vote on the Luther motion to excuse those not

voting from voting was closed.

The roll was called, and there were yeas 33 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lessard	Peterson, D.C.	Spear
Berglin	Diessner	Luther	Peterson, R.W.	Stumpf
Bertram	Frank	Merriam	Petty	Vega
Chmielewski	Freeman	Moe, D.M.	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, R.D.	Purfeerst	Willett
Davis	Jude	Nelson	Samuelson	
DeCramer	Kroening	Pehler	Solon	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Laidig	Renneke
Belanger	Frederick	Kamrath	McQuaid	Sieloff
Benson	Frederickson	Knaak	Olson	Storm
Berg	Gustafson	Knutson	Peterson, D.L.	Taylor
Bernhagen	Isackson	Kronebusch	Ramstad	

The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting. The motion prevailed.

The roll was called on the Luther amendment, and there were yeas 33 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lessard	Peterson, C.C.	Spear
Berglin	Diessner	Luther	Peterson, D.C.	Stumpf
Bertram	Frank	Merriam	Peterson, R.W.	Vega
Chmielewski	Freeman	Moe, D.M.	Petty	Waldorf
Dahl	Johnson, D.J.	Moe, R.D.	Purfeerst	Willett
Davis	Jude	Nelson	Samuelson	
DeCramer	Kroening	Pehler	Solon	

Those who voted in the negative were:

Anderson	Dieterich	Kamrath	Novak	Renneke
Belanger	Frederick	Knaak	Olson	Sieloff
Benson	Frederickson	Knutson	Peterson, D.L.	Storm
Berg	Gustafson	Kronebusch	Pogemiller	Taylor
Bernhagen	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	McQuaid	Reichgott	

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Storm moved that the vote whereby the second portion of the Dicklich amendment to S.F. No. 866 was not adopted on May 14, 1985, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Jude	Lessard	Sieloff
Belanger	Frederick	Kamrath	McQuaid	Storm
Benson	Frederickson	Knaak	Olson	Stumpf
Berg	Gustafson	Knutson	Peterson, D.L.	Taylor
Bernhagen	Isackson	Kronebusch	Ramstad	
Brataas	Johnson, D.E.	Laidig	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Moe, D.M.	Peterson, R.W.	Spear
Berglin	Dieterich	Moe, R.D.	Petty	Vega
Bertram	Frank	Nelson	Pogemiller	Waldorf
Chmielewski	Freeman	Novak	Purfeerst	Willet
Dahl	Kroening	Pehler	Reichgott	
Davis	Luther	Peterson, C.C.	Samuelson	
DeCramer	Merriam	Peterson, D.C.	Solon	

The motion did not prevail.

S.F. No. 866 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Pehler	Sieloff
Anderson	Dieterich	Kronebusch	Peterson, C.C.	Solon
Berg	Frank	Lessard	Peterson, D.C.	Spear
Berglin	Frederick	Luther	Peterson, R.W.	Stumpf
Bertram	Frederickson	McQuaid	Petty	Taylor
Brataas	Freeman	Merriam	Pogemiller	Vega
Chmielewski	Gustafson	Moe, D.M.	Purfeerst	Waldorf
Dahl	Isackson	Moe, R.D.	Ramstad	Willet
Davis	Johnson, D.E.	Nelson	Reichgott	
DeCramer	Jude	Novak	Renneke	
Dicklich	Kamrath	Olson	Samuelson	

So the bill, as amended, passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 862: A bill for an act relating to courts; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3.

Senate File No. 862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

Mr. Pehler moved that the Senate do not concur in the amendments by the House to S.F. No. 862, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 282:

H.F. No. 282: A bill for an act relating to education; declaring the mission of public elementary and secondary education in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 120.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Nelson, K; Boo and Rodosovich have been appointed as such committee on the part of the House.

House File No. 282 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

Mr. Pehler moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 282, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 847:

H.F. No. 847: A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; capping the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.51; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter

268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Gutknecht, Sviggum and Heap have been appointed as such committee on the part of the House.

House File No. 847 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 847, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 862: Messrs. Pehler; Merriam; Pogemiller; Johnson, D.E. and Freeman.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed:

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 676: Mr. Chmielewski, Mrs. Adkins and Mr. Gustafson.

S.F. No. 952: Messrs. Waldorf, Wegscheid and Mrs. Brataas.

H.F. No. 633: Messrs. Johnson, D.E.; Mehrkens and Mrs. Lantry.

H.F. No. 729: Messrs. Pogemiller, Wegscheid, Renneke, Spear and Moe, D.M.

H.F. No. 558: Messrs. Freeman, Schmitz and Belanger.

H.F. No. 282: Messrs. Pehler, Purfeerst and Ms. Olson.

H.F. No. 847: Messrs. Chmielewski, Frank and Langseth.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The

motion prevailed.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports read by the Secretary be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 701: A bill for an act relating to human services; allowing the county boards to serve as the community mental health center boards; amending Minnesota Statutes 1984, section 245.66.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 245.66, is amended to read:

245.66 [COMMUNITY MENTAL HEALTH CENTER BOARDS.]

Subdivision 1. [BOARD REQUIRED; MEMBERSHIP AND RESPONSIBILITIES.] Every city, county, town, combination thereof or nonprofit corporation establishing a community mental health center shall establish a community mental health center board. The community mental health center board may include county commissioner representatives from each participating county and shall be representative of the local population, including at least health and human service professions and advocate associations, other fields of employment, and the general public. Each community mental health center board shall be responsible for the governance and performance of its center.

Subd. 2. [COUNTY OPERATED COMMUNITY MENTAL HEALTH CENTER BOARDS.] *Notwithstanding subdivision 1, a county board of commissioners that operates a community mental health center with county employees may designate itself as the governing board of that center. If the county board elects to be the community mental health center board, it shall establish advisory committees to assist it in planning, setting priorities, and evaluating the services the board provides or purchases."*

Delete the title amendment recommended by the Committee on Health and Human Services adopted by the Senate, April 22, 1985

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was referred

H.F. No. 1458: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "\$1,929" and insert "\$12,929"

Page 2, line 19, after "Association" insert ", Elk River, Minnesota 55330,"

Page 2, line 20, delete "Elk River, Minnesota 55330" and insert "Eden Prairie, Minnesota 55344"

Page 2, line 24, delete "\$242,081" and insert "\$160,500"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 908: A bill for an act relating to human services; revising procedures and requirements under the aid to families with dependent children, medical assistance, and general assistance programs; appropriating money; amending Minnesota Statutes 1984, sections 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; 256.871, subdivision 3; 256.99; 256B.02, subdivisions 2 and 3; 256B.06, subdivision 1; 256B.062; 256B.07; 256B.17, subdivision 6; 256D.01, subdivisions 1a and 1b; and 256D.06, 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 1984, section 245.791, is amended to read:

245.791 [EXCLUSIONS.]

Sections 245.781 to 245.812 shall not apply to:

- (1) Day care or residential care provided by a relative to related persons;
- (2) Day care or residential care provided for a cumulative total of less than 30 days in any 12-month period;
- (3) Day care provided for persons from a single unrelated family for any length of time;
- (4) A home caring for a person placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years after placement;
- (5) A licensed hospital whose psychiatric or chemical dependency program is located within the hospital;
- (6) A nursing home, hospital, or boarding care home, licensed by the state commissioner of health, except that an identifiable unit of such a facility which regularly provides care for more than five adults defined as persons in Minnesota Statutes, section 245.782, subdivision 2, who are not residents or patients of the nursing home, hospital, or boarding care home, must be licensed under sections 245.781 to 245.812;
- (7) A day care or residential program serving any number of adults who are

not defined as persons under Minnesota Statutes, section 245.782, subdivision 2;

(8) A sheltered workshop day program, certified by the state board of education;

(9) A work activity day program, certified by the state board of education;

(10) A work-wage home providing care for one nonrelated child who has reached his sixteenth birthday and who has been independently placed for purposes of education or employment;

(11) ~~A school under the general supervision of the commissioner of education or a local education agency;~~

(12) ~~A residential or day care facility under the direct control and supervision of a local education agency or a state agency other than the commissioner;~~

(13) (12) Day care provided for periods of no more than three hours per day for any person while his relatives are in the same building, or can be present in the same building within 30 minutes;

(14) ~~Facilities which in the judgment of the commissioner of education are operated for the primary purpose of educating children shall be exempt from these rules and regulations except insofar as the regulations affect the health and safety of the children therein. The classrooms shall meet the applicable standards of the commissioner of public safety and state commissioner of health.~~

Sec. 2. Minnesota Statutes 1984, section 245.804, subdivision 1, is amended to read:

Subdivision 1. In exercising the powers of licensing, renewing, suspending, revoking, or making licenses probationary, the commissioner shall study and evaluate operators and applicants for a license. To carry out these duties the commissioner shall employ qualified personnel who, ~~insofar as possible,~~ are knowledgeable about the operation of the types and characters of facilities and agencies to be inspected. Authorized representatives of the commissioner may visit a day care or residential facility or agency at any time during the hours of operation for purposes of the study and inspection. In conducting evaluations and inspections, the commissioner may call upon and receive appropriate assistance from other governmental agencies within their authorized fields. Inspections may be made without prior notice to the applicant or operator.

Sec. 3. Minnesota Statutes 1984, section 256.12, subdivision 20, is amended to read:

Subd. 20. [ASSISTANCE UNIT.] "Assistance unit" means the group of individuals *who are applying for or receiving assistance and whose needs or income, or both, are taken into account included in determining eligibility for or the amount of a grant of assistance as determined* under sections 256.72 to 256.87.

Sec. 4. Minnesota Statutes 1984, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROP-

ERTY.] Ownership by the father, mother, child, children, or any combination; an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) *The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine months and the assistance unit shall execute an agreement to dispose of the property to repay assistance received during the nine months up to the amount of the net sale proceeds. The payment must be made when the property is sold. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason the entire amount received during the nine months is an overpayment and subject to recovery.* For the purposes of this section "homestead" means the house owned and occupied by the child, relative or other member of the assistance unit as his dwelling place, together with the land upon which it is situated ~~and~~ in an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in ~~unplatted land~~ rural areas; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500, *one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit*, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 5. Minnesota Statutes 1984; section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) On behalf of any person who is receiving supplemental security income under title XVI of the social security act unless permitted by federal regulations;

(2) For any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds ~~450~~ 185 percent of the standard of need for a family of the same size and composition; *except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year.* If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) To any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) On behalf of any other individual in the assistance unit, nor shall the

individual's needs be taken into account, for any month in which, on the last day of the month, the individual is participating in a strike;

(5) To an assistance unit if its eligibility is based on a parent's unemployment and the parent who is the principal earner, without good cause, fails or refuses to *seek work*, to participate in the work incentive program under section 256.736, *if this program is available*, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 6. Minnesota Statutes 1984, section 256.73, subdivision 6, is amended to read:

Subd. 6. [REPORTS BY RECIPIENT.] ~~Each recipient shall complete reports as requested by the local or state agency. An assistance unit with a recent work history or with earned income shall report monthly to the local agency on income received and other circumstances affecting eligibility or assistance amounts. All other assistance units shall report on income and other circumstances affecting eligibility and assistance amounts at less frequent intervals, as specified by the state agency.~~ All income not specifically disregarded by the social security act, the code of federal regulations, or state law, rules and regulations, shall be income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient thereof in excess of the payment due it shall be recoverable by the local agency. The agency shall give written notice to the recipient of its intention to recover the overpayment. Overpayments to a current assistance unit shall be recovered either through repayment by the individual in part or in full or by reducing the amount of aid payable to the assistance unit of which the individual is a member. For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's liquid assets and total income after deducting actual work expenses equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting actual work expenses shall equal at least 99 percent of the standard of need. In cases when there is both an overpayment and underpayment the local agency shall offset one against the other in correcting the payment. *The local agency shall make reasonable efforts to recover overpayments made to persons no longer on assistance in accordance with standards established by the commissioner of human services. The local agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.* The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045. The county agency shall promptly repay the recipient for any underpayment and shall disregard that payment when determining the assistance unit's income and resources in the month when the payment is made and the following month.

Sec. 7. Minnesota Statutes 1984, section 256.736, subdivision 3, is amended to read:

Subd. 3. [OPERATION OF PROGRAM.] To determine who shall be

designated as an appropriate individual for certification to the commissioner of economic security, the commissioner of human services shall provide standards for county welfare agencies and human services boards consistent with the standards promulgated by the secretary of health and human services. County welfare agencies shall certify appropriate individuals to the commissioner of economic security and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

(2) a person who is ill, incapacitated or of advanced age;

(3) a person so remote from a work incentive project that his effective participation is precluded;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a parent or other caretaker relative of a child under the age of six who personally provides full-time care for the child;

(6) a parent or other caretaker if another adult relative in the ~~house~~ *assistance unit* is registered and has not, without good cause, failed or refused to participate or accept employment; or

(7) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (6); or

(8) *a woman in her last trimester of pregnancy.*

Any individual referred to in clause (5) shall be advised of the option to register for employment services, training, and employment if the individual so desires, and shall be informed of the child care services, if any, which will be available if the individual decides to register.

If, after planning with a recipient, a decision is made that the recipient must register for employment services, training, and employment, the county welfare department shall give notice in writing to the recipient stating that he or she must register with the commissioner of economic security for participation in a work incentive program and that the recipient has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 8. Minnesota Statutes 1984, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any relative or child certified to the commissioner of economic security pursuant to this section with child-care services and other necessary family services;

(2) Pay ten percent of the cost of programs of training and employment established by the commissioner of economic security for persons certified hereunder;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of economic security is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination; and

(4) Provide that when it has been certified by the commissioner of economic security, certification to be binding upon the commissioner of human services, that a relative or child certified under the work incentive program to the commissioner of economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of *protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the relative if a protective payee cannot reasonably be found.*

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and his needs will not be taken into account in making the grant determination. If the assistance unit's eligibility is based on the *nonexempt* principal earner's unemployment and ~~the~~ *this* principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.

Sec. 9. Minnesota Statutes 1984, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233. *Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the*

first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) The first \$75 of each individual's earned income. ~~In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded.~~ For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; ~~and~~

(5) Thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment; or

(c) Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregard; or

(d) Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have

their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. *An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC.* To again qualify for ~~this~~ the earned income disregard ~~disregards~~ under clause (d), the individual must not be a recipient of aid for a period of 12 consecutive months. ~~If~~ *When an individual assistance unit becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will due to the fact that these disregards are no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would the assistance unit shall be eligible for medical assistance- benefits for a 15-month period beginning with the first month of AFDC ineligibility;*

(6) ~~The commissioner shall increase the standard of need for persons with earned income in effect on January 1, 1982, by 35 percent for each assistance unit. The maximum amount paid to an assistance unit shall be no more than 74 percent of the increased standard of need. Whenever the commissioner increases the maximum payment amount for all assistance units, the commissioner shall increase the maximum standard of need by an equal percentage.~~

~~To determine the amount of assistance to be paid to an assistance unit, net income shall be determined in a manner consistent with this chapter and applicable federal law. Net earned income shall be subtracted from the increased standard of need for an assistance unit of the appropriate size and composition to determine the grant amount, except that the grant shall not exceed the standard of need in effect on January 1, 1982 for an assistance unit of the same size and composition. Unearned income shall be subtracted from the maximum payment amount for an assistance unit of the appropriate size and composition to determine the grant amount.~~

~~Medical assistance eligibility for medically needy persons who are eligible for aid to families with dependent children shall be determined according to the standard of need in effect on January 1, 1982. The first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and~~

(7) ~~Insurance settlements to pay medical bills, to compensate a member of an assistance unit for partial or permanent loss of function or a body part, or~~

to repair or replace insured property.

Sec. 10. Minnesota Statutes 1984, section 256.74, subdivision 1a, is amended to read:

Subd. 1a. [STEPPARENT'S INCOME.] In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;

(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family with ~~no earned income~~ of the same composition as the stepparent and these other individuals;

(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and

(4) Alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Sec. 11. Minnesota Statutes 1984, section 256.74, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Application for assistance under sections 256.72 to 256.87 shall be made to the county agency of the county in which the dependent child is ~~residing~~ *lives*. If the child is not ~~residing~~ *living* within the state at the time of application but is eligible for assistance, the application may be made to the agency of the county where the child is present and forwarded to the agency of the county where the child last ~~resided~~ *lived*. The application shall be in writing or reduced to writing in the manner and upon the form prescribed by the state agency 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". The application shall be made by the person with whom the child will live and contain information as to the age and residence of the child and such other information as may be required by the rules and regulations of the state agency. One application may be made for several children of the same family if they ~~reside~~ *live* with the same person.

Sec. 12. Minnesota Statutes 1984, section 256.76, subdivision 1, is amended to read:

Subdivision 1. Upon the completion of such investigation the county agency shall decide whether the child is eligible for assistance under the provisions of sections 256.72 to 256.87, determine the amount of such assistance, and the date on which such assistance shall begin. *Notwithstanding section 393.07, the county agency shall not delay approval or issuance of*

assistance pending formal action of the county board of commissioners. The first month's grant shall be based upon that portion of the month from the date of application, or from the date that the applicant meets all eligibility factors, whichever occurs later, provided that on the date that assistance is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, or other emergency assistance. If an emergency need is found to exist, the applicant shall be granted assistance pursuant to section 256.871 within a reasonable period of time. It shall make a grant of assistance which shall be binding upon the county and be complied with by the county until such grant is modified or vacated. If the applicant is subsequently found to have been eligible for assistance under sections 256.72 to 256.87, assistance rendered under section 256.871 must be considered as a regular AFDC payment and not a payment under section 256.871. The county agency shall notify the applicant of its decision in writing. Such assistance shall be paid monthly to the applicant or to the vendor of medical care upon order of the county agency from funds appropriated to the county agency for this purpose. The county agency shall, upon the granting of assistance under these sections, file an order on the form to be approved by the state agency with the auditor of the county and thereafter warrants shall be drawn and payments made only in accordance with this order to or for recipients of this assistance or in accordance with any subsequent order.

Sec. 13. Minnesota Statutes 1984, section 256.78, is amended to read:

256.78 [ASSISTANCE GRANTS RECONSIDERED.]

All assistance granted under sections 256.72 to 256.87 shall be reconsidered as frequently as may be required by the rules of the state agency. After such further investigation as the county agency may deem necessary or the state agency may require, the amount of assistance may be changed or assistance may be entirely withdrawn if the state or county agency find that the child's circumstances have altered sufficiently to warrant such action. *The period of ineligibility for AFDC which results when an assistance unit receives lump sum income must be reduced when:*

(1) the assistance unit's standard of need increases due to changes in state law or due to changes in the size or composition of the assistance unit, so that the amount of aid the assistance unit would have received would have increased had it not become ineligible;

(2) the lump sum income, or a portion of it becomes unavailable to the assistance unit due to expenditures to avoid a life-threatening circumstance, theft, or dissipation by a member of the family who is no longer a part of the assistance unit for the needs of persons who are not members of the assistance unit; or

(3) the assistance unit incurs and pays medical expenses for care and services specified in section 256B.02; subdivision 8.

The county agency may for cause at any time revoke, modify, or suspend any order for assistance previously made. When assistance is thus revoked, modified, or suspended the county agency shall at once report to the state agency such decision together with supporting evidence required by the rules of the state agency. All such decisions shall be subject to appeal and review

by the state agency as provided in section 256.045.

Sec. 14. Minnesota Statutes 1984, section 256.79, is amended to read:

256.79 [REMOVAL TO ANOTHER COUNTY.]

Any child qualified for and receiving assistance pursuant to the provisions in sections 256.72 to 256.87 in any county in this state, who moves or is taken to another county in this state shall be entitled to continue to receive assistance from the county from which ~~he~~ *the child* has moved or has been taken until ~~he~~ *the child* shall have resided for two months in the county to which ~~he~~ *the child* has moved. When ~~he~~ *the child* has resided two months in the county to which ~~he~~ *the child* has moved, or has been taken, the local agency of the county from which ~~he~~ *the child* has moved shall transfer all necessary records relating to the child to the county agency of the county to which ~~he~~ *the child* has moved. *Where the child's assistance is terminated for 30 days or less before a reapplication is made, that assistance must continue to be the financial obligation of the county from which the child has moved until the two-month residence requirement has been met.*

Notwithstanding the provisions of section 256.73, subdivision 4, the county of financial responsibility shall not change because application for assistance is not made prior to initial placement, *or when living in a battered woman's shelter or maternity shelter*, or as a result of successive placements in one or more counties pursuant to a plan of treatment for health, rehabilitation, foster care, child care or training, nor as a result of placement in any correctional program. *In the case of a child who has no established county of residence prior to placement, the county of financial responsibility is the county in which the child resides at the time the application is made and the applicable eligibility criteria are met.*

Sec. 15. Minnesota Statutes 1984, section 256.871, subdivision 3, is amended to read:

Subd. 3. [COUNTY OF RESPONSIBILITY.] No state or county durational residence is required to qualify for such assistance. The county which shall be *financially responsible and grant assistance* shall be the county wherein the child *resides lives* who is found to be in emergency need. ~~Such county may obtain reimbursement from another county wherein the child has residence as provided in section 256.73.~~

Sec. 16. Minnesota Statutes 1984, section 256.99, is amended to read:

256.99 [REVERSE MORTGAGE PROCEEDS DISREGARDED.]

All reverse mortgage loan proceeds received pursuant to section 47.58, including interest or earnings thereon, shall be disregarded and shall not be considered available to the borrower for purposes of determining initial or continuing eligibility for, or amount of, medical assistance, Minnesota supplemental assistance, general assistance, general assistance medical care, or a federal or state low interest loan or grant. This section applies regardless of the time elapsed since the loan was made or the disposition of the proceeds.

For purposes of medical assistance eligibility provided under section 256B.06, proceeds from a reverse mortgage must be disregarded as income in the month of receipt but are a resource if retained after the month of receipt.

Sec. 17. Minnesota Statutes 1984, section 256B.02, subdivision 2, is amended to read:

Subd. 2. "Excluded time" means any period of time an applicant spends in a hospital, sanatorium, nursing home, boarding home, shelter, halfway house, *correctional facility*, foster home, semi-independent living domicile, residential facility offering care, board and lodging facility offering 24-hour care or supervision of mentally ill, mentally retarded, or physically disabled persons, or other institution for the hospitalization or care of human beings, as defined in sections 144.50, 144A.01, or 245.782, subdivision 6.

Sec. 18. Minnesota Statutes 1984, section 256B.02, subdivision 3, is amended to read:

Subd. 3. "County of financial responsibility" means:

(a) for an applicant who resides in the state and is not in a facility described in subdivision 2, the county in which he or she resides at the time of application;

(b) for an applicant who resides in a facility described in subdivision 2, the county in which he or she resided immediately before entering the facility; and

(c) for an applicant who has not resided in this state for any time other than the excluded time, the county in which the applicant resides at the time of making application. *For this limited purpose, an infant who has resided only in an excluded time facility is the responsibility of the county which would have been responsible for the infant if eligibility could have been established with the birth mother under section 256B.06, subdivision 1, clause (9).*

Notwithstanding clauses (a) to (c), the county of financial responsibility for medical assistance recipients is the same county as that from which a recipient is receiving a maintenance grant or money payment under the program of aid to families with dependent children. There can be a redetermination of the county of financial responsibility for former recipients of the medical assistance program who have been ineligible for at least one month, so long as that redetermination is in accord with the provisions of this subdivision.

Sec. 19. Minnesota Statutes 1984, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) Who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) Who is a pregnant woman, as certified in writing by a physician or

nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) *Who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) of this subdivision if born and living with the woman; or*

(6) Who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(6) (7) 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 who meets the other eligibility requirements of this section; or

(7) (8) 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

(9) *Who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or*

(8) (10) 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

(9) (11) 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

(10) (12) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as his primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship *or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and*

(11) (13) Who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (hus-

band and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

~~(12)~~ (14) Who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income due solely to increases in federal retiree, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits in the percentage amount established in the biennial appropriations law unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

~~(13)~~ (15) 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 human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

~~(14)~~ (16) 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. 20. Minnesota Statutes 1984, section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may, within the scope of regulations set by the commissioner of human services, waive the requirement of liquidation of excess

assets when the liquidation would cause undue hardship. *When an undue hardship waiver is granted due to excess assets created through a transfer of property under section 256B.17, subdivision 1, a cause of action exists against the person to whom the assets were transferred for that portion of medical assistance granted within 24 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or county agency responsible for providing medical assistance under section 256B.02, subdivision 3.* Household goods and furniture in use in the home, wearing apparel, and personal property used as a regular abode by the applicant or recipient and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 21. Minnesota Statutes 1984, section 256B.17, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED TRANSFERS OF EXCLUDED RESOURCES.] Any individual who is an inpatient in a skilled nursing facility or an intermediate care facility who, at any time during or after the 24-month period immediately prior to application for medical assistance, disposed of a homestead for less than fair market value shall be ineligible for medical assistance in accordance with subdivisions 1 to 4. An individual shall not be ineligible for medical assistance if one of the following conditions applies to the homestead transfer:

(1) a satisfactory showing is made that the individual can reasonably be expected to return to the homestead as a permanent residence;

(2) title to the homestead was transferred to the individual's spouse, child who is under age 21, or blind or permanently and totally disabled child as defined in the supplemental security income program;

(3) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(4) the local agency ~~determines that~~ grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

When a waiver is granted, a cause of action exists against the person to whom the homestead was transferred for that portion of medical assistance granted within 24 months of the transfer or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the county agency responsible for providing medical assistance under section 256B.02, subdivision 3.

Sec. 22. Minnesota Statutes 1984, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other

needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative.

The standards shall be lowered for recipients who share a residence with a responsible relative who also receives general assistance or who receives AFDC. If the responsible relative is receiving AFDC then the amount payable to the general assistance recipient must not exceed the amount that would be attributable to him if he were included in the AFDC grant.

For recipients who are not exempt from registration with the department of economic security pursuant to section 256D.111, subdivision 2, clauses (a), (f), (g), and (h), and who share a residence with a responsible relative who is not eligible for general assistance, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant shall be in an amount such that total household income is equal to the AFDC standard for a household of like size and composition, except that the grant shall not exceed that paid to a general assistance recipient living independently.

(b) Benefits received by a responsible relative under the supplemental security income program, *social security retirement program*, the social security disability program, a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.

Sec. 23. Minnesota Statutes 1984, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.]
(a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and x-ray services, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select vendors of medical care who can provide the most economical care consistent with high medical standards and may contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall encourage county boards to submit proposals for demonstration projects designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these serv-

ices under section 256B.02, subdivision 8, except that where counties enter into prepaid capitation agreements, payments shall be as provided in section 256.966, subdivision 2.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. For the period July 1, 1983 to June 30, 1984, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than 25 percent. For the period July 1, 1984 to June 30, 1985, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent. There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts. *Beginning July 1, 1986, the commissioner shall phase out rateable reductions in the general assistance medical care program to the extent possible using any surplus projected to exist at the end of the biennium within the appropriations for medical assistance and general assistance medical care.*

(d) Any county may, from its own resources, provide medical payments for which state payments are not made.

Sec. 24. Minnesota Statutes 1984, section 256D.06, is amended by adding a subdivision to read:

Subd. 1b. [EARNED INCOME SAVINGS ACCOUNT.] In addition to the \$50 disregard required under subdivision 1, the local agency shall disregard an additional earned income up to a maximum of \$150 per month for persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, and for whom discharge and work are part of a treatment plan. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. A maximum of \$1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an

eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Sec. 25. [CASE MIX REIMBURSEMENT STUDY; REPORTS.]

Subdivision 1. [CASE MIX REIMBURSEMENT STUDY.] The commissioner of human services shall study mechanisms for reimbursement of providers of services in intermediate care facilities for the mentally retarded, developmental achievement centers, or waived services under section 256B.501 based on the needs and resource use of the persons served by a provider, with incentives designed to encourage quality care and, when feasible, the developmental progress of persons receiving those services.

Subd. 2. [REPORTS.] The commissioner shall report to the legislative long-term care commission no later than July 1, 1986, with recommendations on the implementation of a new reimbursement system. The commissioner shall at the request of the legislative long-term care commission, report on the process of implementing changes in the general assistance medical care and medical assistance programs as a result of this act.

Sec. 26. [EFFECTIVE DATE.]

Section 13 is effective the day following final enactment. The changes made in section 1 to Minnesota Statutes 1984, section 245.791, clauses (11) and (12), are effective August 1, 1987."

Delete the title and insert:

"A bill for an act relating to human services; revising procedures and requirements under the aid to families with dependent children, medical assistance, and general assistance programs; appropriating money; amending Minnesota Statutes 1984, sections 245.791; 245.804, subdivision 1; 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; 256.871, subdivision 3; 256.99; 256B.02, subdivisions 2 and 3; 256B.06, subdivision 1; 256B.07; 256B.17, subdivision 6; 256D.01, subdivision 1a; 256D.03, subdivision 4; and 256D.06, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 903: A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost

containment strategies and collect data; requiring recovery of the federal share of medical assistance overpayments; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; requiring a study of the feasibility of home equity conversion to finance long-term health care; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.431, subdivisions 2b, 3, and 4; 256B.48, by adding a subdivision; 256B.50; 256B.504, subdivision 1; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapters 144 and 256B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [144.0722] [RESIDENT REIMBURSEMENT CLASSIFICATIONS; PROCEDURES FOR RECONSIDERATION.]

Subdivision 1. [RESIDENT REIMBURSEMENT CLASSIFICATIONS.] The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under sections 144.072 and 144.0721, or under rules established by the commissioner of human services under sections 256B.41 to 256B.48. The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services.

Subd. 2. [NOTICE OF RESIDENT REIMBURSEMENT CLASSIFICATION.] The commissioner of health shall notify each resident, and the nursing home or boarding care home in which the resident resides, of the reimbursement classification established under subdivision 1. The notice must inform the resident of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification. The notice of resident classification must be sent by first-class mail. The individual resident notices may be sent to the resident's nursing home or boarding care home for distribution to the resident.

Subd. 3. [REQUEST FOR RECONSIDERATION.] The resident or the nursing home or boarding care home may request that the commissioner reconsider the assigned reimbursement classification. The request for reconsideration must be submitted, in writing, to the commissioner within ten working days of the receipt of the notice of resident classification. The request for reconsideration must include the name of the resident, the name and address of the facility in which the resident resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the resident at the time of the assessment resulting in the disputed classification justify a change of classification.

Subd. 4. [RECONSIDERATION.] The commissioner's reconsideration

must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under subdivision 3. If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. In its discretion, the commissioner may review the reimbursement classifications assigned to all residents in the facility. Within 15 working days of receiving the request for reconsideration, the commissioner shall affirm or modify the original resident classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the needs of the resident at the time of the assessment. The resident and the nursing home or boarding care home shall be notified within five working days after the decision is made. The commissioner's decision under this subdivision is the final administrative decision of the agency.

Sec. 2. Minnesota Statutes 1984, section 144.50, subdivision 2, is amended to read:

Subd. 2. Hospital, sanatorium or other institution for the hospitalization or care of human beings, within the meaning of sections 144.50 to 144.56 shall mean any institution, place, building, or agency, in which any accommodation is maintained, furnished, or offered for: the hospitalization of the sick or injured; *the provision of care in a swing bed authorized under section 3*; elective outpatient surgery for preexamined, prediagnosed low risk patients; emergency medical services offered 24 hours a day, seven days a week, in an ambulatory or outpatient setting in a facility not a part of a licensed hospital; or the institutional care of human beings. Nothing in sections 144.50 to 144.56 shall apply to a clinic, a physician's office or to hotels or other similar places that furnish only board and room, or either, to their guests.

Sec. 3. [144.562] [SWING BED APPROVAL; ISSUANCE OF LICENSE CONDITIONS; VIOLATIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "swing bed" means a hospital bed licensed under sections 144.50 to 144.56 that has been granted a license condition under this section.

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for medicare reimbursement before May 1, 1985, (2) it is located in a rural area as defined in the federal medicare regulations, Code of Federal Regulations, title 42, section 405.1041, and (3) it agrees to utilize no more than four hospital beds as swing beds at any one time.

Subd. 3. [APPROVAL OF LICENSE CONDITION.] The commissioner of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision:

(a) The hospital must meet the eligibility criteria in subdivision 2.

(b) The hospital must be in compliance with the medicare conditions of participation for swing beds under Code of Federal Regulations, title 42, section 405.1041.

(c) *The hospital must agree, in writing, to limit the length of stay of a patient receiving services in a swing bed to not more than 40 days, or the duration of medicare eligibility, unless the commissioner of health approves a greater length of stay in an emergency situation. To determine whether an emergency situation exists, the commissioner shall require the hospital to provide documentation that continued services in the swing bed are required by the patient, that no nursing home beds are available within 25 miles from the patient's home, or in some more remote facility of the resident's choice, that can provide the appropriate level of services required by the patient, and that other alternative services are not available to meet the needs of the patient. If the commissioner approves a length of stay beyond 40 days, or the duration of medicare eligibility, the hospital shall develop a plan providing for the discharge of the patient upon the availability of a nursing home bed or other services that meet the needs of the patient. Permission to extend a patient's length of stay must be requested by the hospital at least 10 days prior to the end of the maximum length of stay.*

(d) *The hospital must agree, in writing, to limit admission to a swing bed only to patients who have been hospitalized and not yet discharged from the facility.*

(e) *The hospital must agree, in writing, that there will be at least 60 days between a specific patient's discharge from a facility out of a swing bed, and that patient's readmission to a swing bed. The commissioner of health may approve the readmission of a patient to a swing bed within 60 days if the readmission is necessary for the health, safety, treatment, or well-being of the patient, and only if the hospital complies with clause (d). The request for approval must be sent, in writing, to the commissioner and must include documentation of the need for the readmission. The documentation must include information establishing that nursing home services or alternative health care services are not available to meet the needs of the patient.*

(f) *The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the commissioner. The data must include the number of swing beds, the number of admissions to and discharges from swing beds, medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.*

Subd. 4. [ISSUANCE OF LICENSE CONDITION; RENEWALS.] *The commissioner of health shall issue a license condition to a hospital that complies with subdivisions 2 and 3. The license condition must be granted when the license is first issued, when it is renewed, or during the hospital's licensure year. The condition is valid for the hospital's licensure year. The license condition can be renewed at the time of the hospital's license renewal if the hospital complies with subdivisions 2 and 3.*

Subd. 5. [RATE.] *A hospital may not charge a person receiving nursing care in a swing bed at a rate greater than the rate paid by the United States secretary of health and human services for similar services under the medicare program for the comparable time period. A violation of this subdivision is a violation of section 256B.48, subdivision 1, clause (a).*

Subd. 6. [INSPECTIONS.] *Notwithstanding section 144.55, subdivision 4, the commissioner of health may conduct inspections of a hospital granted*

a condition under this section to assess compliance with this section.

Subd. 7. [VIOLATIONS.] Notwithstanding section 144.55, subdivision 4, if the hospital fails to comply with subdivision 2 or 3, the commissioner of health shall issue a correction order and penalty assessment under section 144.653 or may suspend, revoke, or refuse to renew the license condition under section 144.55, subdivision 6. The penalty assessment for a violation of subdivision 2 or 3 is \$500.

Subd. 8. [EFFECTIVE DATE.] Hospitals participating in the medicare swing bed program on the effective date of this section shall comply with this section by January 1, 1986, or at the time of the renewal of the medicare swing bed approval, whichever is earlier.

Sec. 4. [144.563] [NURSING HOME SERVICES PROVIDED IN A HOSPITAL.]

A licensed hospital which has been granted a license condition under section 3 must not provide the types of services that would normally be provided in, and reimbursed under medical assistance or medicare as services of, a skilled nursing facility or intermedicate care facility, whether on a short-term or long-term basis, following the date on which a patient would, under accepted medical practices and utilization review criteria, be discharged from inpatient hospitalization, unless the patient is in a swing bed in compliance with section 3. The commissioner of health may arrange or contract for professional review to determine the appropriate discharge date. A patient may be retained in the hospital following the appropriate discharge date only if the hospital can demonstrate that no nursing home beds, alternative care services, or other alternatives were available to meet the needs of the patient and that the hospital made prompt and continuing efforts to discharge the patient at the earliest possible date. If the commissioner determines that a patient remained in the hospital following the appropriate discharge date in violation of this section, the commissioner may order the hospital to provide reimbursement for all or part of payments for services provided after the appropriate discharge date or credit all or part of billings for these services if charges have not yet been paid. In addition to a reimbursement order, the commissioner may order the hospital to make an additional payment to the patient of up to ten percent of the amount of reimbursement ordered, regardless of whether the patient was the payor of or financially responsible for the hospital's charges. The commissioner's orders under this section are subject to the contested case procedures of chapter 14.

Sec. 5. Minnesota Statutes 1984, section 144.651, subdivision 6, is amended to read:

Subd. 6. [APPROPRIATE HEALTH CARE.] Patients and residents shall have the right to appropriate medical and personal care based on individual needs. Appropriate care for residents means care designed to enable residents to achieve their highest level of physical and mental functioning. This right is limited where the service is not reimbursable by public or private resources. *A patient needing nursing home care has a right to be discharged from a hospital at the proper time and admitted to an appropriate setting to receive nursing home care. A patient has the right to seek compensation and reimbursement for charges if the patient received nursing home care in an inappropriate setting in violation of section 4.*

Sec. 6. Minnesota Statutes 1984, section 144A.01, subdivision 5, is amended to read:

Subd. 5. "Nursing home" means a facility or that part of a facility which provides nursing care to five or more persons. "Nursing home" does not include a facility or that part of a facility which is a hospital, *a hospital with less than five swing beds as defined in section 3*, clinic, doctor's office, diagnostic or treatment center, or a residential facility licensed pursuant to sections 245.781 to 245.821 or 252.28.

Sec. 7. Minnesota Statutes 1984, section 144A.071, subdivision 1, is amended to read:

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes, *and the addition of more nursing home beds to the state's long-term care resources, and increased conversion of beds to skilled nursing facility bed status* inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita, has the fifth highest number of beds per capita elderly, and that private paying individuals and medical assistance recipients have equivalent access to nursing home care; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long-term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity *and changes of beds to a higher classification of care are* is likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community. *The legislature also finds that further increases in the number of licensed nursing home beds, especially in nursing homes not certified for participation in the medical assistance program, is contrary to public policy, because: (1) nursing home residents with limited resources may exhaust their resources more rapidly in these facilities, creating the need for a transfer to a certified nursing home, with the concomitant risk of transfer trauma; (2) a continuing increase in the number of nursing home beds will foster continuing reliance on institutional care to meet the long-term care needs of residents of the state; (3) a further expansion of nursing home beds will diminish incentives to develop more appropriate and cost-effective alternative services and divert community resources that would otherwise be available to fund alternative services; (4) through corporate reorganization resulting in the separation of certified and licensed beds, a nursing home may evade the provisions of section 256B.48, subdivision 1, clause (a); and (5) it is in the best interests of the state to ensure that the long-term care system is designed to protect the private resources of individuals as well as to use state resources most effectively and efficiently.*

The legislature declares that a moratorium on *the licensure and medical assistance certification of new nursing home beds and on changes in certification to a higher level of care* is necessary to control nursing home expen-

diture growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Sec. 8. Minnesota Statutes 1984, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] ~~Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary,~~ The commissioner of health, in coordination with the commissioner of human services, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3. The total number of certified beds in the state ~~in the skilled level and in the intermediate levels of care~~ shall remain at or decrease from the number of beds certified at ~~each level of care~~ on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount. *The commissioner of health shall deny each request for licensure of nursing home beds except as provided in subdivision 3.*

Sec. 9. Minnesota Statutes 1984, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or ~~change in the certification status of an existing bed~~ *the addition of a new licensed nursing home bed*, under the following conditions:

(a) To replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) To certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction"

means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) To certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes; or

(d) ~~When the change in certification status results in a decrease in the reimbursement amount~~ To license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) To license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction, as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules; or

(f) To certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or where the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States veterans administration.

Sec. 10. Minnesota Statutes 1984, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 3;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and xray services;

(11) The following if prescribed by a licensed practitioner: drugs, eye-glasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include:

drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the Administrative Procedure Act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the Administrative Procedure Act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the Administrative Procedure Act;

(12) Diagnostic, screening, and preventive services;

(13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in

section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; and

(18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 11. Minnesota Statutes 1984, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all ~~medical assistance recipients and any individual who would become eligible for medical assistance within 180 days of applicants seeking~~ admission to a licensed nursing home or boarding care home participating in the *medical assistance* program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home or boarding care home admissions. The commissioners of human services and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available.

Sec. 12. Minnesota Statutes 1984, section 256B.091, subdivision 2, is amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of human services to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or nonprofit agency to establish a screening team to assess, *the health and social needs of all applicants* prior to admission to a nursing home or a boarding care home licensed under section

144A.02 or sections 144.50 to 144.56, that is certified for medical assistance as a skilled nursing facility, intermediate care facility level I, or intermediate care facility level II; ~~the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within 180 days of nursing home or boarding care home admission.~~ Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. *If a person who has been screened must be reassessed for purposes of assigning a case mix classification because admission to a nursing home occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.* If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied medical assistance reimbursement or incur any other financial or regulatory penalty of the medical assistance program that would otherwise be caused by the individual's extended length of stay; 50 percent of the cost of this reimbursement or financial or regulatory penalty shall be paid by the state and 50 percent shall be paid by the county. Other personnel as deemed appropriate by the county agency may be included on the team. The county agency may contract with an acute care facility to have the facility's discharge planners perform the functions of a screening team with regard to individuals discharged from the facility and in those cases the discharge planners may participate in making recommendations under subdivision 3, clause (e). No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or noninstitutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 13. Minnesota Statutes 1984, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all persons receiving medical assistance and of all persons who would be eligible for medical assistance within 180 days of admission to a nursing home or boarding care home applicants, except (1) patients transferred from other nursing homes or; (2) patients who, having entered acute care facilities from nursing homes, are returning to nursing home care; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (b); or (4) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing. ~~Any other interested person may~~ The cost for screening persons who are receiving medical assistance or who would be eligible for medical assistance within 180 days of nursing home or boarding care home admission, will be paid by state, federal, and county money. Other persons will be assessed by a screening team upon payment of a fee based upon a sliding fee scale approved by the commissioner.

Sec. 14. Minnesota Statutes 1984, section 256B.091, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] Appeals from the screening team's ~~determination~~ *recommendation* shall be made pursuant to the procedures set forth in section 256.045, subdivisions 2 and 3. An appeal shall be automatic if the individual's physician does not agree with the recommendation of the screening team.

Sec. 15. Minnesota Statutes 1984, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; and (3) who need services that are not available at that time in the county through other public assistance; and (4) *who are age 65 or older.*

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new

programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay ten percent of the costs.

The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 16. [256B.411] [COMPLIANCE WITH STATE STATUTES.]

Subdivision 1. [PAYMENTS FOR MEDICAL ASSISTANCE RECIPIENTS.] A nursing home must not accept a state or local payment for providing care to a person eligible for medical assistance except under the medical assistance program or as allowed in section 256B.25, subdivision 3.

Subd. 2. [MEDICAL ASSISTANCE PAYMENTS.] A nursing home must not receive medical assistance payments unless the nursing home:

(1) is certified to participate in the medical assistance program;

(2) has a provider agreement with the commissioner that satisfies the requirements of state and federal statutes and rules as determined by the commissioner; and

(3) complies with state law including, but not limited to, chapter 256B and rules adopted under it.

Subd. 3. [RATES.] Rates paid to a nursing home under medical assistance must be the rates established under chapter 256B and rules adopted under it.

Subd. 4. [[WITHDRAWAL FROM MEDICAL ASSISTANCE PROGRAM.] If a nursing home terminates its participation in the medical assistance program, whether voluntarily or involuntarily, the commissioner may authorize the nursing home to continue to receive medical assistance reimbursement on a temporary basis only until medical assistance residents can be relocated to nursing homes participating in the medical assistance program.

Subd. 5. [EXCEPTION TO EQUALIZATION LAW.] The commissioner may authorize continued medical assistance payment to a nursing home that charges private paying residents rates which exceed those permitted by section 256B.48, subdivision 1, paragraph (a), but only for residents who resided in the nursing home before July 1, 1978, and residents for whom a permanent individual waiver was granted by the commissioner before October 1, 1983.

Subd. 6. [LEGISLATIVE INTENT.] This section applies notwithstanding any previous judicial decision to the contrary, including the decision of the court of appeals in the case of Arlene LeZalla, et al. v. State of Minnesota, et al. dated April 23, 1985, which is overruled by this section. This section applies whether the nursing home participates fully in the medical assistance

program or is withdrawing from the medical assistance program.

Subd. 7. [PARTICIPATION IN MEDICAL ASSISTANCE PROGRAM.] Participation by a nursing home in the medical assistance program is not required by this state. However, a nursing home may bind itself contractually with any person to continue participation in the medical assistance program. These agreements, if they contain the elements necessary for a contract, are enforceable by the remedies available in the courts of this state, including compelling the nursing home's continued participation in the medical assistance program.

Subd. 8. [LIABILITY.] The state of Minnesota and its agencies and political subdivisions, and employees of these entities, are not liable for damages that result from the relocation of a nursing home resident due to withdrawal by the nursing home from the medical assistance program.

Sec. 17. Minnesota Statutes 1984, section 256B.421, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, and section 16, the following terms and phrases shall have the meaning given to them.

Sec. 18. Minnesota Statutes 1984, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing home's cost report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, age, size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. *In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing homes in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group.* The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until

the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diems for purposes of setting limits and nursing home payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories. *For the rate year beginning on July 1, 1985, the commissioner shall:*

(1) allow nursing homes that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing homes licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing homes referred to in clauses (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing home shall receive an operating cost payment rate equal to the sum of the nursing home's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing home's historical operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to

compute the 60th percentile or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e).

Sec. 19. Minnesota Statutes 1984, section 256B.431, is amended by adding a subdivision to read:

Subd. 2g. [PHASE-IN.] The commissioner shall allow each nursing home whose actual allowable historical operating cost per diem for the reporting year ending September 30, 1984, and the following two reporting years is five percent or more above the limits established by the commissioner to be reimbursed for part of the excess costs each year for up to three rate years according to the formula in this subdivision. The commissioner shall reimburse the nursing home:

(1) for the rate year beginning July 1, 1985, 70 percent of the difference between the actual allowable historical operating cost per diem and the limit established by the commissioner;

(2) for the rate year beginning July 1, 1986, 40 percent of the difference between the actual allowable historical operating cost per diem and the limit established by the commissioner; and

(3) for the rate year beginning July 1, 1987, 20 percent of the difference between the actual allowable historical operating cost per diem and the limit established by the commissioner.

Sec. 20. Minnesota Statutes 1984, section 256B.431, subdivision 3, is amended to read:

Subd. 3. [PROPERTY-RELATED COSTS, 1983-1985.] (a) For rate years beginning July 1, 1983 and July 1, 1984, property-related costs shall be reimbursed to each nursing home at the level recognized in the most recent cost report received by December 31, 1982 and audited by March 1, 1983, and may be subsequently adjusted to reflect the costs recognized in the final rate for that cost report, adjusted for rate limitations in effect before the effective date of this section. Property-related costs include: depreciation, interest, earnings or investment allowance, lease, or rental payments. No adjustments shall be made as a result of sales or reorganizations of provider entities.

(b) Adjustments for the cost of repairs, replacements, renewals, betterments, or improvements to existing buildings, and building service equipment shall be allowed if:

(1) The cost incurred is reasonable, necessary, and ordinary;

(2) The net cost is greater than \$5,000. "Net cost" means the actual cost, minus proceeds from insurance, salvage, or disposal;

(3) The nursing home's property-related costs per diem is equal to or less than the average property-related costs per diem within its group; and

(4) The adjustment is shown in depreciation schedules submitted to and approved by the commissioner.

(c) Annual per diem shall be computed by dividing total property-related costs by 96 percent of the nursing home's licensed capacity days for nursing

homes with more than 60 beds and 94 percent of the nursing home's licensed capacity days for nursing homes with 60 or fewer beds. For a nursing home whose residents' average length of stay is 180 days or less, the commissioner may waive the 96 or 94 percent factor and divide the nursing home's property-related costs by the actual resident days to compute the nursing home's annual property-related per diem. The commissioner shall promulgate emergency and permanent rules to recapture excess depreciation upon sale of a nursing home.

(d) *Subd. 3a.* [PROPERTY-RELATED COSTS AFTER JULY 1, 1985.]

(a) For rate years beginning on or after July 1, 1985, the commissioner, by permanent rule, shall reimburse nursing home providers that are vendors in the medical assistance program for the rental use of their property. The "rent" is the amount of periodic payment which a renter might expect to pay for the right to the agreed use of the real estate and the depreciable equipment as it exists real estate and depreciable equipment. "Real estate" means land improvements, buildings, and attached fixtures used directly for resident care. "Depreciable equipment" means the standard moveable resident care equipment and support service equipment generally used in long-term care facilities.

(e) (b) In developing the method for determining payment rates for the rental use of nursing homes, the commissioner shall consider factors designed to:

- (1) simplify the administrative procedures for determining payment rates for property-related costs;
- (2) minimize discretionary or appealable decisions;
- (3) eliminate any incentives to sell nursing homes;
- (4) recognize legitimate costs of preserving and replacing property;
- (5) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;
- (6) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;
- (7) establish an investment per bed limitation;
- (8) reward efficient management of capital assets;
- (9) provide equitable treatment of facilities;
- (10) consider a variable rate; and
- (11) phase in implementation of the rental reimbursement method.

(f) (c) No later than January 1, 1984, the commissioner shall report to the legislature on any further action necessary or desirable in order to implement the purposes and provisions of this subdivision.

Sec. 21. Minnesota Statutes 1984, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the

commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983 and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2, paragraph (b) to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2(f), the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, is certified by the commissioner of health as an intermediate care facility, is and licensed by the commissioner of human services under 12 MCAR S 2.036, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate which is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

Sec. 22. Minnesota Statutes 1984, section 256B.50, is amended to read:

256B.50 [APPEALS:]

Subdivision 1. [SCOPE.] A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 256B.41 and 256B.47 if the appeal, if successful, would result in a change to the nursing home's payment rate, or appraised value. The appeal procedures also apply to appeals of payment rates calculated under 12 MCAR S 2.049 filed with the commissioner on or after May 1, 1984. This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 1. To appeal, the nursing home shall notify the commissioner in writing of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the nursing home believes is correct, the authority in statute or rule upon which the nursing home relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

Except as provided in subdivision 2, the appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the administrative law judge. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, a nursing home shall comply with section 14.44.

Subd. 2. [APPRAISED VALUE; APPEALS BOARD.] (a) Appeals concerning the appraised value of a nursing home's real estate must be heard by a three-person appeal board appointed by the commissioner. The real estate as defined in section 256B.431, subdivision 3, must be appraised using the depreciated replacement cost method.

(b) *Members of the appeals board shall be appointed by the commissioner from the list of appraisers approved for state contracts by the commissioner of administration. In making the selection, the commissioner of human services shall ensure that each member is experienced in the use of the depreciated replacement cost method and is free of any personal, political, or economic conflict of interest that may impair the member's ability to function in a fair and objective manner.*

(c) *The appeals board shall appoint one of its members to act as chief representative and shall examine witnesses where deemed necessary to make a complete record. Facts to be considered by the board are limited to those in existence at the time of the appraisal being appealed. The board shall issue a written report regarding each appeal to the commissioner within 30 days following the close of the record. The report must contain findings of fact, conclusions, and a recommended disposition based on a majority decision of the board. A copy of the report must be served upon all parties.*

(d) *The commissioner shall issue an order adopting, rejecting, or modifying the appeal board's recommendation within 30 days of receipt of the report. A copy of the decision must be served upon all parties.*

(e) *Within 30 days of receipt of the commissioner's order, the appealing party may appeal to the Minnesota court of appeals. The court's decision is limited to a determination of the appraised value of the real estate and must not include costs assessed against either party.*

Sec. 23. Minnesota Statutes 1984, section 256B.504, subdivision 1, is amended to read:

Subdivision 1. A legislative ~~study~~ commission is created

(a) to monitor the inspection and regulation activities, including rule developments, of the departments of health and human services with the ~~goal~~ goals of improving quality of care and controlling health care costs;

(b) to study and report on alternative long-term care services, including respite care services, day care services, and hospice services; ~~and~~

(c) to study and report on alternatives to medical assistance funding for providing long-term health care services to the citizens of Minnesota; and

(d) to monitor the delivery of health care in Minnesota and to study and report on strategies to contain health care costs.

The ~~study~~ commission shall consider the use of such alternatives as private insurance, private annuities, health maintenance organizations, preferred provider organizations, medicare, and such other alternatives as the commission may deem worthy of study.

Sec. 24. Minnesota Statutes 1984, section 349.214, is amended by adding a subdivision to read:

Subd. 1a. [BINGO; CERTAIN ORGANIZATIONS.] Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without complying with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two

bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

Sec. 25. Minnesota Statutes 1984, section 474.01, subdivision 7a, is amended to read:

Subd. 7a. No municipality or redevelopment agency shall undertake any project authorized by sections 474.01 to 474.13, except a project referred to in section 474.02, subdivision 1f, unless its governing body finds that the project furthers the purposes stated in this section, nor until the commissioner of energy and economic development has approved the project, on the basis of preliminary information which the commissioner may require, as tending to further the purposes and policies of sections 474.01 to 474.13. *The commissioner may not approve any projects relating to health care facilities except as permitted under subdivision 9.* Approval shall not be deemed to be an approval by the commissioner of energy and economic development 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. 26. Minnesota Statutes 1984, section 474.01, subdivision 9, is amended to read:

Subd. 9. [HEALTH CARE FACILITIES.] The welfare of the state further requires the provision of necessary health care facilities, to the end that adequate health care services be made available to residents of the state at reasonable cost. *However, some projects relating to nursing homes may be inconsistent with established state policies and detrimental to the welfare of the state. The commissioner of energy and economic development shall forward to the commissioner of human services and the commissioner of health for review all applications for projects relating to nursing homes licensed by the commissioner of health under chapter 144A. This review process does not apply to projects approved by the housing finance agency involving residences for the elderly, the costs of which will not be reimbursed under the medical assistance program. The commissioner of human services and the commissioner of health must return the applications to the commissioner of energy and economic development with a recommendation within 30 days of receipt. The commissioner of energy and economic development may not approve an application unless the project has been determined by both the commissioner of human services and the commissioner of health to be consistent with policies of the state as reflected in a statute or rule. The following projects may not be approved:*

(1) *projects that will result in an increase in the number of nursing home or boarding care beds in the state, unless the increase was approved before May 1, 1985, under section 144A.071, subdivision 3;*

(2) *projects involving refinancing, unless the refinancing will result in a reduction in debt service charges that will be reflected in charges to patients and third party payors; and*

(3) projects that are inconsistent with the established policies of the state as reflected in a statute or rule.

Sec. 27. [FEASIBILITY STUDY OF HOME EQUITY CONVERSION FOR LONG-TERM HEALTH CARE.]

Subdivision 1. [FEASIBILITY STUDY.] The commissioner of human services, with the assistance of the commissioner of commerce and the directors of the housing finance agency and the state planning agency, shall study and report to the legislature concerning the feasibility of a home equity conversion program to finance long-term health care and long-term health care insurance. The study must examine and provide recommendations concerning:

(1) methods of encouraging participation, including public subsidy mechanisms;

(2) the characteristics of target populations;

(3) federal and state legislative and regulatory barriers;

(4) the role of the medical assistance program, insurance carriers and other forms of health care coverage, lending institutions, employers, investors, consumer organizations, and other programs and interests;

(5) estimates of demand and participation;

(6) estimates of cost;

(7) methods of addressing adverse selection; and

(8) other considerations affecting the desirability and feasibility of home equity conversion to finance long-term health care and long-term health care insurance.

Subd. 2. [REPORT.] By February 15, 1986, the commissioner of human services shall report to the legislature on the study required under subdivision 1. In addition to the information required under subdivision 1, the report must include recommendations concerning the value of a project to demonstrate the use of home equity conversion to finance long-term health care and long-term health care insurance. If the report recommends establishing a demonstration project, the report must include recommendations for designing, implementing, and funding the project.

Sec. 28. [SPECIAL ASSISTANCE.]

Notwithstanding any other law, if a nursing home having an historical property-related cost per diem of less than \$1 receives a valid notice of default from an unrelated financial institution for an actual breach of a material provision of its financing agreements before January 1, 1985, and is sold after receiving the notice but prior to July 1, 1985, to a nonrelated buyer, the commissioner of human services shall provide an interest subsidy, interest buy-down or other assistance up to \$42,000 to facilitate the sale and enable the new owner to operate the nursing home under applicable medical assistance reimbursement rules and limits.

Prior to disbursing any such funds, the commissioner shall assure that the interests of the residents of the nursing home and the interests of the residents of any affiliated facility subject to the financing agreements, or inter-

related financing agreements, are protected and secured on a long-term basis. As a condition for releasing any such funds, the commissioner may require reasonable concessions from the financial institution which gave notice of the default.

Sec. 29. [APPROPRIATIONS.]

Subdivision 1. [COMMISSIONER OF HUMAN SERVICES.] \$50,000 is appropriated from the general fund to the commissioner of human services to conduct a feasibility study of home equity conversion for long-term health care.

Subd. 2. [COMMISSIONER OF HUMAN SERVICES.] \$42,000 is appropriated from the general fund to the commissioner of human services for purposes of section 28 to be available until June 30, 1986.

Sec. 30. [EFFECTIVE DATE.]

Sections 1 to 9, 15 to 17, and 19 to 23 are effective the day following final enactment. Sections 10 to 14, 18, 25, and 26 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; requiring recovery of the federal share of medical assistance overpayments; authorizing bingo in nursing homes and senior citizen housing projects; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; requiring a study of the feasibility of home equity conversion to finance long-term health care; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144.651, subdivision 6; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.421, subdivision 1; 256B.431, subdivisions 2b, 3, and 4, and by adding a subdivision; 256B.50; 256B.504, subdivision 1; 349.214, by adding a subdivision; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapters 144 and 256B."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1424: A bill for an act relating to a Minnesota convention facility and related facilities; authorizing the metropolitan council and the city of Minneapolis to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain convention and trade

show facilities and related facilities in the city of Minneapolis and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city of Minneapolis and the metropolitan council to issue bonds to finance the acquisition and betterment of convention and trade show facilities and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip a convention center and trade show facility; authorizing the transfer of certain city property and employees to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington; authorizing the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [473.5961] [CONVENTION CENTER AND RELATED FACILITIES.]

Subdivision 1. [PURPOSE.] Sections 1 to 8 are enacted to establish and provide for the acquisition, construction, financing, and operation of a Minnesota metropolitan convention center of a size and character competitive in the national and international market for conventions and trade shows, at the site of the existing convention hall and auditorium in the city of Minneapolis, substantially in accordance with design criteria set forth in the “Report on a Minnesota Convention and Trade Show Facility” dated February 5, 1985, which was prepared and submitted to the governor and legislature pursuant to Laws 1984, chapter 654, article 2, section 152, together with desirable related facilities.

Subd. 2. [DEFINITIONS.] For purposes of sections 1 to 8, the following terms have the following meanings:

(a) “Board” means the convention construction board established by section 2.

(b) “Bonds” means any bonds, notes, or other obligations, including obligations to pay under a financing lease or installment contract of an issuer.

(c) “City” means the city of Minneapolis, its city council, and any other board, authority, commission, or officer authorized by law, charter, or ordinance to exercise city powers of the nature referred to in sections 1 to 8.

(d) “Commission” means the Minnesota sports and convention facilities commission.

(e) “Convention center” means the Minnesota metropolitan convention center established under subdivision 1, including all property, real or personal, tangible or intangible, located in the city of Minneapolis, to be used as

part of convention and trade show facilities located on the convention site, and additions or extensions of the facilities.

(f) "Council" means the metropolitan council.

(g) "Convention site" means the land on which the existing convention hall and auditorium of the city of Minneapolis is located and which is owned by the city, together with any adjacent property the commission determines to be necessary and appropriate and is acquired for the construction or improvement of convention and trade show facilities.

(h) "Related facilities" means all property, real or personal, tangible or intangible, located on or within 1,000 feet of the boundary of the convention site which facilitates the use of the convention center, including but not limited to parking, pedestrian, meeting, skyway, lighting, landscaping and street facilities and land acquired and prepared for private redevelopment in a manner related to use of the convention center.

Sec. 2. [473.5962] [CONVENTION CONSTRUCTION BOARD.]

Subdivision 1. [ESTABLISHMENT.] A convention construction board is established to oversee construction of the convention facilities. The board shall not be deemed a state agency. The board shall design, construct, equip, furnish, and improve the convention center, and at the request of the commission, related facilities. The board shall consist of five members. Notwithstanding any other provision of law, the governor shall initially appoint five members and designate one member as chair within 30 days following the effective date of this section and members may be appointed without regard to residence, office, position, or employment but shall have in their individual capacities no direct or indirect interest in any contract for the acquisition or betterment of any convention and trade show facilities. Not more than one member of the commission and no member of the city council of the city may be appointed. The appointments are not subject to section 15.0597, but the terms and removal of board members and the filling of vacancies on the board are as provided in section 15.0575. A person shall not be deemed to have an interest in any contract because of any public office held by the person. Each member of the board shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the officer administering it, shall be filed with the chairperson of the commission.

Subd. 2. [ACTIONS; DURATION.] The board shall act by a majority of members, adopt rules and bylaws, including procedural rules for the conduct of its meetings, appoint officers, and hold meetings to carry out the duties and functions assigned to it by sections 1 to 8. The provisions of section 471.705 do not apply to meetings of the board, but the board shall make tape recordings or other electronic records of its meetings and shall adopt rules under which the meeting records are to be available to the public. The board shall continue in existence until the board determines (1) that construction of the convention facilities is substantially complete, or (2) that the convention facilities cannot be constructed. In exercising its powers under sections 1 to 8, the board shall not be subject to sections 473.161, 473.165, 473.173, and 473.556, subdivision 6.

Subd. 3. [BOARD COMPENSATION.] Members of the board shall be

paid \$50 for each day or part of a day devoted to board business. The chair of the board shall be paid a salary as the board shall establish. The members and chair shall be reimbursed for reasonable expenses incurred in connection with board business.

Subd. 4. [RELATIONSHIP OF BOARD TO COMMISSION.] To the extent the board does not have other funds available for the purpose, the commission shall from available funds pay or reimburse the board for all costs incurred by the board within the scope of its authority and the compensation required to be paid to board members. Upon termination of the board the commission shall be the successor in interest to the board for all rights, privileges and duties of the board created in sections 1 to 8 or arising under any contracts entered into by the board within the scope of its authority. The board and commission shall cooperate to the greatest extent practicable to permit each to discharge its duties under sections 1 to 8.

Subd. 5. [POWERS OF THE BOARD.] The board shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to the following:

(a) The board may sue and be sued, and shall be a public body within the meaning of chapter 562.

(b) The board may employ, without public bidding, persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for either design or construction, with respect to all or any part of the convention facilities or related facilities. Notwithstanding the foregoing, contractors for actual construction services shall be selected through a process of public bidding determined by the board and approved by the commissioner of administration, but the board may narrow the listing of eligible bidders to those that the board determines to possess sufficient expertise to perform the intended functions. The board's determination of eligible bidders must be made according to criteria adopted by the board and made public before the process of public bidding begins. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the board and shall post a bond in an amount at least equal to 100 percent of the certified price, including but not limited to costs incurred by the board or the commission or loss of revenues by the commission resulting from incomplete construction on the completion date. The board shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien under the provisions of sections 514.01 to 514.16.

(c) The board may employ persons and contract for services necessary to carry out its functions. The board shall adopt a personnel policy in accordance with the guidelines adopted by the council under section 473.141, subdivision 9. Employees of the board are not public employees for purposes of chapters 43A and 179A and are not members of a public pension fund.

(d) The board may, subject to approval by the commission, accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of

the state, or any person for any of its purposes, may enter into any agreement required in connection with them, and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, loan, or related agreement.

(e) The board may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the board or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

(f) In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to sections 1 to 8, the board shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16B.19 to 16B.22.

Subd. 6. [ENVIRONMENTAL IMPACT STATEMENT.] The board shall be the responsible governmental unit for preparation of an environmental assessment worksheet for the convention center. The board shall complete the environmental assessment worksheet within 30 days of notifying the environmental quality board of the facility site and scope of the convention facilities. If an environmental impact statement is necessary, the board shall prepare it. The final statement shall be accepted by the environmental quality board no later than 180 days following the determination that an environmental impact statement is necessary. The environmental assessment worksheet and any environmental impact statement for the proposed convention center shall be prepared in accordance with sections 1 to 8, and to the extent consistent with this act, in accordance with chapter 116D and rules issued pursuant to it. Any declaratory judgment action pursuant to section 116D.04, subdivision 10, shall be heard and decided within 60 days of the decision challenged and shall be initiated within 15 days of the decision. The board may engage the department of transportation, the pollution control agency, or any other department or agency of the state, or private consultant to conduct studies necessary to the preparation of the worksheet or statement. The board shall reimburse state departments or agencies for costs incurred in conducting the studies.

Subd. 7. [PERMITS.] Within 60 days following the acceptance of the environmental impact statement by the environmental quality board, or a decision that an environmental impact statement is not required, the pollution control agency and any other department, agency, or unit of government shall take final action to approve or deny any permits necessary for the proposed convention center.

Subd. 8. [COMMENCEMENT OF CONSTRUCTION; CONDITIONS.] The construction or improvement of the convention center in accordance with the contracts and applicable law shall commence as promptly as practicable following issuance of bonds for it authorized in sections 1 to 8, but the board shall not authorize the commencement of construction or improvement of any part of the convention center until the commission has determined that

each of the following has occurred or is satisfied:

(a) Demolition and construction costs under construction contracts, not including costs for construction managers, architectural, engineering, and other professional fees, insurance, bonds, permits, licenses, taxes, and similar costs for constructing or improving the convention center are not reasonably expected to require more than \$126,000,000 in public funds.

(b) The city has conveyed to the commission without cost the city's title to all parcels of land on which the existing convention hall and auditorium in the city are located and which are owned by the city on the date this section becomes effective, together with title to all structures and improvements on them and furnishings and equipment used in the operation of the facility. The title shall be free and clear of all liens and encumbrances not acceptable to the commission.

(c) In addition to the conveyance referred to in paragraph (b), the city has conveyed or has entered into arrangements satisfactory to the commission to convey to the commission without cost the fee title to other parcels of land satisfactory to the commission for all of the convention site or the city by binding contract has agreed to incur \$25,000,000 for acquisition, relocation, condemnation, demolition, clearance, and related costs, including professional fees, concerning any or all of the parcels. The title shall be free and clear of all liens and encumbrances not acceptable to the commission.

(d) Proceeds of the bonds, net of issuance costs, reserves and proceeds for the payment of interest on the bonds, will be paid, loaned, or otherwise made available to the board and will be sufficient, together with all other funds available to the commission or board for such purpose, to acquire, construct, improve, equip, and furnish the convention center in accordance with plans or designs which will be approved by the board.

(e) The board has executed agreements which will provide for the construction or improvement of the convention center for a certified construction price and at a stated completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or board or loss of revenues resulting from incomplete construction on the completion date.

(f) The board has executed agreements with the appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay, or impede construction or improvement of the convention facilities.

(g) The revenues available to the commission will be sufficient to pay projected operating expenses, including any appropriate reserves for operations, repairs and replacements, and improvements of the convention center.

Sec. 3. [473.5963] [ACQUISITION AND OPERATION; COMMISSION POWERS.]

The commission may acquire, own, lease, control, operate, and maintain the convention center and related facilities. The commission may equip, furnish, and improve the convention center. The commission may design,

construct, equip, and improve related facilities at locations selected by the commission and approved by the city council of the city. With respect to contracts related to the convention center and related facilities, the commission shall have the same rights and obligations of the commission that are provided by section 473.556, subdivisions 7 and 14, with respect to contracts related to sports facilities. For purposes of sections 1 to 8, including paying amounts owing under contracts entered into by the board, paying costs of operation and maintenance and paying or securing debt service and maintenance of reserves for any bonds issued pursuant to sections 1 to 8, the commission may expend money received by it from any source not required by law or contract to be expended for another purpose and enter into contracts to that effect with any persons, including the city, the council, or bondholders. The board shall maintain public financial records according to a system approved by the legislative auditor and make the records available to the legislative auditor upon request. The legislative auditor may conduct financial or performance audits of the board. The commission may pledge any of its property or funds, not otherwise restricted by law or contract, to the payment of principal of, premium, if any, or interest on bonds or other debt incurred in connection with the convention center or related facilities. The acquisition of the convention center and related facilities may be pursuant to a lease, lease with option to purchase agreement, installment sale contract, contract for deed, mortgage note, loan agreement, or other similar contract or direct purchase, which may be secured by or payable from any property or money available to the commission not pledged or required by law or contract to be applied for another purpose. The commission may acquire all property and property rights necessary or desirable for convention facilities or related facilities by exercise of the power of eminent domain pursuant to chapter 117. In exercising its powers under sections 1 to 8, the commission shall not be subject to sections 473.161, 473.165, 473.173, and 473.556, subdivision 6.

Sec. 4. [473.5964] [TRANSFER OF CONVENTION HALL AND AUDITORIUM AND CITY EMPLOYEES.]

Subdivision 1. [CONVEYANCE AND ASSUMPTION OF CONTRACTS.] The city may transfer to the commission without consideration all right, title, and interest in the existing convention hall and auditorium in the city, together with any furnishings or equipment related to them, pursuant to agreements, instruments, and actions as the parties may agree upon. The commission shall thereupon assume and become obligated to perform all contracts of the city with respect to the operation, maintenance, and use of the facilities other than contracts of employment with city employees and collective bargaining agreements; provided that before the transfer the city shall have provided copies of all the contracts to the commission and advised the commission of all material terms of any contracts which are not in writing.

Subd. 2. [CONVEYANCE NOT RESTRICTED.] The conveyance of property pursuant to this section shall not constitute a violation of any restrictions, reservations, rights of reentry, possibilities of reverter, forfeiture clauses, or other conditions arising from any previous conveyance of all or part of the property to the city from the state. After the conveyance to the commission, the commission's title shall not be subject to any restrictions,

reservations, rights of reentry, possibilities of reverter, forfeiture clauses or other conditions contained in any previous state conveyance to the city, except for any reservation of minerals or mineral rights in the state.

Subd. 3. [REDUCTION IN CITY PARTICIPATION.] The amount of \$25,000,000 referred to in section 2, subdivision 8, paragraph (c), shall be reduced by any amount by which the city's net operating income from the facility for the city's fiscal year to date of transfer is negative, after adjustment for accounts receivable and accounts payable by the city from operation of the facility and only to the extent the city can establish that the city's net operating income from the facility for the entire fiscal year would have been more than the net operating income to the date of such transfer.

Subd. 4. [CITY EMPLOYEES.] Upon transfer by the city to the commission of the existing convention hall and auditorium contemplated in subdivision 1, all employees of the city who are appointed, classified full time, or on the effective date of this section are classified part time with at least 2,080 cumulative hours of employment with the city, and who work primarily in the administration, operation, or maintenance of the facility shall continue to be employees of the city without impairment of their civil service and other status as city employees and continue, under the direction of the commission, to be employed at the convention center. The commission shall reimburse the city for their compensation and all other costs incurred by the city related to city employees at the convention center. The employment of other persons at the convention center who are not city employees shall be on conditions that do not impair the status of the city employees.

Sec. 5. [473.5965] [FINANCING AND AID FOR FACILITIES.]

Subdivision 1. [CITY AND COUNCIL CONTRACTS.] The city or the council, collectively or individually, may enter into contracts with either the commission or board to exercise any power of the commission or board, granted under sections 1 to 8 or to perform any activity in which the commission or board may engage under sections 1 to 8. The city or the council may pledge, lease, sell, or transfer to, or lease, purchase, or acquire from the commission all or part of any convention facilities, related facilities, sports facilities, or property to be used or useful in these facilities or for their financing on the terms and conditions their governing bodies shall determine, but subject to the approval of the commission in regard to its properties. The city and council may exercise all powers conferred upon them by law to carry out the contracts.

Subd. 2. [PARTICIPATION BY THE CITY.] Before or after issuance of bonds pursuant to sections 1 to 8, the city may incur or pay costs relating to preliminary architectural, design, engineering, planning, financial, and legal services relevant to the acquisition, financing, construction, or operation of the convention center and related facilities. The commission shall reimburse the city or otherwise pay for the costs in an amount up to \$300,000, but only to the extent of amounts received pursuant to section 6, subdivision 3. The city shall at the request of the council pay or reimburse the council for the payment of any costs incurred by the council with the prior approval of the city in connection with the financing of the convention facilities or any related facilities. The city may provide or pledge funds to pay all or part of the cost of acquisition and betterment of the convention center,

related facilities or sports facilities, including any debt service or other borrowing costs incurred and costs relating to related refunding obligations. The city may provide or pledge funds to pay all or part of the costs to be incurred for the operation, leasing, maintenance, administration, or promotion of the convention center, or related facilities. Funds may be paid to the commission or the board for the purposes of this section. Funds referred to in this section are all money of the city not required by law or contract to be otherwise applied, and may include the proceeds of the tax levied pursuant to subdivision 7 and tax increments available to the city under any law and not required by contract or pledge to be otherwise applied. The acquisition and betterment of all or part of the convention center, any related facilities, or sports facilities, including any debt service or rental payments with respect to them, shall be a project for purposes of sections 273.71 to 273.78, and the costs related to the project shall constitute costs of redevelopment with respect to any industrial development district located in the city pursuant to chapter 458, public redevelopment costs of any project located in the city pursuant to chapter 462, capital and administration costs of any development district located in the city pursuant to chapter 472A and costs of the type referred to in Laws 1971, chapter 677, section 7, paragraph (c), with respect to any development district established pursuant to Laws 1971, chapter 677. The city may pledge or apply or, if the council is the issuer, enter into an agreement with the council pledging or applying any or all such tax increments to the payment of principal of, premium, if any, and interest on bonds issued pursuant to this section throughout the term of the bonds.

Subd. 3. [BONDS.] Subject to this section, the city may by resolution authorize, sell, and issue its bonds to finance all or a portion of the costs of acquisition or betterment of the convention center. Subject to this section, if the city council of the city should determine not to issue bonds to fund all costs for the acquisition and betterment of the convention center, the council, upon notice of the determination, shall by resolution authorize, sell, and issue its bonds to finance the costs not so financed by the city. \$1,000,000 of the bond proceeds issued for the convention center or \$1,000,000 of the state funds appropriated for convention center costs must be used to assist in paying for the cost of providing or securing replacement housing for low or moderate income residents who are displaced by the convention center or related facilities. The city of Minneapolis shall determine the replacement housing needs of affected residents and shall provide or secure the housing. The city shall contribute \$1,000,000 and may solicit additional funds from other sources to pay for replacement housing costs. Replacement housing costs may include but are not limited to acquisition, construction, and rehabilitation of rental housing units for affected residents. Replacement housing costs shall not include relocation assistance, services, payments, or benefits under sections 117.50 to 117.56. Either or both of the city and the council may also authorize, sell, and issue bonds to finance the costs of acquisition and betterment of related facilities or sports facilities or to refund in accordance with section 475.67 bonds issued pursuant to this section or section 473.581. Before the city or the council issues bonds under this section, the commissioner of finance shall review the principal amount, terms, and conditions of the issuance. The bonds issued by the council shall be general obligation bonds, and bonds issued by the city may, but need not, be general obligations. If bonds are general obligations, taxes for them shall be levied and canceled in accordance with section 475.61 or section 6, as applicable. Bonds issued by the city may be limited obligations made payable from any or all funds available to the city, funds of the commission or the board (but

only with the consent of the commission), taxes levied under subdivision 6 and appropriations received under section 6. Bonds issued by the council may also be payable from taxes levied under subdivision 7, appropriations received under section 6, and (with the consent of the city) tax increments of the city. The bonds may be issued in one or more series and sold without election at public or private sale and at the price the issuer may determine. The bonds shall be secured, bear the interest rate or rates, have the rank or priority, be executed in the manner, be payable in the manner, mature and be subject to the redemptions, repurchases, tender options or other terms as the issuer may determine. The issuer may enter into and perform all contracts deemed necessary or desirable by it to issue the bonds and apply the proceeds of the bonds, including an indenture of trust with a trustee within or without the state and any related collateral security agreements. The resolution or indenture pursuant to which the bonds are issued may have the provisions and terms deemed necessary or desirable by the issuer to pay or secure payment of the bonds, to apply the proceeds of the bonds, or to aid the issuance or sale of the bonds or the acquisition or betterment of the facilities financed by them. In addition to other provisions, the resolution or indenture may provide for:

(a) the escrow, pledge, application, and disbursement of any bond proceeds or other funds;

(b) the mortgage or pledge of any funds or property;

(c) the custody, collection, securing, investment, payment, or transfer of any funds or property;

(d) the creation and maintenance of any reserves, sinking funds, or other special funds;

(e) the manner of amending the resolution or indenture;

(f) events of default and remedies for defaults;

(g) the maintenance of insurance and application of insurance proceeds; and

(h) the appointment, duties, and rights of any trustee, paying agent, receiver, or other fiduciary and their successors.

Bond proceeds for the acquisition or betterment of convention facilities, net of issuance costs, reserves, and proceeds for the payment of interest on the bonds shall be loaned or otherwise deposited for the benefit of the commission or the board. Any cost of acquisition and betterment referred to in sections 1 to 8 shall include all costs of acquisition or betterment referred to in section 475.65, capitalized interest for a period not longer than 36 months, any underwriter's discount, reserves for debt service, repair, or operations or costs for credit enhancement of the bonds. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, the council, or any county and any levy of taxes required by section 475.61 or section 6 to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city, the council, or any county. Subject to this section and section 6, bonds authorized by this section shall be sold, issued, and secured in the manner provided in chapter 475, and the council

shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter.

Subd. 4. [VARIABLE RATE DEMAND BONDS.] Any bond may be issued pursuant to this section giving the owner of the bond the right to tender or the issuer of the bonds to demand tender of the bond to the issuer, or other person designated by the issuer, for purchase by the issuer or the person at the time or times determined by the issuer, if the issuer has first entered into an agreement with a financial institution obligating the financial institution to provide funds on a timely basis for purchase of bonds tendered to the issuer. The purchase of any tendered bonds by or on behalf of the issuer shall not be deemed a payment or discharge of the bonds. Bonds tendered for purchase may be remarketed by or on behalf of the issuer or any other purchaser. The issuer may enter into agreements deemed necessary or appropriate to provide for the purchase of tendered bonds, including provisions under which undelivered bonds may be deemed tendered for purchase and new bonds may be substituted for them, the reimbursement to any person of amounts provided to purchase tendered bonds, the remarketing of tendered bonds, and similar or related agreements. Bonds subject to tender for purchase shall not be deemed to mature within the meaning of section 475.54, subdivision 1, on any date for tender. Any bond may bear interest at a rate varying at the time or times and on the terms, including convertibility to a fixed rate of interest, determined by the issuer. With respect to any variable rate bonds the rate of interest for any period may equal but shall not exceed the maximum determined in accordance with section 475.55, subdivision 4, as last determined before the commencement of the period.

Subd. 5. [VARIABLE INTEREST RATE ASSUMPTIONS FOR DEBT SERVICE TAXES.] In computing annual debt service on variable rate bonds for purposes of section 475.61, subdivisions 1 and 3, and section 6, subdivisions 1 and 2, the interest payable on the bonds may be computed in any of the following ways:

(a) The rate of interest may be assumed to be the maximum rate as most recently determined before the issuance of the bonds under section 475.55, subdivision 1, and levies and appropriations based on this assumption shall be deemed to produce the excess amounts required by law.

(b) If a lesser maximum rate of interest is payable on the bonds in accordance with their terms, that rate may be used.

(c) If the interest rate is subsequently converted to a fixed rate the levy may be modified to provide at least five percent in excess of amounts necessary to pay principal of and interest at the fixed rate on the bonds when due.

(d) The bond resolution or indenture may:

(1) establish a schedule of maturities or mandatory sinking fund redemption for the bonds so as to produce substantially level annual debt service over at least two-thirds of the term of the bonds, assuming an interest rate exceeding by at least two percent per annum the average annual rate estimated by the issuer to be payable from time to time under the variable rate and any tender option and credit enhancement provisions;

(2) require a reserve to be accumulated in the debt service fund within three years from the date of issue and thereafter to be maintained from ap-

propriated tax and other funds received each year in excess of actual debt service, in an amount at least equal to five percent of the principal amount of the bonds outstanding from time to time;

(3) require the levy of additional taxes pursuant to section 475.61, subdivision 3, if necessary at any time to maintain the required reserve balance;

(4) require additional bonds to be redeemed from appropriated tax and other revenues received in excess of amounts needed to maintain the reserve; and

(5) appropriate tax and other funds initially to the debt service fund in annual amounts which, if fully collected, will at least equal, but need not exceed, annual debt service computed on the assumption made pursuant to clause (1) above.

Subd. 6. [LIMITATIONS.] (a) No bonds may be issued under this section for the initial construction or improvement of the convention facilities unless the commission has determined that all conditions to commencement of construction provided in section 2, subdivision 8, are reasonably expected to be satisfied.

(b) No bonds may be issued under this section for construction or improvement of the convention facilities unless the issuer and the commission have each determined that the anticipated revenue available to pay the principal of, premium, if any, and interest on the bonds will be sufficient to pay when due all such debt service on the bonds and to maintain any required debt service reserves.

(c) No bonds are required to be issued by the council under this section unless the council has determined that assuming future appropriations from the general fund in accordance with the intent expressed in section 6, subdivision 3, it reasonably expects that any appropriations to be made under section 6 and deposited in the debt service account for the bonds, together with any taxes levied under subdivision 7 or tax increments from the city which are irrevocably pledged or appropriated to the payment of principal of, premium, if any, and interest on the bonds, will be sufficient if timely deposited (i) to pay when due all such debt service on the bonds, (ii) to maintain any required debt service reserves, (iii) to provide additional debt service coverage satisfactory to the council, and (iv) to permit cancellation of any levy made pursuant to section 6, subdivision 1, for each year during the term of the bonds in accordance with section 6, subdivision 2.

(d) No bonds may be issued by the council under this section unless the city and the commission consent to the bond resolution or indenture pursuant to which the bonds are issued.

Any written determination pursuant to this subdivision shall be conclusive and the validity of any bonds or the obligations of the issuer or any other person or body with respect to them shall not be impaired by any determination which is erroneous.

Subd. 7. [SECURITY.] The pledge of any tax or other funds to the payment of principal of, premium, if any, or interest on bonds pursuant to this section or pursuant to a bond resolution or trust indenture shall be a valid charge on the tax and other funds from the date when bonds are first issued

or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premium due and the maintenance at all times of any reserves securing the payment. Except by express mortgage or pledge, no mortgage of or security interest in any tangible real or personal property shall arise from the pledge of the tax or other funds in favor of bondholders or the trustee, but they shall have a valid security interest in the tax and other funds received and receivable, as against the claims of all other persons in tort, contract or otherwise, irrespective of whether the parties have notice of it, and without possession or filing as provided in the uniform commercial code or any other law. Any covenants made in the bond resolution or trust indenture (if approved by the commission or board, respectively) shall be binding upon the commission and the board, respectively, and the board and commission may observe and perform the covenants. The commission and the board may pledge or apply any or all of their property or funds available to them to the payment of principal of, premium, if any, and interest on the bonds. No pledge, mortgage, covenant, or agreement securing bonds issued pursuant to this section may be impaired, revoked, amended by law, or by action of the city, council, commission, or board except in accordance with the terms of the resolution or indenture under which the bonds are issued until the obligations of the issuer under it are fully discharged.

Subd. 8. [LIQUOR AND LODGING TAXES.] The city may, in addition to taxes authorized by chapter 297A and section 473.592, levy (1) a sales tax of not more than four percent on the gross receipts on retail on-sales of intoxicating liquor and fermented malt beverages described in section 473.592 from sales that occur within two miles of the facility site and not more than two percent from sales that occur elsewhere in the city, and (2) a sales tax of not more than four percent on the gross receipts from the furnishing for consideration of lodging described in section 473.592 by a hotel or motel which has more than 50 rooms available for lodging, to provide money for the purposes stated in subdivision 1 or this subdivision. Before the issuance of any bonds under this section payable from the tax, the city shall levy the tax at whatever rate or rates are necessary to produce revenues from year to year which are determined by the issuer of the bonds to be required, together with all other funds available for the purpose or pledged to the payment of principal of, premium, if any, and interest on the bonds, to pay when due all such debt service on the bonds and to accumulate and maintain any debt service reserves for them. If the city is not the issuer, the city shall pay to the issuer the proceeds of the tax required to be so levied. The tax required to be imposed by the preceding sentence shall be suspended, reimposed, reduced, or increased upon the determination of the issuer, and if the issuer is not the city, written notice of the determination by the issuer to the city that the actions are necessary or appropriate for the purposes for which the tax was imposed, provided that the covenants in the resolution or indenture of trust pursuant to which the bonds were issued are not violated by the action. The tax shall be collected and remitted as provided in section 473.592, except the commissioner of revenue shall remit collections, less refunds and collection costs, to the city for application as required by this subdivision. When the purpose for which the tax is levied has been accomplished, the tax shall be canceled and any excess tax proceeds paid to the city. If the issuer of any bonds payable from or secured in whole or part by the tax is the council, before issuance of bonds under this subdivision, an agreement shall be entered into between the city, the council, and the commission implementing this subdivision, and the agreement shall constitute a

contract with and for the benefit and security of all holders of the bonds.

Sec. 6. [473.5966] [COUNCIL TAX AND STATE APPROPRIATION.]

Subdivision 1. [TAX LEVY.] Section 475.61 applies to general obligation bonds issued by the council pursuant to section 5, except as otherwise provided in this section. Before issuance and delivery of general obligation bonds or the pledge of taxes to pay any bonds pursuant to subdivision 4, in accordance with section 473.08 and this section, the council shall by resolution levy a direct general ad valorem tax upon all taxable property in the metropolitan counties named in section 473.121 to be collected for each year of the term of the bonds. Except as provided in section 5, subdivision 5, the tax levied for all years shall be in amounts that if collected in full, together with estimated collections of any other taxes or funds pledged for the payment of the bonds, will produce aggregate amounts at least five percent in excess of the amounts needed to pay when due the principal of and interest on the bonds. The resolution of the council shall irrevocably appropriate taxes so levied and all other taxes or other funds pledged to a debt service fund created for the payment of the bonds.

Subd. 2. [LEVY REDUCTION.] Tax levies imposed pursuant to subdivision 1 shall be irrevocable, except that if amounts are held in the debt service fund on October 1 in any year in excess of the principal and interest coming due on the applicable bonds on or before April 1 of the following year, the council may direct the levy then otherwise required to be assessed and extended to be reduced by 105 percent of the excess amount or by any lesser amount, and the secretary of the council shall certify to the auditor of each county on or before October 10 the county's share of the reduction.

Subd. 3. [STATE APPROPRIATION.] \$6,000,000 is appropriated from the general fund of the state treasury to be paid to the board on or before July 1, 1985, for the board's preconstruction costs and other initial operating costs, with any amounts not expected to be so applied to be provided to the commission for any convention center operating reserve, or for payment of replacement housing costs referred to in section 5. \$6,000,000 is appropriated and shall be paid to the commission on or before July 1, 1986, from the general fund, of which the commission may retain any portion needed for maintenance of the operating reserve, subject to such limit as may be provided in the bond resolution or indenture, and the remainder shall be deposited in the debt service fund or funds for the bonds issued by the council or city for the convention center, in amounts proportionate to the amounts of city and council bonds outstanding each year.

The council is required to issue bonds under section 5, subdivision 6, only if it determines that certain funds are expected to be available for such bonds in amounts sufficient for the purposes stated in section 5, subdivision 6, including cancellation of any tax levy pursuant to section 6, subdivision 2. Among such funds are the appropriations which are made pursuant to this subdivision, together with future appropriations which the legislature has the intention of providing. The legislature does not desire to authorize the issuance of state obligations or the creation of public debt of the state within the meaning of the constitution for the purposes of sections 1 to 8. However, it is hereby expressed to be the intent of the legislature to appropriate from the general fund in the future from time to time amounts not in excess of

\$6,000,000 each year for the purpose of permitting cancellation of the tax levy in each year. This subdivision does not constitute a binding commitment or agreement with the council, the city, the commission or the holders of any bonds issued under sections 1 to 8 or any debt or obligation of the state and may be repealed, amended, or modified. The future appropriations contemplated in this subdivision may, however, be included in the funds available for debt service in computing the tax levy required by section 6, subdivision 1.

The council shall determine and certify to the governor and the legislature on or before each December 1 the amount and timing of any appropriation needed to be received in the following year to permit cancellation of any tax levy otherwise required for such year pursuant to this section. The governor shall include and submit to the legislature, in the budget for the year, or in a supplemental budget if the regular budget for that year has been previously approved, the amounts certified to the governor by the council in accordance with this subdivision.

Subd. 4. [MODIFICATIONS REGARDING PRIOR BONDS.] The council may by resolution, subject to consent by the city and the commission, pledge the tax authorized by subdivision 1 to pay when due the principal of, premium, if any, and interest on all bonds issued pursuant to section 473.581, but only upon the release of (a) all security interests, pledges, and restrictions on encumbrances or transfer of sports facilities owned by the commission created in favor of or for the benefit of holders of the issue of bonds or (b) all pledges to pay the debt service or costs of the commission from taxes levied under section 473.592, subdivision 1. The releases shall occur upon the written consent of all holders of bonds of the issue, notwithstanding any other law. Upon the release of the pledge of taxes levied pursuant to section 473.592, subdivision 1, the taxes shall not be imposed for payment of the debt service and any pledge or application of the taxes for payment of the debt service or maintenance of a reserve for the issue required under section 473.581, subdivision 4, shall be repealed. Any pledge by the council under this subdivision may be made without election and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any debt limitation. Upon the pledge of taxes for payment of an issue of bonds pursuant to this subdivision, with the consent of all holders of the issue, any reserves or other funds pledged to secure the issue may be reduced or eliminated by the council and the funds so released remitted to the commission.

Sec. 7. [473.5967] [PROPERTY TAX EXEMPT.]

Any real or personal property acquired, owned, or used by the commission, the board, the council, or the city pursuant to sections 1 to 8 is exempt from taxation to the same extent as property referred to under section 473.556, subdivision 4.

Sec. 8. [473.5968] [POWERS GRANTED HEREIN NOT LIMITED.]

Except as specifically provided in sections 1 to 7, the exercise of the powers granted in sections 1 to 7 shall not be limited by the provisions of chapters 273, 462, 472A, 475, or of any city charter.

Sec. 9. [NAME CHANGE.]

The metropolitan sports facilities commission is renamed the Minnesota sports and convention facilities commission. The revisor of statutes shall change the name of the commission and any related terms accordingly wherever they appear in Minnesota Statutes.

Sec. 10. Minnesota Statutes 1984, section 473.553, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The commission shall consist of six members, appointed by the governor during the period before substantial completion of construction of sports facilities pursuant to sections 473.551 to 473.595 and thereafter as hereinafter provided, plus a chairman appointed as provided in subdivision 3. Initial appointments of members shall be made within 30 days of May 17, 1977. One member shall be appointed from each of the following combinations of metropolitan commission precincts defined in section 473.141, subdivision 2: A and B; C and G; D and E; F and H. Two members shall be appointed from outside the metropolitan area. ~~Upon substantial completion of construction of the sports facility, vacancies occurring on the commission, whether at the completion of or prior to the completion of a member's term, shall be filled by the city council of the city in which the stadium is located.~~

Sec. 11. [COMMISSION MEMBERS REAPPOINTED.]

The terms of the members of the metropolitan sports facilities commission, named the Minnesota sports and convention facilities commission, are terminated. The governor shall make new appointments to the commission in the manner provided in Minnesota Statutes, section 473.553, subdivision 2.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and are effective the day after final enactment without the approval of any local governmental unit."

Delete the title and insert:

"A bill for an act relating to a Minnesota convention center and related facilities; authorizing the metropolitan council and the city of Minneapolis to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain a convention center and related facilities in the city of Minneapolis and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city of Minneapolis and the metropolitan council to issue bonds to finance the acquisition and betterment of the convention center and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip the convention center; authorizing the transfer of certain city property and employees to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property; authorizing

the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; amending Minnesota Statutes 1984, section 473.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 908, 903 and 1424 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 701 and 1458 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Solon and Knaak introduced—

S.F. No. 1536: A bill for an act relating to public development debt; providing reporting of data; disclosure of financial, personal, and criminal information of developers of certain types of public financing; amending Minnesota Statutes 1984, sections 474.01, subdivisions 2, 6, 7a, 7b, 8, and 11; 474.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 474.

Referred to the Committee on Economic Development and Commerce.

Mr. Merriam introduced—

S.F. No. 1537: A bill for an act relating to environment; requiring the issuance of transportation certificates prior to the shipment of high level radioactive waste; providing for the administration of a certification and inspection program; providing for the designation of transportation routes; amending Minnesota Statutes 1984, section 116C.731.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. DeCramer, Davis and Wegscheid introduced—

S.F. No. 1538: A bill for an act relating to agriculture; establishing agricultural credit cooperatives; providing for supervisory board and a loan committee; requiring the commissioner of commerce to supervise agricultural credit cooperatives; requiring insurance to cover money deposited; restricting use of state and county deposits; exempting interest paid on deposits from the gross income of the depositor for tax purposes; authorizing only financial distress loans and farm operating loans to be made to farmers; requiring that state and county deposits only be used to make financial distress loans; providing loan requirements, application procedures, and loan management requirements; prohibiting deficiency judgments; providing a priority lien for operating loans used to raise crops and livestock; providing pen-

alties for false information and fraud; authorizing the agricultural credit cooperatives to borrow money with certain restrictions; requiring a reserve fund for losses and liquidity; providing for voluntary dissolution; authorizing the commissioner of commerce to suspend operation under certain conditions; providing for appointment of a receiver under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 395; repealing Minnesota Statutes 1984, sections 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; and 395.24.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. DeCramer; Peterson, R.W. and Davis introduced—

S.F. No. 1539: A bill for an act relating to commerce; establishing a computerized county filing system; assessing a surcharge on certain documents filed; amending Minnesota Statutes 1984, sections 336.9-403; 336.9-404; 336.9-405; 336.9-406; and 336.9-407; proposing coding for new law in Minnesota Statutes, chapter 5.

Referred to the Committee on Economic Development and Commerce.

Messrs. Davis; Pehler; Dicklich; Peterson, D.L. and Ms. Peterson, D.C. introduced—

S.F. No. 1540: A bill for an act relating to education; changing the way the department of education provides certain information and other services; appropriating money; amending Minnesota Statutes 1984, sections 123.742, subdivision 7, and by adding subdivisions; and 134.31, subdivisions 2 and 3.

Referred to the Committee on Education.

Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 1541: A bill for an act relating to elections; authorizing additional means of proving residence for purpose of election day registration; amending Minnesota Statutes 1984, section 201.061, subdivision 3.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C.; Messrs. Freeman and Dicklich introduced—

S.F. No. 1542: A bill for an act relating to labor; prohibiting the charging of a fee in connection with a job application; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Willet, Kroening, Waldorf, Samuelson and Langseth, for the Committee on Finance, introduced—

S.F. No. 1543: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivision 2; 115A.03, subdivision 27, and by adding subdivisions; 115A.49;

115A.52; 115A.54, by adding a subdivision; and 400.04, subdivision 1; and Laws 1979, chapter 280, section 2, as amended.

Under the rules of the Senate, laid over one day.

MEMBERS EXCUSED

Messrs. Pogemiller and Dahl were excused from the Session of today from 1:00 to 4:00 p.m. Mr. Waldorf was excused from the Session of today from 4:50 to 7:40 p.m. Ms. Reichgott was excused from the Session from 1:30 to 2:00 p.m., from 3:00 to 3:15 p.m. and from 4:00 to 4:15 p.m. Mr. Pehler was excused from the Session of today from 5:00 to 7:00 p.m. Mr. Peterson, C.C. was excused from the Session of today from 5:50 to 7:40 p.m. Mr. Mehrkens was excused from the Session of today from 6:00 to 7:40 p.m. Messrs. Hughes and Wegscheid were excused from the Session of today at 6:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, May 15, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FIRST DAY

St. Paul, Minnesota, Wednesday, May 15, 1985

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John G. Krueger.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 12:00 noon:

Messrs. Samuelson, Knutson, Solon, Spear and Ms. Berglin. 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. 781, 1077, 1429, 1458, 352, 661, 709, 1049 and 219.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 33: A bill for an act relating to crimes; providing for penalties upon conviction of certain hit and run violations; enhancing penalties upon conviction of certain hit and run violations; amending Minnesota Statutes 1984, section 169.09, subdivision 14.

Senate File No. 33 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 33, 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. 814: A bill for an act relating to education; establishing the state council on vocational technical education; proposing coding for new law in Minnesota Statutes, chapter 136C.

Senate File No. 814 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

CONCURRENCE AND REPASSAGE

Mr. Peterson, R.W. moved that the Senate concur in the amendments by the House to S.F. No. 814 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 814 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R. D.	Reichgott
Anderson	DeCramer	Kronebusch	Nelson	Renneke
Belanger	Frank	Langseth	Novak	Sieloff
Benson	Frederickson	Lantry	Peterson, D.C.	Stumpf
Berg	Freeman	Luther	Peterson, D.L.	Taylor
Bertram	Hughes	Mehrkens	Peterson, R.W.	Wegscheid
Chmielewski	Isackson	Merriam	Petty	Willer
Dahl	Jude	Moe, D. M.	Pogemiller	

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. 609: A bill for an act relating to human rights; prohibiting the waiver of legal rights or remedies in certain human rights cases; establishing standards for waiver rescission; amending Minnesota Statutes 1984, section 363.031.

Senate File No. 609 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 609 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 609 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Moe, D. M.	Pogemiller
Anderson	Diessner	Knaak	Moe, R. D.	Reichgott
Belanger	Dieterich	Kronebusch	Nelson	Renneke
Benson	Frank	Laidig	Novak	Sieloff
Berg	Frederickson	Langseth	Pehler	Stumpf
Bernhagen	Freeman	Lantry	Peterson, C.C.	Taylor
Bertram	Hughes	Lessard	Peterson, D.C.	Waldorf
Chmielewski	Isackson	Luther	Peterson, D.L.	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Peterson, R.W.	Willet
Davis	Jude	Merriam	Petty	

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. 800: A bill for an act relating to consumer protection; prohibiting certain deceptive advertising practices; amending Minnesota Statutes 1984, sections 325F.68, by adding a subdivision; and 325F.69, by adding a subdivision.

Senate File No. 800 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

Ms. Reichgott moved that S.F. No. 800 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. 364: A bill for an act relating to health; expanding the purposes of health care review organizations; amending Minnesota Statutes 1984, section 145.61, subdivision 5.

Senate File No. 364 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

Mr. Wegscheid 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. 542: A bill for an act relating to local improvements; providing for advertisement for bids in certain publications; amending Minnesota Statutes 1984, section 429.041, subdivision 1.

Senate File No. 542 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

CONCURRENCE AND REPASSAGE

Mr. Freeman moved that the Senate concur in the amendments by the House to S.F. No. 542 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 542: A bill for an act relating to local improvements; clarifying procedures for publication of public notices; clarifying fees for publication; providing for advertisement for bids in certain publications; amending Minnesota Statutes 1984, sections 331A.02, subdivision 1; 331A.06, subdivision 2; and 429.041, 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berg	Brataas	Davis	Diessner
Belanger	Bernhagen	Chmielewski	DeCramer	Dieterich
Benson	Bertram	Dahl	Dicklich	Frank

Frederickson	Knaak	Mehrkens	Peterson, R. W.	Stumpf
Freeman	Kronebusch	Merriam	Petty	Taylor
Gustafson	Laidig	Moe, R. D.	Pogemiller	Waldorf
Hughes	Langseth	Nelson	Purfeerst	Wegscheid
Isackson	Lantry	Novak	Ramstad	Willet
Johnson, D.J.	Lessard	Olson	Reichgott	
Jude	Luther	Peterson, D.C.	Renneke	
Kamrath	McQuaid	Peterson, D.L.	Sieloff	

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. 448: A bill for an act relating to crimes; providing penalty for assault of firefighters or emergency medical services personnel; amending Minnesota Statutes 1984, section 609.2231.

Senate File No. 448 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 448 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 448 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Nelson	Renneke
Anderson	Diessner	Knaak	Olson	Sieloff
Belanger	Dieterich	Kroening	Pehler	Spear
Benson	Frank	Kronebusch	Peterson, C. C.	Stumpf
Berg	Frederick	Laidig	Peterson, D. C.	Taylor
Bernhagen	Frederickson	Langseth	Peterson, D. L.	Vega
Bertram	Gustafson	Lantry	Peterson, R. W.	Waldorf
Brataas	Hughes	Lessard	Petty	Wegscheid
Chmielewski	Isackson	Luther	Pogemiller	
Dahl	Johnson, D.E.	McQuaid	Purfeerst	
Davis	Johnson, D.J.	Moe, D. M.	Ramstad	
DeCramer	Jude	Moe, R. D.	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1249: A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes;

modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; appropriating money; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.14, subdivision 1; 240.15, subdivisions 5 and 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.24; 240.25, subdivisions 1 and 4; 240.29; 541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02.

Senate File No. 1249 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

Mr. Purfeerst moved that S.F. No. 1249 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. 694, 1552, 1070, 1227, 1233 and 384.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 694: A bill for an act relating to natural resources; grants and loans for certain dam reconstruction and repair projects; amending Laws 1979, chapter 300, section 4, subdivisions 2, as amended, 3, and 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 627, now on General Orders.

H.F. No. 1552: A bill for an act relating to taxation; depositing revenue from the mortgage registration and deed taxes with the county and reducing certain welfare aids to the counties by the amount of revenue deposited; providing for local collection of taconite production taxes; amending Minnesota Statutes 1984, sections 273.136, subdivisions 1, 2, and 4; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2; 287.23; 287.25; 287.28; 287.29, subdivision 1; 287.33; 287.35; 298.225; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1 and 2; and 298.282, subdivisions 1, 4, and 5; repealing Minnesota Statutes 1984, sections 273.136, subdivision 3; 287.27; 287.29, subdivision 3; and 287.32.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1070: A bill for an act relating to corrections; authorizing the commissioner of corrections to do background studies on personnel employed by certain licensed facilities; requiring the commissioner of corrections to establish a program to prevent sexual exploitation by psychotherapists; extending the sexual exploitation task force; creating an advisory task

force to study the regulation of psychotherapists; amending Minnesota Statutes 1984, section 241.021, by adding a subdivision; Laws 1984, chapter 631, section 1, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1004, now on General Orders.

H.F. No. 1227: A bill for an act relating to crimes; prohibiting sexual contact or penetration based on deception; providing that a psychotherapist who engages in sexual contact or penetration with a patient is guilty of criminal sexual conduct; limiting admissibility of a patient's personal or medical history; amending Minnesota Statutes 1984, sections 609.341, by adding subdivisions; 609.344; 609.345; and 609.347, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1003, now on General Orders.

H.F. No. 1233: A bill for an act relating to liquor; extending a moratorium on certain town off-sale licenses; authorizing the town of Cannon Falls to issue an off-sale license; authorizing the town of Shingobee to renew certain intoxicating liquor off-sale licenses; amending Laws 1984, chapter 626, section 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1103, now on General Orders.

H.F. No. 384: A bill for an act relating to the cities of Minneapolis and Blaine; permitting the establishment of special service districts in the city of Minneapolis and providing taxing and other authority; authorizing Blaine city council members to serve as a housing and redevelopment authority.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 303, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 857 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.
857	905				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 857 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 857 and insert the language after the enacting clause of S.F. No. 905, the second engrossment; further, delete the title of H.F. No. 857 and insert the title of S.F. No. 905, the second engrossment.

And when so amended H.F. No. 857 will be identical to S.F. No. 905, and

further recommends that H.F. No. 857 be given its second reading and substituted for S.F. No. 905, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred.

H.F. No. 1589 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.
1589	1013				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1589 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1589 and insert the language after the enacting clause of S.F. No. 1013, the first engrossment; further, delete the title of H.F. No. 1589 and insert the title of S.F. No. 1013, the first engrossment.

And when so amended H.F. No. 1589 will be identical to S.F. No. 1013, and further recommends that H.F. No. 1589 be given its second reading and substituted for S.F. No. 1013, 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. No. 1543 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 857 and 1589 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Peterson, C.C. introduced—

Senate Resolution No. 90: A Senate resolution congratulating Perham High School on participating in the 1985 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 91: A Senate resolution congratulating Rod Toft of St. Paul upon being selected Bowling Digest Magazine's 1984 Amateur Bowler of the Year.

Referred to the Committee on Rules and Administration.

Ms. Reichgott moved that S.F. No. 800 be taken from the table. The motion prevailed.

S.F. No. 800: A bill for an act relating to consumer protection; prohibiting certain deceptive advertising practices; amending Minnesota Statutes 1984, sections 325F.68, by adding a subdivision; and 325F.69, by adding a subdivision.

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 800 and that the bill be placed on its repassage as amended.

Mr. Ramstad moved that the Senate do not concur in the amendments by the House to S.F. No. 800, 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 did not prevail.

The question recurred on the motion of Ms. Reichgott. The motion prevailed.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 800. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 800: A bill for an act relating to consumer protection; providing certain disclosures to parties to real estate transactions; prohibiting certain deceptive advertising practices; amending Minnesota Statutes 1984, sections 82.19, by adding a subdivision; 325F.68, by adding a subdivision; and 325F.69, by adding a subdivision.

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 50 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Purfeerst
Anderson	DeCramer	Kroening	Moe, D. M.	Reichgott
Belanger	Dicklich	Kronebusch	Moe, R. D.	Solon
Benson	Diessner	Laidig	Nelson	Spear
Berg	Frank	Langseth	Novak	Stumpf
Berglin	Frederickson	Lantry	Pehler	Taylor
Bernhagen	Freeman	Lessard	Peterson, C.C.	Vega
Bertram	Gustafson	Luther	Peterson, D.C.	Waldorf
Chmielewski	Hughes	McQuaid	Petty	Wegscheid
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Willet

Those who voted in the negative were:

Dieterich	Kamrath	Peterson, D.L.	Renneke
Frederick	Knaak	Peterson, R.W.	Sieloff
Isackson	Olson	Ramstad	

So the bill, as amended, was repassed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 227, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 227 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 227

A bill for an act relating to horse racing; providing for racing days at county fairs; amending Minnesota Statutes 1984, section 240.14, subdivision 3.

May 13, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 227, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 227 be further amended as follows:

Page 1, line 22, delete "1987" and insert "1989"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Lona Minne, Elton R. Redalen, Don Frerichs

Senate Conferees: (Signed) Ronald R. Dicklich, Neil Dieterich, Duane D. Benson

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 227 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. 227 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 2; as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Mehrkens	Ramstad
Anderson	Dieterich	Kamrath	Moe, R. D.	Reichgott
Belanger	Frank	Knaak	Novak	Renneke
Benson	Frederick	Knutson	Olson	Sieloff
Berglin	Frederickson	Kronebusch	Pehler	Solon
Bernhagen	Freeman	Laidig	Peterson, D. C.	Spear
Bertram	Gustafson	Langseth	Peterson, D. L.	Stumpf
Chmielewski	Hughes	Lantry	Peterson, R. W.	Taylor
Dahl	Isackson	Lessard	Petty	Wegscheid
Davis	Johnson, D.E.	Luther	Pogemiller	Willet
DeCramer	Johnson, D.J.	McQuaid	Purfeerst	

Messrs. Merriam and Moe, D.M. voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 331 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 331

A bill for an act relating to health; permitting the county coroner to remove the pituitary gland from a body under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 390.

May 13, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 331, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 331 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [390.36] [CORONER REMOVAL OF PITUITARY GLAND DURING AUTOPSY.]

A county coroner who performs an autopsy under sections 390.11, 390.32, or any other general or local law relating to county coroners or medical examiners, may remove the pituitary gland from the body and give it to the national pituitary agency, or any other agency or organization, for research if the following conditions have been met:

(a) the removal would not alter a gift made under sections 525.921 to 525.93;

(b) the coroner or medical examiner has no knowledge of any objection to the removal by the decedent or other person having the right to control the disposition of the body; and

(c) the coroner or medical examiner has followed generally accepted eth-

ical guidelines and the removal would not violate the tenets of the deceased's religion."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Betty A. Adkins, Marilyn M. Lantry, Dean E. Johnson

House Conferees: (Signed) Bob McEachern, Brad Stanius, Kathleen Vellenga

Mrs. Adkins moved that the foregoing recommendations and Conference Committee Report on S.F. No. 331 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. 331 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Novak	Stieloff
Anderson	Diessner	Kroening	Olson	Solon
Belanger	Frank	Kronebusch	Pehler	Spear
Benson	Frederickson	Laidig	Peterson, C.C.	Stumpf
Berg	Freeman	Lantry	Peterson, D.C.	Taylor
Berglin	Gustafson	Lessard	Peterson, D.L.	Vega
Bernhagen	Hughes	Luther	Peterson, R.W.	Wegscheid
Bertram	Isackson	McQuaid	Petty	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Jude	Merriam	Reichgott	
Davis	Kamrath	Moe, D. M.	Renneke	
DeCramer	Knaak	Moe, R. D.	Samuelson	

Mr. Pogemiller voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1639 at 2:00 p.m.:

Messrs. Langseth, Purfeerst, Mrs. Lantry, Messrs. Schmitz and Mehrkens. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641 at 2:00 p.m.:

Messrs. Kroening, Dahl, Luther, Willet and Frederickson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members

be excused for a Conference Committee on H.F. No. 756 at 2:00 p.m.:

Messrs. Johnson, D.J.; Novak; Peterson, C.C.; Merriam and Petty. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Diessner moved that the following members be excused for a Conference Committee on S.F. No. 5 at 2:00 p.m.:

Messrs. Solon; Purfeerst; Johnson, D.E.; Ramstad and Diessner. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 977: A bill for an act relating to elections; changing certain filing provisions; providing for training of election judges and election officials; requiring publication of certain election guides; excepting certain election judges from receiving compensation; changing certain canvassing procedures; providing for certain recounts; defining terms; changing certain deadlines; changing certain procedures relating to voting machines; appropriating money; amending Minnesota Statutes 1984, sections 204B.09, subdivision 1; 204B.25, subdivision 1; 204B.27, subdivision 5, and by adding a subdivision; 204B.31; 204C.32, subdivision 1; 204C.33, subdivision 1; 204C.35, by adding a subdivision; 206.56, by adding a subdivision; 206.58, subdivision 2 and by adding a subdivision; 206.82, by adding a subdivision; and 206.83.

Ms. Peterson, D.C. moved to amend S.F. No. 977 as follows:

Page 9, after line 2, insert:

“Sec. 14. Minnesota Statutes 1984, section 206.84, subdivision 3, is amended to read:

Subd. 3. [BALLOTS.] The ballot information, whether placed on the ballot card or on the ballot booklet must, as far as practicable, be in the same order provided for paper ballots, except that the information may be in vertical or horizontal rows, or on a number of separate pages.

In a ballot booklet, no legislative office may be placed on the same page as any other office.

The pages of a partisan primary ballot booklet may be different colors or may otherwise differentiate between the parties. All pages of a party's primary ballot must be consecutive, without the insertion of pages from another party. Partisan primary ballot booklets must contain a prominent notice of the effect of attempting to vote in more than one party's primary. A separate ballot booklet may also be used for each party in a partisan primary.

Ballots for all questions must be provided in the same manner. Where

ballot booklets are placed in a marking device, they shall be arranged on or in the marking device in the places provided. Ballot cards may contain special printed marks and holes as required for proper positioning and reading of the ballots by electronic vote counting equipment. Ballot cards must contain an identification of the precinct for which they have been prepared which can be read visually and which can be tabulated by the automatic tabulating equipment."

Renumber the remaining section

Amend the title as follows:

Page 1, line 17, delete "and" and after "206.83" insert "; and 206.84, subdivision 3"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 977 as follows:

Page 6, after line 23, insert:

"Sec. 9. Minnesota Statutes 1984, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the first Tuesday after the second Monday in ~~September~~ June in each even numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Merriam questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 977 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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Merriam	Sieloff
Anderson	DeCramer	Jude	Moe, D. M.	Solon
Belanger	Diessner	Kamrath	Olson	Spear
Benson	Dieterich	Knaak	Peterson, D.C.	Stumpf
Berg	Frank	Knutson	Peterson, R.W.	Taylor
Berglin	Frederickson	Kronebusch	Petty	Vega
Bernhagen	Freeman	Laidig	Pogemiller	
Bertram	Gustafson	Lantry	Ramstad	
Chmielewski	Hughes	Lessard	Reichgott	
Dahl	Isackson	McQuaid	Renneke	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 708: A bill for an act relating to the legislature; providing for

expanded authority of the legislative coordinating commission; establishing the position of director of protocol services; amending Minnesota Statutes 1984, sections 3.095; 3.29, subdivision 7; 3.30, subdivision 2; 3.3025, subdivision 2; 3.303, by adding a subdivision; 3.304, subdivision 2a; 3.305; 3.351, subdivision 5; 3.85, subdivision 5; 3.855, by adding a subdivision; 3.865, subdivision 7; 3.9222, subdivision 6; 3.97, subdivision 5; 3C.02, subdivision 5; 3C.10, subdivision 3; 14.39; 16B.58, subdivision 6; 43A.18, subdivision 6; 86.08, subdivision 1; 115A.14, subdivision 2; and 161.1419, subdivision 4; Laws 1983, chapter 199, section 17, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 1.

Mr. Moe, D.M. moved to amend S.F. No. 708 as follows:

Page 4, line 33, after "legislators" insert "", *except for the iron range resources and rehabilitation board*"

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend S.F. No. 708 as follows:

Page 8, after line 18, insert:

"Sec. 18. [15.0592] [EXPIRATION DATES FOR LEGISLATIVE COMMISSIONS.]

Subdivision 1. [APPLICATION.] Legislative commissions listed in subdivision 2 expire according to the schedule provided in that subdivision. The speaker of the house of representatives and the senate majority leader shall set termination dates for new legislative commissions so as not to extend the existence of a body beyond three years from the date of its creation.

Subd. 2. [SCHEDULE.] (a) The following legislative commissions expire June 30, 1988:

(1) advisory committee to the Minnesota-Wisconsin boundary area commission;

(2) capitol area architectural and planning board;

(3) great lakes commission;

(4) interstate cooperation commission;

(5) legislative commission on Minnesota resources;

(6) legislative commission to review administrative rules;

(7) legislative commission on long-term health care;

(8) midwestern education board; and

(9) legislative commission on waste management.

(b) The following legislative commissions expire June 30, 1989:

(1) legislative commission on the economic status of women;

(2) education compact commission of the states;

(3) Indian affairs intertribal board;

(4) legislative advisory commission;

(5) legislative commission on employee relations;

- (6) legislative commission on pensions and retirement;
 (7) legislative coordinating commission;
 (8) legislative commission on energy;
 (9) legislative commission on public education; and
 (10) Mississippi River parkway commission."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, delete "chapter" and insert "chapters" and after "1" insert "and 15"

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 708. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Jude	McQuaid	Sieloff
Belanger	Frederickson	Knaak	Olson	Storm
Benson	Gustafson	Knutson	Peterson, D.L.	Stumpf
Berg	Isackson	Laidig	Ramstad	Taylor
Bertram	Johnson, D.E.	Lessard	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Johnson, D.J.	Peterson, D.C.	Spear
Berglin	Dieterich	Merriam	Peterson, R.W.	Vega
Chmielewski	Frank	Moe, D. M.	Petty	
Dahl	Frederick	Novak	Pogemiller	
Davis	Freeman	Pehler	Purfeerst	
DeCramer	Hughes	Peterson, C.C.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mrs. McQuaid moved to amend S.F. No. 708 as follows:

Page 1, line 21, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

Page 2, line 20, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

Page 3, line 11, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

Page 3, line 28, after "10" insert "section 16B.07 and 10"

Page 4, line 5, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

Page 6, lines 6, 12, 20, 24, and 32, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

Page 8, line 16, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

Page 9, line 9, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

Page 10, line 3, delete "section" and insert "sections" and after "3.305" insert "and 16B.07"

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 22 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Gustafson	Knaak	Olson	Storm
Benson	Isackson	Knutson	Peterson, D.L.	Taylor
Berg	Johnson, D.E.	Kronebusch	Ramstad	
Bernhagen	Jude	Laidig	Renneke	
Brataas	Kamrath	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	DeCramer	Hughes	Peterson, D.C.	Vega
Belanger	Dicklich	Lessard	Peterson, R.W.	Waldorf
Berglin	Diessner	Luther	Reichgott	Wegscheid
Bertram	Dieterich	Moe, D.M.	Samuelson	
Chmielewski	Frank	Moe, R.D.	Solon	
Dahl	Frederick	Pehler	Spear	
Davis	Freeman	Peterson, C.C.	Stumpf	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 708 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 39 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Isackson	Moe, D.M.	Sieloff
Anderson	Chmielewski	Jude	Pehler	Spear
Belanger	Davis	Kamrath	Peterson, D.C.	Stumpf
Benson	DeCramer	Kronebusch	Peterson, D.L.	Taylor
Berg	Dieterich	Laidig	Peterson, R.W.	Vega
Berglin	Frederick	Lessard	Reichgott	Waldorf
Bernhagen	Freeman	Luther	Renneke	Wegscheid
Bertram	Hughes	McQuaid	Samuelson	

Messrs. Knaak and Storm voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 719: A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed by order; requiring the removal of elk from the state; appropriating money;

proposing coding for new law in Minnesota Statutes, chapter 97.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Pehler	Sieloff
Belanger	Frank	Knutson	Peterson, D.C.	Storm
Benson	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Bernhagen	Freeman	Laidig	Peterson, R.W.	Taylor
Bertram	Gustafson	Lessard	Pogemiller	Vega
Brataas	Hughes	McQuaid	Ramstad	Wegscheid
Chmielewski	Isackson	Moe, R.D.	Reichgott	
DeCramer	Jude	Olson	Renneke	

Those who voted in the negative were:

Berglin	Dieterich	Kamrath	Spear	Waldorf
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So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 779: A bill for an act relating to taxation; changing certain income tax provisions relating to corporations; amending Minnesota Statutes 1984, sections 290.05, subdivision 1; 290.391; and 290.42.

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 41 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Pehler	Stumpf
Belanger	Dieterich	Knutson	Peterson, D.L.	Taylor
Benson	Frank	Kronebusch	Peterson, R.W.	Vega
Berglin	Frederick	Laidig	Pogemiller	Waldorf
Bernhagen	Gustafson	Lessard	Reichgott	Wegscheid
Bertram	Hughes	McQuaid	Renneke	
Brataas	Isackson	Moe, D.M.	Sieloff	
Davis	Jude	Moe, R.D.	Spear	
DeCramer	Kamrath	Olson	Storm	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 339: A bill for an act relating to human services; establishing a program in the department of economic security to distribute grants to centers that provide independent living services; amending Minnesota Statutes 1984, section 129A.01; proposing coding for new law in Minnesota Statutes, chapter 129A.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Olson	Storm
Belanger	Dicklich	Knaak	Pehler	Stumpf
Berglin	Dieterich	Knutson	Peterson, D.L.	Taylor
Bernhagen	Frank	Kronebusch	Peterson, R.W.	Vega
Bertram	Frederick	Lessard	Reichgott	Waldorf
Brataas	Gustafson	McQuaid	Renneke	Wegscheid
Chmielewski	Hughes	Moe, D.M.	Sieloff	
Davis	Jude	Moe, R.D.	Spear	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 513: A bill for an act relating to state government; regulating the career executive service; specifying executive branch conflicts of interest; providing for review of state trooper arbitration awards; regulating approved complements; regulating liquidation of vacation leave; amending Minnesota Statutes 1984, sections 15.62, subdivision 2; 16A.123, subdivision 3; 16B.65, subdivision 3; 43A.17, subdivision 8; 43A.21, subdivision 5; 43A.38, subdivision 5; 62D.22, subdivision 7; and 299D.03, subdivision 11.

Mr. Moe, D.M. moved to amend H.F. No. 513, the unofficial engrossment, as follows:

Page 8, after line 9, insert:

"Sec. 11. Minnesota Statutes 1984, section 465.72, is amended to read:

465.72 [SEVERANCE PAY.]

Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, any county, city, township, school district or, *with the approval of the commissioner of employee relations*, other governmental subdivision, may pay severance pay to its employees and promulgate rules for the payment of severance pay to an employee who leaves employment on or before or subsequent to the normal retirement date. Severance pay shall ~~also~~ *not* include the payment of accumulated vacation leave, accumulated sick leave or a combination thereof. The severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits. It shall be paid in a manner mutually agreeable to the employee and employer over a period not to exceed ~~five years~~ *one year* from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. In no event shall severance pay provided for an employee leaving employment exceed an amount equivalent to ~~one year of pay~~ *1/12 of the salary paid to the employee during the year preceding the date of separation from employment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the second semicolon, insert "regulating the payment of severance pay by governmental subdivisions;"

Page 1, line 14, delete "and" and before "repealing" insert "and 465.72;"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. then moved to amend H.F. No. 513, the unofficial engrossment, as follows:

Page 7, after line 32, insert:

“Sec. 10. Minnesota Statutes 1984, section 222.025, subdivision 1, is amended to read:

Subdivision 1. Any railroad company desiring a right-of-way over any state owned land, except tax forfeited land, may make application therefor to the state agency charged by law with jurisdiction over such land. The application shall be in such form as the state agency to which application must be made prescribes. If such agency, with the approval of the ~~executive council~~ *commissioner of administration* of the state of Minnesota, determines that it is in the public interest that the right of way be granted, the governor shall execute and deliver to such railroad company an instrument in writing conveying an easement for right of way purposes over the land designated by such agency, with the approval of said ~~executive council~~ *commissioner of administration*. Said easement shall continue so long as the land which is subject thereto shall be occupied by the railroad company for railroad purposes. Every such easement shall reserve to the state all minerals and mineral rights of whatever nature, with the right to enter upon said land to explore for such minerals at any time, and the right to enter upon said land to mine and remove the same upon six months' written notice from the state to the railroad company, provided, however, that the state agency shall negotiate for a new location for said railroad right of way, if needed by the railroad, over state land and when a new location has been procured, the railroad company shall promptly move to the new location. If such written notice is given, the railroad company shall, without any cost or obligation to the state, remove its railway and other structures from the land for which the easement was given; and all property, of whatever nature, not removed by said railroad company within said six month period shall become, upon the expiration of said period, the absolute property of the state. Upon the expiration of said period, all right, title and interest of the railroad company in and to such easement shall terminate and revert to the state without the doing of any act by the state except the giving of the aforesaid notice. If such easement ceases to be used by the railroad company for railroad purposes, the interest of the railroad company also shall terminate and revert to the state, without the doing of any act by the state. As the consideration for the granting of such easement by the state, the railroad company shall pay to the state treasurer the fair market value of the land which is subject to the easement, or that amount which is fixed by the constitution and laws of this state as the minimum price for the sale of such land, whichever is greater. No instrument conveying such easement shall be executed by the governor until said amount has been paid to the state. The fair market value shall be determined by the appraisal of the state agency charged by law with jurisdiction over said land, and shall be subject to the approval of said ~~executive council~~ *commissioner of administration.*”

Page 8, line 14, delete “10” and insert “9 and 11”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the second semicolon, insert "requiring approval of commissioner of administration to grant right-of-way over state-owned land to railroad company;"

Page 1, line 14, after the first semicolon, insert "222.025, subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend H.F. No. 513, the unofficial engrossment, as follows:

Page 1, after line 18, insert:

"Section 1. [15.441] [COMMUNICATIONS SERVICES.]

Subdivision 1. [STATE AGENCIES; BILINGUAL EMPLOYEES.] Every state agency that is directly involved in furnishing information or rendering services to the public and that serves a substantial number of non-English-speaking people shall employ enough qualified bilingual persons in public contact positions, or enough interpreters to assist those in these positions, to ensure provision of information and services in the language spoken by a substantial number of non-English-speaking people.

The commissioner of administration shall determine the application of this section to each state agency, in consultation with the council on affairs of Spanish-speaking people, groups representing other non-English-speaking people, and the head of the agency. In determining what constitutes a substantial number of non-English-speaking people the commissioner shall consider:

- (1) the number of people served by the agency;*
- (2) the number of non-English-speaking people served by the agency;*
- (3) the frequency with which non-English-speaking people are served by the agency; and*
- (4) the extent to which information or services rendered by the agency affect legal rights, privileges or duties.*

Subd. 2. [TRANSLATIONS OF MATERIALS EXPLAINING AGENCY SERVICES.] Every state agency that serves a substantial number of non-English-speaking people and that provides materials in English explaining services is encouraged to provide equivalent materials in any non-English language spoken by a substantial number of the people served by the agency. An agency should give highest priority to providing in a non-English language materials that notify people of legal rights, duties, or privileges they are entitled to, and the steps they must take to obtain or maintain those rights, duties, or privileges. When notice of the availability of material explaining services available is given, orally or in writing, it should be given in English and the non-English language into which any material has been translated.

Subd. 3. [TRANSLATED MATERIALS FOR LOCAL OFFICES.] A state agency is encouraged to provide its local offices with written materials in the appropriate foreign language when:

- (1) the local office or facility serves a substantial number of non-English-speaking people;*

(2) written materials such as forms, applications, questionnaires, letters, or notices are used to ask or order a person to provide information or to give a person information; and

(3) the information asked for or given could affect the person's rights, duties, or privileges with regard to the agency's services, or benefits.

Subd. 4. [LIMITATIONS.] (a) A state agency may not dismiss an employee or increase its complement to carry out the purposes of this section. A state agency need only implement this section by filling employee public contact positions made vacant by retirement or normal attrition.

(b) This section shall be implemented to the extent permissible under federal law, civil service laws governing state agencies, and collective bargaining agreements."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring state agencies to provide services and materials in languages other than English;"

Page 1, line 14, after "11;" insert "proposing coding for new law in Minnesota Statutes, chapter 15;"

Mr. Benson questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question recurred on the adoption of the amendment.

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. moved to amend H.F. No. 513, the unofficial engrossment, as follows:

Page 8, after line 9, insert:

"Sec. 11. Minnesota Statutes 1984, section 473.141, subdivision 9, is amended to read:

Subd. 9. [PERSONNEL CODE; MERIT SYSTEM.] (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commissions, the regional transit board, the metropolitan sports facilities commission, and the metropolitan agencies defined in section 473.121, subdivisions 7, 12, 15, 21 and 32, except that nothing in Laws 1974, Chapter 422 shall impair the rights of any commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, each board, commission, and agency governed by this subdivision shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by each commission, board, and agency governed by this subdivision of an affirmative action plans plan, which shall be submitted for approval to the appropriate agency or office of the state. The plans shall include a yearly progress

report to the agency or office. The chief administrator of each commission, board, and agency shall administer the code, and no commission, board, or agency shall take any action inconsistent with the personnel code.

(b) All employees of the commission except those expressly designated for the unclassified service, shall serve in the classified service. The unclassified service shall include: members of the commission, the chief administrator of the commission, all officers of the commission, any employee of the commission who is determined by the commission to have a confidential relationship to the commission or the council; and any employee of the commission expressly exempted from the classified service by law. Each code shall also include procedures for open competitive examinations to test the relative skill or ability of all applicants for positions in the classified service. Such examinations may consist of written or oral tests of the subjective or objective type, physical tests, and practical or demonstration tests for the evaluation of past training and experience. Oral tests may be used to test the applicant's knowledge of the position applied for or his personal fitness for the position. Where there is more than one applicant for a position, each code shall provide for the employment of one of the three applicants best qualified for it.

(c) When a commission employee has been demoted, suspended or dismissed by the chief administrator, he may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which he was dismissed, the date of dismissal, and the reason for requesting the hearing, his full name and his present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the administrator. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at his present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the administrator, and in the case of approval the action of the administrator shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

Sec. 12. Minnesota Statutes 1984, section 473.141, subdivision 13, is amended to read:

Subd. 13. [COMMISSION OPERATING PROCEDURES.] (a) ~~The~~ Each commission shall adopt resolutions and bylaws, an administrative code establishing procedures for commission action, keeping records, approving claims, authorizing and making disbursements, authorizing contracts, safe-keeping funds and audit of all financial operations of the commission. *The code must address matters for which the council has adopted uniform standards and procedures and be in general conformance with the uniform standards and procedures adopted by the council.*

(b) ~~The~~ Each 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.

Sec. 13. Minnesota Statutes 1984, section 473.141, is amended by adding a subdivision to read:

Subd. 15. [ANNUAL REPORTS.] Each commission shall annually submit a report to the metropolitan council, detailing its performance for the previous year. The report must be in the form and detail and submitted at the time reasonably required by the council. By September 15 of each year, after consultation with the council, the commission shall submit to the council a set of performance objectives respecting service delivery, finances, and management that the commission intends to meet during the subsequent year. If the council concurs with the objectives, it shall include them in its annual report under section 473.245. If the council does not concur with them, it shall notify the commission within 30 days, with comments. The commission shall consider the council's comments and resubmit performance objectives to the council within 30 days. The council shall then include them in its annual report.

Sec. 14. Minnesota Statutes 1984, section 473.163, is amended by adding a subdivision to read:

Subd. 3a. Each year, with its annual budget, the commission shall prepare a financial plan for the succeeding three calendar years. The financial plan must be consistent with the commission's development program and contain:

(a) a schedule of expected levels of public expenditure, both capital and operating, for the services and facilities planned;

(b) a schedule showing the expected sources of funds, user charges, and state and federal subsidies; and

(c) a plan and schedule showing the distribution of funds among various services, service areas and markets, and providers.

The commission shall submit its financial plan to the council for review at a time to be determined by the council.

Sec. 15. Minnesota Statutes 1984, section 473.245, is amended to read:

473.245 [REPORTS.]

On or before January 15, of each year the metropolitan council shall report to the legislature. The report shall include:

(1) A statement of the metropolitan council's receipts and expenditures by category since the preceding report;

(2) A detailed budget for the year in which the report is filed and ~~the following year including an outline of its program for such period~~ *three-year projected expenditures and revenues, including the total revenues needed and the sources of revenues;*

(3) *A statement of what the metropolitan council has established as the metropolitan agenda for the year in which the report is filed, including at least the objectives and priorities that the metropolitan council intends to accomplish during the year and the performance objectives established for the metropolitan commissions and the regional transit board for the year in*

which the report is filed;

(4) *An evaluation of the performance of the metropolitan council with respect to the metropolitan agenda for the previous year, and of the metropolitan commissions and the regional transit board with respect to their performance objectives for the previous year;*

(5) An explanation of any policy plan and other comprehensive plan adopted in whole or in part for the metropolitan area and the review comments of the affected commission;

~~(4)~~ (6) Summaries of any studies and the recommendations resulting therefrom made by the metropolitan council, and a listing of all applications for federal moneys made by governmental units within the metropolitan area submitted to the metropolitan council;

~~(5)~~ (7) A listing of plans of local governmental units and proposed matters of metropolitan significance submitted to the metropolitan council;

~~(6)~~ (8) A detailed report on the progress of any project undertaken by the council pursuant to sections 473.193 to 473.201; ~~and~~

~~(7)~~ (9) Recommendations of the metropolitan council for metropolitan area legislation, including the organization and functions of the metropolitan council ~~and~~, the commissions, *and the regional transit board; and*

(10) *A report covering the current budget year and three-year projected expenditures and revenues of the metropolitan commissions and the regional transit board, including the total revenues needed and the sources of revenues.*

Sec. 16. Minnesota Statutes 1984, section 473.373, subdivision 7, is amended to read:

Subd. 7. [EMPLOYEES.] The board has the authority of a chief administrator to make all decisions on the appointment, promotion, demotion, suspension, and removal of all subordinate officers and regular employees of the board. *The board shall by resolution adopt a personnel code in general conformance with the personnel code guidelines adopted by the metropolitan council under section 473.141, subdivision 9.* The board may not take any action inconsistent with its personnel code. The board may authorize the chair or executive director to recommend employment decisions. The board shall act within 30 days on employment decisions recommended by the chair or executive director.

Sec. 17. Minnesota Statutes 1984, section 473.375, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The transit board has the power and duties imposed by law. The exercise of any powers by the board must be consistent with the exercise by the metropolitan council of any of its powers *and in general conformance with the uniform standards and procedures adopted by the council under section 473.129, subdivision 7. The board shall adopt procedures addressing matters for which the council has adopted uniform standards and procedures.*

Sec. 18. Minnesota Statutes 1984, section 473.375, subdivision 16, is

amended to read:

Subd. 16. [REPORT.] The board shall annually submit a report to the metropolitan council, ~~the governor, and the legislature~~ detailing its activities and finances for the previous year. *The report must be in the form and detail and submitted at the time reasonably required by the council. By September 15 of each year after consultation with the council, the board shall submit to the council a set of performance objectives respecting service delivery, finances, and management that the board intends to meet during the following year. If the council concurs with the objectives, it shall include them in its annual report under section 473.245. If the council does not concur with them, it shall notify the board within 30 days, with comments. The board shall consider the council's comments and resubmit performance objectives to the council within 30 days. The council shall then include them in its annual report.*

Sec. 19. Minnesota Statutes 1984, section 473.375, is amended by adding a subdivision to read:

Subd. 17. [AUDIT.] The legislative auditor shall audit the books and accounts of the board once each year or as often as the legislative auditor's funds and personnel permit. The board shall pay the total cost of the audit in accordance with section 3.9741.

Sec. 20. Minnesota Statutes 1984, section 473.38, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The regional transit board shall prepare, submit for review, adopt, and implement budgets and conduct its financial affairs in the same manner, with the same requirements and restrictions, and to the same effect as provided in section 473.163, subdivisions 1 to 4, *except that the board may develop and adopt its budget on a fiscal year basis to coincide with the fiscal year of the departments of the state government and except as otherwise provided in this section.*

Sec. 21. Minnesota Statutes 1984, section 473.435, subdivision 2, is amended to read:

Subd. 2. [AUDIT.] ~~The transit commission shall employ a certified public accountant or firm to legislative auditor shall~~ make an annual audit of the commission's financial accounts and affairs ~~for the last fiscal year or before November 30 of each year, and or as often as the legislative auditor's funds and personnel permit.~~ Copies of the report thereof shall be filed and kept open to public inspection in the offices of the secretary of the commission, the board, and the secretary of state. The information in the audit shall be contained in the annual report and distributed in accordance with section 473.445. *The commission shall pay the total cost of the audit in accordance with section 3.9741.*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the second semicolon, insert "permitting the metropolitan council to set standards for certain agencies; requiring reports;"

Page 1, line 14, delete "and" and before "repealing" insert "; 473.141,"

subdivisions 9 and 13, and by adding a subdivision; 473.163; by adding a subdivision; 473.245; 473.373, subdivision 7; 473.375, subdivisions 1 and 16, and by adding a subdivision; 473.38, subdivision 1; and 473.435, subdivision 2;"

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Moe, D.M. then moved to amend H.F. No. 513, the unofficial engrossment, as follows:

Page 8, after line 9, insert:

"Sec. 11. Minnesota Statutes 1984, section 473.141, subdivision 9, is amended to read:

Subd. 9. [PERSONNEL CODE; MERIT SYSTEM.] (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commissions, *the regional transit board, the metropolitan sports facilities commission, and the metropolitan agencies defined in section 473.121, subdivisions 7, 12, 15, 21 and 32*, except that nothing in Laws 1974, Chapter 422 shall impair the rights of any commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, each *board, commission, and agency governed by this subdivision* shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by each *commission, board, and agency governed by this subdivision* of an affirmative action ~~plans~~ *plan*, which shall be submitted for approval to the appropriate agency or office of the state. The plans shall include a yearly progress report to the agency or office. The chief administrator of each *commission, board, and agency* shall administer the code, and no *commission, board, or agency* shall take any action inconsistent with the personnel code.

(b) All employees of the commission except those expressly designated for the unclassified service, shall serve in the classified service. The unclassified service shall include: members of the commission, the chief administrator of the commission, all officers of the commission, any employee of the commission who is determined by the commission to have a confidential relationship to the commission or the council; and any employee of the commission expressly exempted from the classified service by law. Each code shall also include procedures for open competitive examinations to test the relative skill or ability of all applicants for positions in the classified service. Such examinations may consist of written or oral tests of the subjective or objective type, physical tests, and practical or demonstration tests for the evaluation of past training and experience. Oral tests may be used to test the applicant's knowledge of the position applied for or his personal fitness for the position. Where there is more than one applicant for a position, each code shall provide for the employment of one of the three applicants best qualified for it.

(c) When a commission employee has been demoted, suspended or dis-

missed by the chief administrator, he may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which he was dismissed, the date of dismissal, and the reason for requesting the hearing, his full name and his present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the administrator. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at his present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the administrator, and in the case of approval the action of the administrator shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal."

Mr. Jude questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 513 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 3, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Knutson	Pehler	Storm
Belanger	Dicklich	Kronebusch	Peterson, D.C.	Stumpf
Benson	Dieterich	Laidig	Peterson, D.L.	Taylor
Berglin	Frank	Lessard	Peterson, R.W.	Vega
Bernhagen	Gustafson	McQuaid	Pogemiller	Waldorf
Bertram	Hughes	Moe, D.M.	Reichgott	Wegscheid
Brataas	Jude	Nelson	Sieloff	
Davis	Knaak	Olson	Spear	

Messrs. Isackson, Kamrath and Renneke voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 702: A bill for an act relating to human services; requiring notice to the designated agency in certain proceedings pertaining to persons committed as mentally ill and dangerous; authorizing the commissioner to transfer persons committed as mentally ill and dangerous between regional centers under certain circumstances; amending Minnesota Statutes 1984, sections 253B.14; 253B.18, subdivisions 4b, 5, and 6; and 253B.23, subdivision 7.

Ms. Berglin moved to amend to H.F. No. 702, the unofficial engrossment, as follows:

Page 1, after line 37, insert:

"Section 1. Minnesota Statutes 1984, section 144.699, subdivision 2., is amended to read:

Subd. 2. [FOSTERING PRICE COMPETITION.] The commissioner of health shall:

(a) Encourage hospitals, outpatient surgical centers, and home care agencies registered or licensed under sections 2 to 4, and 12, and professionals regulated by the health related licensing boards as defined in section 214.01, subdivision 2, and by the commissioner of health under section 214.13, to publish prices for procedures and services that are representative of the diagnoses and conditions for which citizens of this state seek treatment.

(b) Analyze and disseminate available price information and analyses so as to foster the development of price competition among hospitals, outpatient surgical centers, home care agencies, and health professionals.”

Page 2, line 25, after “services” insert “, including the provision of home care services in connection with other services or equipment,”

Page 3, line 6, after “plan,” insert “and” and after “medical” delete “and” and insert “or”

Page 3, line 7, delete the first “and”

Page 3, line 9, delete everything after “told”

Page 3, line 10, delete “plan,” and delete “treatment and” and insert “agency”

Page 3, line 13, delete “treatment” and insert “these services”

Page 3, line 16, delete “and” and insert a comma

Page 3, line 18, after “programs” insert “, and the agency’s grounds for a termination of services”

Page 4, line 1, delete “smooth transition” and insert “coordinated transfer”

Page 4, line 2, delete “agency which provides the” and insert “provider of”

Page 4, line 16, delete everything after “exist” and insert “relative to persons receiving home care services, persons providing home care services, or agencies licensed under this act.”

Page 4, delete line 17

Page 4, line 19, delete “AUTHORITY TO REGULATE” and insert “PURPOSE”

Page 4, line 20, delete “may” and insert “shall”

Page 4, line 22, after “services;” insert “and” and delete everything after “fraud” and insert a period

Page 4, delete lines 23 to 27 and insert:

“Subd. 2. [REGULATORY FUNCTIONS.] The commissioner shall:

(1) evaluate, monitor, and license home care agencies in accordance with sections 1 to 6;”

Page 4, line 29, before the semicolon insert “, provided that when con-

ducting routine office visits or inspections, the commissioner shall provide at least 48 hours' advance notice to the home care agency'

Page 4, line 33, delete "and"

Page 4, line 34, delete "the commissioner considers"

Page 4, line 35, delete "appropriate" and insert "reasonably required" and delete "4." and insert "6; and"

Page 4, after line 35, insert:

"(6) in conformity with this section and in consultation with representatives of the various kinds of providers of home care services, community health service agencies, and consumers, adopt rules governing home care agencies. The rules adopted by the commissioner may include the following:

(a) provisions to assure, to the extent possible, the health, safety and well-being, and appropriate treatment of persons who receive home care services;

(b) requirements that home care agencies furnish the commissioner specified information necessary to implement sections 1 to 6;

(c) standards of training of home care agency personnel, which may vary according to the nature of the services provided or the health status of the consumer;

(d) standards of supervision by a physician or registered nurse of personnel providing home care services, which may vary according to the nature of the services provided or the health status of the consumer;

(e) requirements for the involvement of a consumer's physician, the documentation of physicians' orders and the consumer's treatment plan, and the maintenance of accurate, current clinical records;

(f) exemptions of specified classes of agencies, in addition to those provided in section 5, subdivision 2, from licensure requirements. When determining whether to exempt a class of agencies, the commissioner shall consider: (1) the extent to which the agencies, or the individuals who provide services through the agencies, are regulated under another law; (2) the risk to the health, safety, and well-being of the client; and (3) other factors the commissioner considers appropriate;

(g) the establishment of different classes of licenses for different types of agencies and different standards and requirements for different kinds of home care services; and

(h) operating procedures required to implement the home care bill of rights."

Page 5, line 1, delete "4" and insert "6"

Page 5, line 3, delete "When conducting"

Page 5, delete lines 4 and 5

Page 5, line 6, delete "Subd. 2." and insert "Sec. 5. [144A.46]" and after "[LICENSURE.]" insert:

"Subdivision 1. [LICENSE REQUIRED.]"

Page 5, line 8, delete everything after the period

Page 5, delete lines 9 to 19

Page 6, line 27, delete "4" and insert "6"

Page 6, line 35, delete "2" and insert "3"

Page 7, delete lines 2 to 7

Renumber the subdivisions in sequence

Page 7, line 8, delete "Sec. 4. [144A.46]" and insert "Sec. 6. [144A.47]"

Page 7, line 12, delete "costs,"

Page 7, line 13, after "agencies," insert "and" and delete ", and other"

Page 7, line 14, delete everything before the period

Page 7, line 17, before "licensure" insert "registration or"

Page 7, line 22, delete "about" and insert "and a summary of" and delete "costs" and insert "prices"

Page 7, line 23, delete everything after "state" and insert a semicolon

Page 7, delete line 24

Page 7, delete lines 25 to 28

Renumber the clauses in sequence

Page 7, after line 33, insert:

"Sec. 7. Minnesota Statutes 1984, section 144A.51, subdivision 6, is amended to read:

Subd. 6. "Resident" means any resident or patient of a health facility or a consumer of services provided by a home care agency, or the guardian or conservator of a the resident or, patient of a health facility, or consumer, if one has been appointed."

Page 11, delete section 12, and insert:

"Sec. 15. [TEMPORARY PROCEDURES.]

Beginning October 1, 1985, no home care agency except an agency exempt from licensure under section 4, subdivision 2, may provide home care services in this state without registering with the commissioner. A home care agency is registered with the commissioner when the commissioner has received in writing the agency's name; the name of its parent corporation or sponsoring organization, if any; the street address and telephone number of its principal place of business in Minnesota; the counties in Minnesota in which it may render services; the street address and telephone number of all other offices in Minnesota; and the name, educational background, and ten-year employment history of the person responsible for the management of the agency. A \$300 registration fee must be submitted with the application for registration. The registration shall remain effective until licensure rules are adopted by the commissioner. In order to maintain its registration and pro-

vide services in Minnesota, a home care agency must comply with section 3 and comply with requests for information under section 144A.47. A registered home care agency is subject to sections 144A.51 to 144A.54. Registration under this section does not exempt a home care agency from the licensure and other requirements later adopted by the commissioner."

Page 52, line 16, before "Sections" insert "Sections 1 to 4; 5, subdivisions 2 to 4; and 6 to 19 are effective the day following final enactment. Section 5, subdivision 1, is effective January 1, 1987."

Renumber the sections in sequence and correct internal cross references

Amend the title as follows:

Page 1, line 19, after "sections" insert "144.699, subdivision 2;" and after "144A.51," insert "subdivision 6, and"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend H.F. No. 702, the unofficial engrossment, as follows:

Page 5, line 6, before "A" insert "(a)"

Page 5; after line 19, insert:

"(b) Within ten days after receiving an application for a license, the commissioner shall acknowledge receipt of the application in writing. The acknowledgement must indicate whether the application appears to be complete or whether additional information is required before the application will be considered complete. Within 60 days after receiving a complete application, the commissioner shall either grant or deny the license. If an applicant is not granted or denied a license within 60 days after submitting a complete application, the license must be deemed granted. An applicant whose license has been deemed granted must provide written notice to the commissioner before providing a home care service."

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend H.F. No. 702, the unofficial engrossment, as follows:

Page 26, line 30, delete everything after the period

Page 26, delete line 31

Page 26, line 32, delete "subdivision 3, as a vendor." and insert "Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 32."

Page 52, line 16, delete "to 18" and insert ", 17, 35"

Page 52, line 17, before "19" insert "18," and after "to" insert "34, 36, and" and delete ", and 50"

Page 52, line 18, after the first period, insert "Section 50, subdivisions 1 and 4, are effective July 1, 1986."

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend H.F. No. 702, the unofficial engrossment, as

follows:

Page 19, after line 34 insert:

"Subd. 4. [RULEMAKING.] The commissioner shall adopt permanent rules to govern subsidy applications, criteria for approval, and other matters necessary to implement this program."

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H.F. No. 702, the unofficial engrossment, as follows:

Page 2, line 32, delete "or"

Page 2, after line 32, insert:

"(3) an individual who provides chore or housekeeping services with incidental medical, nutritional, or personal care or treatment; or"

Page 2, line 33, delete "(3)" and insert "(4)"

The motion prevailed. So the amendment was adopted.

H.F. No. 702 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 37 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	Novak	Storm
Anderson	Dicklich	Jude	Olson	Stumpf
Belanger	Diessner	Knaak	Pogemiller	Vega
Benson	Dieterich	Knutson	Ramstad	Waldorf
Berglin	Frank	Kronebusch	Reichgott	Wegscheid
Bertram	Frederick	Laidig	Renneke	
Brataas	Freeman	McQuaid	Sieloff	
Davis	Hughes	Merriam	Spear	

Messrs. Chmielewski, Isackson and Kamrath voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1130: A bill for an act relating to occupations and professions; changing the composition of the board of medical examiners and the method of appointing board members; authorizing the release of certain information by the board of medical examiners; requiring the board of medical examiners to adopt a written statement describing its procedures, and publish disciplinary actions; revising the standards for licensing and disciplining physicians; establishing reporting requirements for health professionals and granting immunity to those complying with reporting requirements; establishing special requirements for health-related licensing boards; appropriating money; recodifying certain provisions in Minnesota Statutes, chapter 147; amending Minnesota Statutes 1984, sections 147.01, subdivisions 1, 2, and 4; 147.02, subdivision 1, and by adding subdivisions; 147.021; 147.03; 147.073; 147.074; 147.09; 147.10; 176.011, subdivision 9; 214.07, subdivision 1; and

214.10, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 147; repealing Minnesota Statutes 1984, sections 147.02, subdivision 2; 147.06; 147.07; 147.072; 147.101; 147.11; 147.12; 147.13; 147.16; 147.17; 147.18; 147.19; 147.20; and 147.23.

Mr. Waldorf moved to amend S.F. No. 1130 as follows:

Page 18, line 13, delete "2" and insert "13"

Page 34, after line 20 insert:

"(f) When a complaint is received that concerns a matter that is within the jurisdiction of a board, the board must acknowledge receipt of the complaint within ten days after receipt by providing a written notice to the person who made the complaint. The notice must explain the board's investigative process and state, in general terms, that other legal recourse may be available. At least every three months the board shall give the complainant a report on the progress of board activities relating to that complaint. Within 30 days after a final disposition, the board shall provide a report to the complainant including a summary of the results of the investigation, the actions taken by the board, and the reasons for the board's actions or lack of action."

The motion prevailed. So the amendment was adopted.

S.F. No. 1130 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	McQuaid	Sieloff
Anderson	Davis	Hughes	Merriam	Stumpf
Belanger	DeCramer	Isackson	Moe, D.M.	Taylor
Benson	Dicklich	Johnson, D.E.	Novak	Vega
Berg	Diessner	Jude	Olson	Waldorf
Bernhagen	Dieterich	Kamrath	Ramstad	Wegscheid
Bertram	Frank	Kronebusch	Reichgott	
Brataas	Freeman	Lessard	Renneke	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 533: A bill for an act relating to occupations and professions; concerning the practice of veterinary medicine; allowing foreign veterinary graduates to be admitted to practice under certain conditions; amending Minnesota Statutes 1984, sections 156.001; 156.02, subdivision 1; 156.081, subdivision 2; and 156.12, subdivision 2; repealing Minnesota Statutes 1984, section 156.09.

Mr. Wegscheid moved to amend H.F. No. 533, the unofficial engrossment, as follows:

Page 2, line 7, after "for" insert "graduates of a"

Page 2, line 7, after "foreign" insert "college of"

Page 2, line 8, delete "graduates" and insert "medicine"

Page 2, after line 10, insert:

"Subd. 7. [FOREIGN COLLEGE OF VETERINARY MEDICINE.] "Foreign college of veterinary medicine" means a college of veterinary medicine other than an accredited or approved college of veterinary medicine."

Renumber the subdivisions in sequence

Page 5, line 28, after "a" and before "college" insert "foreign" and delete "other"

Page 5, delete line 29

Page 5, line 30, delete everything before "from"

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend H.F. No. 533; the unofficial engrossment, as follows:

Page 5, after line 33, insert:

"Sec. 5. [ELK REMOVAL.]

The commissioner shall remove all elk from the agricultural areas of the state by September 1, 1985, to an area within the city of North Oaks."

Renumber the sections in sequence

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 533 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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McQuaid	Ramstad
Anderson	DeCramer	Isackson	Merriam	Reichgott
Belanger	Dicklich	Johnson, D.E.	Moe, D.M.	Renneke
Benson	Diessner	Jude	Moe, R.D.	Sieloff
Berg	Dieterich	Kamrath	Novak	Storm
Bernhagen	Frank	Knaak	Olson	Stumpf
Bertram	Frederick	Kronebusch	Petty	Taylor
Brataas	Freeman	Laidig	Pogemiller	Vega
Chmielewski	Gustafson	Lessard	Purfeerst	Wegscheid

So the bill, as amended, passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House and First Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

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. 676: A bill for an act relating to towns; authorizing the conduct of town business at places located outside the town; amending Minnesota Statutes 1984, sections 365.51 and 365.52; proposing coding for new law in Minnesota Statutes, chapter 365.

There has been appointed as such committee on the part of the House:

Uphus, Frederickson and Minne.

Senate File No. 676 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of five members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 862: A bill for an act relating to courts; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3.

There has been appointed as such committee on the part of the House:

McKasy, Halberg, Dempsey, Voss and Schafer.

Senate File No. 862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 83:

H.F. No. 83: A bill for an act relating to courts; eliminating restrictions on the chief judge's ability to make assignments to juvenile court in Hennepin and Ramsey counties; amending Minnesota Statutes 1984, section 260.019; subdivision 3.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Forsythe, Halberg and Kelly have been appointed as such committee on the part of the House.

House File No. 83 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

Ms. Reichgott moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 83, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 130, 856, 1231 and 827.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 130: A bill for an act relating to taxation; motor vehicle excise; exempting sales of certain cars; imposing a fee in lieu of the tax; amending Minnesota Statutes 1984, sections 115A.908, by adding a subdivision; and 297B.03.

Referred to the Committee on Transportation.

H.F. No. 856: A bill for an act relating to taxation; imposing an additional tax on certain interest earned on state or municipal obligations; providing an income tax credit for certain interest paid on those obligations; amending Minnesota Statutes 1984, section 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 854, now on General Orders.

H.F. No. 1231: A bill for an act relating to crimes; transferring administration of crime victim crisis centers and the crime victims reparations board to the office of attorney general; changing a definition; establishing a crime victim and witness advisory council and a crime victim ombudsman; providing the council with extensive duties to assist victims and witnesses; providing the ombudsman with authority to investigate complaints with regard to treatment of victims; amending Minnesota Statutes 1984, sections 611A.41, subdivision 2; 611A.44; 611A.52; 611A.53, subdivision 2; 611A.54; 611A.55, subdivisions 1 and 2; and 611A.56, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1984, section 611A.42.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1126, now on General Orders.

H.F. No. 827: A bill for an act relating to public safety; appropriating money to purchase mobile communications equipment for state patrol.

Referred to the Committee on Finance.

Without objection, the Senate reverted to the Orders of Business of Mes-

sages From the House, 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. 58:

H.F. No. 58: A bill for an act relating to the town of Moorhead; allowing the town certain powers.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Valan, Poppenhagen and Kalis have been appointed as such committee on the part of the House.

House File No. 58 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

Mr. Langseth moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 58, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports read by the Secretary be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1065: A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 84.92; 84.922, subdivisions 1, 3, 5, 6, 7, 8, and by adding subdivisions; 84.925; 84.927; 84.928; 85.018, subdivisions 1, 2, 3, 4, and 5; 100.273, subdivision 9; and 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 31, delete "*funds*" and insert "*money*"

Page 9, line 17, delete "*their*" and insert "*its*"

Page 12, line 15, after the dollar sign, insert "*830,000*"

Page 12, lines 16 and 17, delete "*for the biennium ending June 30, 1987,*"

Page 12, after line 17, insert:

"\$435,000 is available for the fiscal year ending June 30, 1986, and

\$395,000 is available for the fiscal year ending June 30, 1987. The approved complement of the department of natural resources is increased by two positions."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 762: A bill for an act relating to public records; providing for fees of the county recorder and secretary of state; amending Minnesota Statutes 1984, sections 268.161, subdivision 1; 270.69, by adding a subdivision; 272.483; 336.9-407; 357.18, subdivision 1; 386.77; 505.08, subdivision 2; 508.47, subdivision 4; 508.82; 508A.11; 508A.47, subdivision 4; and 508A.82.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 993: A bill for an act relating to water; providing for comprehensive local water management; requiring counties to develop and implement county water and related land resources plans; authorizing the water resources board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the water resources board; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 110B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 23, delete "*shall*" and insert "*may*"

Page 2, line 24, after "*county*" insert "*that develops and implements a plan*"

Page 5, lines 10 and 11, delete "*by June 30, 1989*"

Page 14, line 2, after the dollar sign, insert "*150,000*"

Amend the title as follows:

Page 1, line 3, delete "*requiring*" and insert "*authorizing*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1065, 762 and 993 were read the second time.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees

indicated.

Mr. Vega introduced—

S.F. No. 1544: A bill for an act relating to utilities; establishing a limit for rate of return; amending Minnesota Statutes 1984, section 216B.16, by adding a subdivision.

Referred to the Committee on Public Utilities and State Regulated Industries.

Mr. Dicklich introduced—

S.F. No. 1545: A bill for an act relating to corporations; authorizing and regulating employee cooperative corporations; proposing coding for new law as Minnesota Statutes, chapter 302B.

Referred to the Committee on Economic Development and Commerce.

Mr. DeCramer introduced—

S.F. No. 1546: A bill for an act relating to transportation; railroads; providing that railroads must first offer property to leaseholders before selling it; proposing coding for new law in Minnesota Statutes, chapter 222.

Referred to the Committee on Transportation.

Messrs. Schmitz; Dicklich; Johnson, D.J.; Mrs. Brataas and Mr. Nelson introduced—

S.F. No. 1547: A bill for an act relating to local government; regulating contracts for the purchase of fuel by a municipality required for generation of municipal power; amending Minnesota Statutes 1984, section 471.345, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Davis introduced—

S.F. No. 1548: A bill for an act relating to the city of Becker; authorizing a development fund; authorizing the creation of a board or agency to administer it.

Referred to the Committee on Local and Urban Government.

Messrs. Lessard, Chmielewski, Stumpf, Bernhagen and Johnson, D.J. introduced—

S.F. No. 1549: A bill for an act relating to natural resources; providing for an administrative process for the designation of peatland scientific and natural areas; establishing powers and duties of the commissioner of natural resources; requiring local participation in the designation process; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Agriculture and Natural Resources.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 264: A bill for an act relating to animals; providing for a rabies control program; imposing criminal liability on persons who cause the death or substantial bodily harm of another by permitting certain animals to be unconfined or improperly confined; providing for the killing of dangerous animals; imposing penalties; amending Minnesota Statutes 1984, section 609.205; proposing coding for new law in Minnesota Statutes, chapters 346 and 609.

Mr. Ramstad moved to amend H.F. No. 264, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 348.)

Page 1, line 23, delete "or" and insert a comma and after "abdomen" insert ", or ear"

Page 1, line 26, delete "or" and after "registries" insert ", or drivers license records"

Page 2, line 19, after "and" insert "promptly"

Page 2, line 20, before the period, insert "by the most expedient means"

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend H.F. No. 264, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 348.)

Page 3, line 2, reinstate the stricken "by" and after the stricken "him" insert "the person"

Page 3, line 8, after "known" insert "to the person"

Page 3, line 12, delete ", and includes"

Page 3, delete line 13

Page 3, line 14, delete "bruise"

Page 3, line 18, delete "shall" and insert "may"

The motion prevailed. So the amendment was adopted.

Mr. Kamrath moved to amend H.F. No. 264, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 348.)

Page 1, line 15, after "uncontrolled" insert "in urban areas"

The motion did not prevail. So the amendment was not adopted.

CALL OF THE SENATE

Mr. Ramstad imposed a call of the Senate for the balance of the proceedings on H.F. No. 264. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Kamrath then moved to amend H.F. No. 264, as amended pursuant to Rule 49, adopted by the Senate April 29, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 348.)

Page 1, line 15, after "uncontrolled" insert "within a statutory or home rule charter city or urban town"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Freeman	Kronebusch	Stumpf
Anderson	Chmielewski	Gustafson	Langseth	Taylor
Benson	Davis	Isackson	Moe, R.D.	
Berg	DeCramer	Johnson, D.E.	Renneke	
Bernhagen	Frederick	Kamrath	Sieloff	

Those who voted in the negative were:

Belanger	Hughes	Lessard	Petty	Solon
Dicklich	Jude	McQuaid	Pogemiller	Storm
Diessner	Knaak	Merriam	Ramstad	Vega
Dieterich	Laidig	Moe, D.M.	Reichgott	Wegscheid
Frank	Lantry	Olson	Schmitz	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 264 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 36 and nays 23, as follows:

Those who voted in the affirmative were:

Belanger	Hughes	McQuaid	Peterson, R.W.	Storm
Dahl	Jude	Merriam	Petty	Taylor
Dicklich	Knaak	Moe, D.M.	Pogemiller	Vega
Diessner	Kroening	Moe, R.D.	Ramstad	Wegscheid
Dieterich	Laidig	Nelson	Reichgott	
Frank	Lantry	Novak	Sieloff	
Freeman	Lessard	Olson	Solon	
Gustafson	Luther	Peterson, D.C.	Spear	

Those who voted in the negative were:

Adkins	Bertram	Isackson	Mehrkens	Schmitz
Anderson	Chmielewski	Johnson, D.E.	Pehler	Stumpf
Benson	Davis	Kamrath	Peterson, D.L.	Willet
Berg	DeCramer	Kronebusch	Purfeerst	
Bernhagen	Frederick	Langseth	Renneke	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 304: A bill for an act relating to transportation; motor carriers; providing for annual increases in gross weight tax rates; establishing a gross vehicle weight limitation for state trunk highways; revising the gross weight seasonal zone; providing for ten percent overweight allowance for movement of potatoes and sugar beets; allowing wide loads of baled agricultural products to travel certain roads at certain times by annual permit; removing a requirement that wide loads be marked by flashing amber lights; requiring a

district priority list; providing that a county may challenge a seasonal weight restriction imposed by the commissioner; appropriating money; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 169.81, subdivision 2; 169.825, subdivisions 8, 10, and 11, and by adding a subdivision; 169.833; 169.86, subdivisions 1a, 2, 5, and by adding a subdivision; 169.862; and 169.87, subdivision 1, and by adding a subdivision.

Mr. DeCramer moved to amend S.F. No. 304 as follows:

Page 22, delete line 36 and insert:

"Fees collected by the commissioner of transportation for vehicle inspections under section 9 must be deposited in the trunk highway fund and credited to a special account. Money in the account is appropriated to the commissioner of public safety to administer section 9."

Page 23, delete line 1

Page 23, line 2, delete everything before "The"

Page 23, line 4, delete "six" and insert "three trooper" and after the period insert "If in any year the number of inspections under section 9 exceeds 5,000, the complement of the department of public safety for the following year is increased as follows: to four trooper positions if the number of inspections is greater than 5,000 and less than 6,501, to five trooper positions if the number of inspections is greater than 6,500 and less than 8,000, and to six trooper positions if the number of inspections is 8,000 or greater."

The motion prevailed. So the amendment was adopted.

Mr. Novak moved to amend S.F. No. 304, as follows:

Page 22, line 30, before "For" insert "Subdivision 1. [“S” AND “T” CATEGORIES.]”

Page 22, after line 34 insert:

"Subd. 2. [EXEMPTION.] Those vehicles whose total gross weight rate taxed and described in section 168.013, subdivision 1e, is 73,281 to 78,000 pounds or 78,001 to 81,000 pounds, and which elect not to operate at those weights and on those highways which after the effective date of this subdivision have greater weight allowance, may file an affidavit to that effect with the commissioner and shall be exempt from the fee increase provided by this act for the period of the affidavit or until election is made to operate at the greater weight allowance under this act but shall be subject to the annual increases authorized by section 168.013, subdivision 1e."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Kroening	Peterson, D.L.	Taylor
Belanger	Frederick	Laidig	Petty	Vega
Benson	Gustafson	McQuaid	Ramstad	Wegscheid
Bertram	Johnson, D.E.	Merriam	Reichgott	
Chmielewski	Johnson, D.J.	Novak	Renneke	
Dahl	Kamrath	Olson	Sieloff	
Dicklich	Knaak	Peterson, D.C.	Storm	

Those who voted in the negative were:

Adkins	DeCramer	Jude	Luther	Stumpf
Berg	Diessner	Kronebusch	Peterson, R.W.	Willet
Bernhagen	Dieterich	Lantry	Purfeerst	
Davis	Isackson	Lessard	Schmitz	

The motion prevailed. So the amendment was adopted.

S.F. No. 304 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 39 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Nelson	Schmitz
Anderson	DeCramer	Kamrath	Novak	Steloff
Belanger	Diessner	Kronebusch	Olson	Stumpf
Benson	Frederick	Laidig	Peterson, D.L.	Taylor
Berg	Gustafson	Lantry	Purfeerst	Vega
Bernhagen	Isackson	Lessard	Ramstad	Wegscheid
Bertram	Johnson, D.E.	McQuaid	Reichgott	Willet
Chmielewski	Johnson, D.J.	Moe, D.M.	Renneke	

Those who voted in the negative were:

Dahl	Knaak	Luther	Peterson, D.C.	Petty
Dieterich	Kroening	Merriam	Peterson, R.W.	Storm
Frank				

So the bill, as amended, passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 88 from 4:30 to 6:00 p.m.:

Messrs. Nelson; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Peterson, D.L. 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 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. 295: A bill for an act relating to counties; authorizing a special levy for county agricultural society and park and recreation purposes for Hubbard county; authorizing a special levy for support of the Clearwater county hospital; authorizing a special levy for tourism and agriculture promotion in Cass county; requiring a reverse referendum under certain circumstances; increasing the amount of loans available to certain counties for design and construction costs of district heating and qualified energy improvements; allowing municipalities to accelerate repayment of principal of energy loans; authorizing county regulation of pawnbrokers, second-hand,

and junk dealers; designating Hubbard county as a fiscal agent; amending Minnesota Statutes 1984, section 116J.36, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 471.

Senate File No. 295 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

Mr. Willet moved that the Senate do not concur in the amendments by the House to S.F. No. 295, 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. 1176: A bill for an act relating to children; requiring a new job classification in child protection; requiring continuing education; providing for a joint training program; requiring a report to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Senate File No. 1176 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1176, 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 following change in the membership of the Conference Committee on Senate File No. 862:

The name of Dempsey has been deleted.

The name of Boo has been added.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

RECESS

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that

the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 33: Messrs. Pogemiller, Knaak and Dahl.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1176: Messrs. Merriam, Petty and Belanger.

H.F. No. 58: Messrs. Langseth, Stumpf and DeCramer.

S.F. No. 295: Messrs. Willet, Dicklich and Pehler.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mrs. McQuaid was excused from the Session of today from 12:00 to 12:45 p.m. Mr. Storm was excused from the Session of today from 12:00 to 2:00 p.m. Mr. Willet was excused from the Session of today from 1:00 to 2:00 p.m. Mr. Frank was excused from the Session of today from 2:15 to 2:45 p.m. Mr. Pogemiller was excused from the Session of today from 12:00 to 4:00 p.m. Mr. Schmitz was excused from the Session of today from 12:00 to 1:30 p.m. Ms. Berglin was excused from the Session of today from 5:00 to 7:30 p.m. Mr. Waldorf was excused from the Session of today at 5:00 p.m. Mr. Mehrkens was excused from the Session of today at 6:15 p.m.

The following member was excused from today's Session for a brief period of time: Mrs. Kronebusch.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 12:00 noon, Thursday, May 16, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-SECOND DAY

St. Paul, Minnesota, Thursday, May 16, 1985

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Cy Solberg.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 756 at 12:00 noon:

Messrs. Johnson, D.J.; Novak; Peterson, C.C.; Merriam and Petty. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 12:45 p.m.:

Messrs. Samuelson, Knutson, Solon, Spear and Ms. Berglin. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641 at 1:30 p.m.:

Messrs. Kroening, Frederickson, Luther, Willet and Dahl. 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. 45, 798, 1358, 1374, 1499, 904, 1131, 1388, 1414, 63, 82, 228, 1485, 375, 1347 and 1353.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1171: A bill for an act relating to state lands; conveying land to Olmsted county.

Senate File No. 1171 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

CONCURRENCE AND REPASSAGE

Mrs. Brataas moved that the Senate concur in the amendments by the House to S.F. No. 1171 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1171 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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Knaak	Pehler	Storm
Belanger	Frederick	Knutson	Peterson, D.C.	Stumpf
Benson	Frederickson	Kroening	Peterson, D.L.	Taylor
Berg	Freeman	Kronebusch	Peterson, R.W.	Vega
Bernhagen	Gustafson	Laidig	Pogemiller	Waldorf
Bertram	Hughes	Langseth	Reichgott	Wegscheid
Brataas	Isackson	Luther	Renneke	Willet
Dahl	Johnson, D.E.	McQuaid	Schmitz	
DeCramer	Jude	Moe, D.M.	Sieloff	
Dieterich	Kamrath	Nelson	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. 925: A bill for an act relating to economic development; granting certain powers to municipalities; amending Minnesota Statutes 1984, sections 16B.61, subdivision 3; 273.73, subdivisions 9, 12, and by adding a subdivision; 273.74, subdivision 3; 273.75, subdivision 1, and by adding a subdivision; 273.76, subdivision 1; 458.16, by adding a subdivision; 462.352, subdivisions 5, 7, 9, 10, 15, and by adding a subdivision; 462.357, subdivision 1; 462.358, subdivision 2a; 472.08, subdivision 1; 472A.03; 474.02, by adding a subdivision; Laws 1980, chapter 595, section 3, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465; and proposing coding for new law as Minnesota Statutes, chapter 472B.

Senate File No. 925 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

CONCURRENCE AND REPASSAGE

Mr. Pogemiller moved that the Senate concur in the amendments by the House to S.F. No. 925 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 925 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 17, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Petty	Stumpf
Anderson	Frederick	Kronebusch	Pogemiller	Taylor
Belanger	Frederickson	Laidig	Purfeerst	Vega
Berg	Freeman	Langseth	Ramstad	Wegscheid
Berglin	Gustafson	Lessard	Reichgott	Willet
Bernhagen	Hughes	Luther	Renneke	
Bertram	Isackson	Mehrkens	Schmitz	
Brataas	Johnson, D.E.	Olson	Spear	
Chmielewski	Kamrath	Peterson, D.C.	Storm	

Those who voted in the negative were:

Benson	Dieterich	Kroening	Pehler	Waldorf
Dahl	Frank	Merriam	Peterson, D.L.	
Davis	Jude	Moe, D.M.	Peterson, R.W.	
DeCramer	Knaak	Nelson	Sieloff	

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 con-

currence of the Senate is respectfully requested:

S.F. No. 647: A bill for an act relating to education; Minnesota Educational Computing Corporation; removing some limits on its powers; providing for compliance with certain bidding laws for management computing services; amending Minnesota Statutes 1984, sections 119.04, subdivision 2; 119.05, subdivision 2; and 119.07.

Senate File No. 647 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

Mr. Pehler moved that the Senate do not concur in the amendments by the House to S.F. No. 647, 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. 230: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing that certain violations do not impair obligations of a contract; providing penalties; providing for certain dollar adjustments; amending Minnesota Statutes 1984, sections 48.151; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1 and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

Senate File No. 230 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the

House to S.F. No. 230 and that the bill be placed on its repassage as amended. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Mr. Merriam moved to reconsider the motion of Mr. Wegscheid to concur in the amendments to S.F. No. 230. The motion prevailed.

Mr. Wegscheid moved that S.F. No. 230 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. 952: A bill for an act relating to occupations and professions; providing for licensing of alarm and communication contractors and installers by the board of electricity; amending Minnesota Statutes 1984, sections 326.01, by adding subdivisions; 326.241; 326.242, subdivisions 7 and 8, and by adding subdivisions; 326.243; 326.244, subdivisions 4 and 5; and 326.246.

There has been appointed as such committee on the part of the House:

Miller, Clausnitzer and Krueger.

Senate File No. 952 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1234: A bill for an act relating to the city of Saint Paul; permitting the city to issue temporary on-sale wine licenses to nonprofit charitable, religious, or veterans organizations.

Senate File No. 1234 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

CONCURRENCE AND REPASSAGE

Mr. Waldorf moved that the Senate concur in the amendments by the House to S.F. No. 1234 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1234: A bill for an act relating to liquor; permitting the city of St. Paul to issue temporary on-sale wine licenses to nonprofit charitable, reli-

gious, or veterans organizations; providing for the applicability of mandatory liability insurance; amending Minnesota Statutes 1984, section 340.11, subdivision 21.

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 49 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Schmitz
Anderson	DeCramer	Jude	Novak	Sieloff
Belanger	Diessner	Kamrath	Olson	Spear
Benson	Dieterich	Knaak	Peterson, R.W.	Storm
Berg	Frederick	Knutson	Petty	Stumpf
Berglin	Frederickson	Kroening	Pogemiller	Vega
Bernhagen	Freeman	Kronebusch	Purfeerst	Waldorf
Bertram	Hughes	Lessard	Ramstad	Wegscheid
Brataas	Isackson	Luther	Reichgott	Willet
Dahl	Johnson, D.E.	McQuaid	Renneke	

Messrs. Laidig and Peterson, C.C. 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. 1036: A bill for an act relating to domestic abuse; providing for service by publication under certain circumstances under the Domestic Abuse Act; clarifying relief and providing for additional relief; amending Minnesota Statutes 1984, section 518B.01, subdivisions 4, 5, 6, and 7.

Senate File No. 1036 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 1036 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1036 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 50 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Schmitz
Anderson	DeCramer	Jude	Novak	Solon
Belanger	Diessner	Kamrath	Olson	Spear
Benson	Dieterich	Knaak	Peterson, C.C.	Storm
Berg	Frederick	Knutson	Petty	Stumpf
Berglin	Frederickson	Kroening	Pogemiller	Taylor
Bernhagen	Freeman	Laidig	Purfeerst	Vega
Bertram	Hughes	Lessard	Ramstad	Waldorf
Brataas	Isackson	Luther	Reichgott	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Renneke	Willet

Mrs. Kronebusch; Messrs. Merriam and Sieloff 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. 1183: A bill for an act relating to intoxicating liquor; providing for issuance of licenses within Indian country; allowing the sales between collectors of discontinued brands of beer in cans; authorizing the issuance of on-sale licenses in certain theaters in Minneapolis; amending Minnesota Statutes 1984, section 340.11, subdivision 15, and by adding a subdivision.

Senate File No. 1183 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

Mr. Dieterich moved that the Senate do not concur in the amendments by the House to S.F. No. 1183, 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. 1404: A bill for an act relating to local government; expanding the authority of counties to make electronic funds transfers; amending Minnesota Statutes 1984, section 385.07; and proposing coding for new law in Minnesota Statutes, chapter 385.

Senate File No. 1404 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the

House to S.F. No. 1404 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1404: A bill for an act relating to local government; expanding the authority of counties to make electronic funds transfers; providing for transfer of certain federal payments in lieu of taxes from a county to a city or town; amending Minnesota Statutes 1984, section 385.07; and proposing coding for new law in Minnesota Statutes, chapters 385 and 471.

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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Kroening	Olson	Storm
Benson	Frederickson	Kronebusch	Peterson, C.C.	Stumpf
Berg	Freeman	Laidig	Pogemiller	Taylor
Berglin	Hughes	Lessard	Purfeerst	Vega
Bernhagen	Johnson, D.E.	Luther	Ramstad	Waldorf
Bertram	Johnson, D.J.	McQuaid	Reichgott	Wegscheid
Dahl	Jude	Mehrrens	Renneke	Willet
Davis	Kamrath	Merriam	Schmitz	
DeCramer	Knaak	Moe, R.D.	Sieloff	
Dieterich	Knutson	Novak	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 that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 331, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 331: A bill for an act relating to health; permitting the county coroner to remove the pituitary gland from a body under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 390.

Senate File No. 331 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 213:

H.F. No. 213: A bill for an act relating to the maltreatment of minors or vulnerable adults in certain licensed facilities; providing for notification of parents or guardians after reports of alleged abuse; clarifying certain provisions; amending Minnesota Statutes 1984, sections 626.556, subdivisions 10b, 11, and by adding a subdivision; and 626.557, subdivision 12, and by adding a subdivision.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Stanius; Nelson, K. and Valento have been appointed as such committee on the part of the House.

House File No. 213 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

Mr. Spear moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 213, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1032:

H.F. No. 1032: A bill for an act relating to the borough of Belle Plaine; permitting Belle Plaine to use the term "borough" for all purposes; amending Minnesota Statutes 1984, sections 410.015; and 413.02, subdivision 5, and by adding a subdivision.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Rees, Kiffmeyer and Vanasek have been appointed as such committee on the part of the House.

House File No. 1032 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

Mr. Schmitz moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1032, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 818: A bill for an act relating to employment and economic opportunity; providing for the streamlining and coordination of job, economic development, and income-maintenance programs; setting as dual goals the lowering of unemployment rates and welfare caseloads; creating the councils for the hearing impaired and for the blind; abolishing the department of economic security; creating a new department of employment and training;

transferring responsibilities of the department of economic security to the department of employment and training and the department of human services; transferring certain employment and training functions of the department of human services and the department of administration to the department of employment and training; providing for biennial statewide plans for employment and training and apprenticeships; providing for coordination of state and federal jobs programs; establishing community investment programs; granting rulemaking authority; changing formulas for paying local agencies for general assistance grants to recipients subject to work requirements; removing a sunset provision from the Minnesota emergency employment development act; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 86.33, by adding subdivisions; 116J.035, by adding a subdivision; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 129A.02, subdivision 2; 136.63, by adding a subdivision; 136C.06; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.736; 256.737; 256C.24; 256C.25; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.04, by adding subdivisions; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; and 268.686; proposing coding for new law in Minnesota Statutes, chapters 256C and 268; proposing coding for new law as Minnesota Statutes, chapters 267 and 268A; repealing Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; and 268.81.

Senate File No. 818 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 818, 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 File, herewith transmitted: H.F. No. 1250.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 1250: A bill for an act relating to public safety; authorizing commissioner to prescribe fees and prescribing fees; providing for statutory inclusion of state patrol lieutenants; providing that commissioner control

video game of chance license fees; abolishing fire code regulations relating to theaters, halls, and dry cleaning and dyeing establishments; amending Minnesota Statutes 1984, sections 299A.01, subdivision 6; 299D.03, subdivision 2; 299F.19, subdivision 1; and 349.52, subdivisions 2 and 3; repealing Minnesota Statutes 1984, sections 299H.211 to 299H.28; 299I.01 to 299I.08; 299I.10; and 299I.20 to 299I.24.

Referred to the Committee on Transportation.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 384 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.
384	303				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 384 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 384 and insert the language after the enacting clause of S.F. No. 303, the second engrossment; further, delete the title of H.F. No. 384 and insert the title of S.F. No. 303, the second engrossment.

And when so amended H.F. No. 384 will be identical to S.F. No. 303, and further recommends that H.F. No. 384 be given its second reading and substituted for S.F. No. 303, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 694 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.
694	627				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 694 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 694 and insert the language after the enacting clause of S.F. No. 627, the second engrossment; further, delete the title of H.F. No. 694 and insert the title of S.F. No.

627, the second engrossment.

And when so amended H.F. No. 694 will be identical to S.F. No. 627, and further recommends that H.F. No. 694 be given its second reading and substituted for S.F. No. 627, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1070 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.
1070	1004				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1070 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1070 and insert the language after the enacting clause of S.F. No. 1004, the first engrossment; further, delete the title of H.F. No. 1070 and insert the title of S.F. No. 1004, the first engrossment.

And when so amended H.F. No. 1070 will be identical to S.F. No. 1004, and further recommends that H.F. No. 1070 be given its second reading and substituted for S.F. No. 1004, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1227 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.
1227	1003				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1227 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1227 and insert the language after the enacting clause of S.F. No. 1003, the first engrossment; further, delete the title of H.F. No. 1227 and insert the title of S.F. No. 1003, the first engrossment.

And when so amended H.F. No. 1227 will be identical to S.F. No. 1003,

and further recommends that H.F. No. 1227 be given its second reading and substituted for S.F. No. 1003, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1233 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.
1233	1103				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1233 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1233 and insert the language after the enacting clause of S.F. No. 1103, the third engrossment; further, delete the title of H.F. No. 1233 and insert the title of S.F. No. 1103, the third engrossment.

And when so amended H.F. No. 1233 will be identical to S.F. No. 1103, and further recommends that H.F. No. 1233 be given its second reading and substituted for S.F. No. 1103, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 856 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.
856	854				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 856 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 856 and insert the language after the enacting clause of S.F. No. 854, the first engrossment; further, delete the title of H.F. No. 856 and insert the title of S.F. No. 854, the first engrossment.

And when so amended H.F. No. 856 will be identical to S.F. No. 854, and further recommends that H.F. No. 856 be given its second reading and sub-

stituted for S.F. No. 854, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1231 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.
1231	1126				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1231 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1231 and insert the language after the enacting clause of S.F. No. 1126, the first engrossment; further, delete the title of H.F. No. 1231 and insert the title of S.F. No. 1126, the first engrossment.

And when so amended H.F. No. 1231 will be identical to S.F. No. 1126, and further recommends that H.F. No. 1231 be given its second reading and substituted for S.F. No. 1126, 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. 384, 694, 1070, 1227, 1233, 856 and 1231 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid 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 health; expanding the purposes of health care review organizations; amending Minnesota Statutes 1984, section 145.61, subdivision 5.

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 364 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 364: A bill for an act relating to health; expanding the purposes of health care review organizations; providing an exception to liability; amending Minnesota Statutes 1984, sections 145.61, subdivision 5; and 145.63.

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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Olson	Solon
Anderson	DeCramer	Knutson	Petty	Spear
Belanger	Dieterich	Kroening	Pogemiller	Storm
Benson	Frederick	Kronebusch	Purfeerst	Stumpf
Berg	Frederickson	Luther	Ramstad	Taylor
Berglin	Freeman	McQuaid	Reichgott	Vega
Bernhagen	Hughes	Mehrkens	Renneke	Waldorf
Bertram	Isackson	Merriam	Samuelson	Wegscheid
Brataas	Johnson, D.E.	Moe, R.D.	Schmitz	Willett
Dahl	Jude	Novak	Sieloff	

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. 1244: A bill for an act relating to the city of Burnsville; increasing the total number of on-sale liquor licenses.

Senate File No. 1244 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1985

CONCURRENCE AND REPASSAGE

Mr. Knutson moved that the Senate concur in the amendments by the House to S.F. No. 1244 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1244 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:

Adkins	Dahl	Knaak	Moe, D.M.	Sieloff
Anderson	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dieterich	Kroening	Novak	Spear
Benson	Frederick	Kronebusch	Olson	Storm
Berg	Frederickson	Laidig	Petty	Stumpf
Berglin	Freeman	Lessard	Ramstad	Taylor
Bernhagen	Hughes	Luther	Reichgott	Waldorf
Bertram	Isackson	McQuaid	Renneke	Willett
Brataas	Johnson, D.E.	Mehrkens	Samuelson	
Chmielewski	Jude	Merriam	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce 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. 251: A bill for an act relating to nursing homes; establishing an educational program for resident and family advisory councils; authorizing a surcharge on license fees; requiring evaluation and a report to the legislature by the Minnesota board on aging; appropriating money; amending Minnesota Statutes 1984, sections 256B.421, subdivision 8; and 256B.431, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 144A.

Senate File No. 251 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 251, 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.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. DeCramer moved that the following members be excused for a Conference Committee on H.F. No. 58 at 1:30 p.m.:

Messrs. Langseth, DeCramer and Stumpf. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 903: A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; requiring recovery of the federal share of medical assistance overpayments; authorizing bingo in nursing homes and senior citizen housing projects; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; requiring a study of the feasibility of home equity conversion to finance long-term health care; appropriating money; amending

Minnesota Statutes 1984, sections 144.50, subdivision 2; 144.651, subdivision 6; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.421, subdivision 1; 256B.431, subdivisions 2b, 3, and 4, and by adding a subdivision; 256B.50; 256B.504, subdivision 1; 349.214, by adding a subdivision; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapters 144 and 256B.

Ms. Berglin moved to amend S.F. No. 903 as follows:

Page 4, line 13, after "time" insert ", unless approval for the use of additional swing beds has been granted under section 4"

Pages 6 and 7, delete section 4, and insert:

"Sec. 4. [144.563] [NURSING HOME SERVICES PROVIDED IN A HOSPITAL; AUTHORIZATION FOR ADDITIONAL SWING BEDS.]

Subdivision 1. [PROHIBITED SERVICES.] A hospital that has been granted a license condition under section 3 must not provide the types of services that would normally be provided in, and reimbursed under medical assistance or medicare as services of, a skilled nursing facility or intermediate care facility, whether on a short-term or long-term basis, unless the patient is in a swing bed in compliance with this section.

Subd. 2. [APPROVAL CRITERIA FOR AUTHORIZING MORE THAN FOUR SWING BEDS.] The department of health shall approve a hospital's request for up to three additional swing beds if the hospital meets all of the requirements of this subdivision:

(a) The hospital submits a written request that specifies the number of additional swing beds requested and that is accompanied with the following documentation:

(1) the daily census records for the swing beds for the last 180 days and the computed average occupancy;

(2) the length of stay in days for all patients discharged from a swing bed in the last 180 days and the computed average length of stay;

(3) a listing of all nursing homes within a 25-mile radius of the hospital and the current occupancy of those nursing homes by certification level;

(4) if home health agency services are available within a 25-mile radius of the hospital, a statement from the hospital's medical director indicating that the current and expected swing bed patients are not suitable clients for those services; and

(5) copies of notices sent to the administrators of all nursing homes and home health agencies providing services within a 25-mile radius of the hospital that inform the administrators that the hospital is submitting a request to the department for additional swing beds.

(b) The commissioner of health shall approve a hospital's request for additional swing beds if all of the following criteria are met:

(1) the hospital has maintained an average occupancy of at least three swing beds during the past 180 days;

(2) the average length of stay during the past 180 days for swing bed patients is less than 30 days;

(3) at the time of the request, all swing beds in the facility are occupied;

(4) the occupancy of each nursing home within a 25-mile radius exceeds 97 percent; and

(5) home health services appropriate to the needs of the current and expected swing bed patients are not available within a 25-mile radius of the hospital.

(c) The use of additional swing beds may be approved for a period not to exceed 180 days. A hospital may request that this period be extended by submitting a request as required by paragraph (a). The request must be submitted no earlier than 30 days prior to the expiration of the approval authorizing the use of the additional swing beds. Approval for the extended time period shall be governed by the criteria contained in paragraph (b).

Subd. 3. [EXCEPTION.] If a swing bed is not available, upon approval of the commissioner of health, a patient may be retained in the hospital if the hospital demonstrates that (a) no nursing home beds, alternative care services, or other alternatives are available to meet the needs of the patient, and (b) the hospital is making prompt and continuing efforts to discharge the patient at the earliest possible date. The hospital shall notify the commissioner of health in writing that a patient is being retained in the hospital. The notice must include the name of the patient, date of admission, expected length of stay, and documentation demonstrating that nursing home or other alternative services are not available to meet the needs of the patient. The commissioner of health shall approve the hospital's request if the criteria in clauses (a) and (b) are met. The patient must not be retained in the hospital for longer than 30 days. The hospital may request an extension of the 30-day period by following the procedures contained in this section. The provisions contained in section 3 must govern the use of the hospital beds. The hospital shall notify the commissioner when the patient has been discharged."

Page 7, delete section 5

Page 8, line 3, delete everything after "with" and insert "approved"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on S.F. No. 903. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend S.F. No. 903 as follows:

Page 4, line 3, after "section" insert "for the purpose of receiving reimbursement under the federal medicare program under United States Code,

title 42, section 1395(tt). Nothing in this section shall preclude the use of any licensed hospital bed by any other payor"

The question was taken on the adoption of the amendment.

Ms. Berglin moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 23 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Freeman	Kronebusch	Taylor
Belanger	Davis	Gustafson	Langseth	Waldorf
Berg	DeCramer	Isackson	Lessard	Wegscheid
Bertram	Frederick	Johnson, D.E.	Reichgott	
Brataas	Frederickson	Kamrath	Stumpf	

Those who voted in the negative were:

Adkins	Frank	Luther	Pogemiller	Spear
Benson	Hughes	McQuaid	Ramstad	Storm
Berglin	Jude	Mehrkens	Renneke	Vega
Bernhagen	Knaak	Merriam	Samuelson	
Dicklich	Knutson	Moe, D.M.	Schmitz	
Diessner	Laidig	Olson	Sieloff	
Dieterich	Lantry	Petty	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Waldorf moved to amend S.F. No. 903 as follows:

Pages 21 to 23, delete section 16

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 42 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Moe, R.D.	Storm
Anderson	Frank	Knaak	Olson	Stumpf
Belanger	Frederick	Knutson	Purfeerst	Taylor
Benson	Freeman	Kronebusch	Ramstad	Vega
Bernhagen	Gustafson	Laidig	Renneke	Waldorf
Bertram	Hughes	Langseth	Samuelson	Willet
Brataas	Isackson	Lessard	Schmitz	
Chmielewski	Johnson, D.E.	McQuaid	Sieloff	
Davis	Jude	Mehrkens	Solon	

Those who voted in the negative were:

Berglin	Dicklich	Luther	Moe, D. M.	Reichgott
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The motion prevailed. So the amendment was adopted.

Mr. Kamrath moved to amend S.F. No. 903 as follows:

Page 6, delete lines 2 to 7

Renumber the subdivisions in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Berg	Chmielewski	Isackson	Sieloff
Belanger	Bernhagen	DeCramer	Kamrath	Stumpf
Benson	Brataas	Gustafson	Kronebusch	

Those who voted in the negative were:

Adkins	Frank	Langseth	Peterson, D.C.	Schmitz
Berglin	Hughes	Luther	Peterson, R.W.	Solon
Bertram	Johnson, D.E.	McQuaid	Purfeerst	Spear
Davis	Jude	Mehrkens	Ramstad	Storm
Dicklich	Knaak	Moe, D.M.	Reichgott	Waldorf
Diessner	Knutson	Moe, R.D.	Renneke	Willet
Dieterich	Laidig	Nelson	Samuelson	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 903 was then progressed.

SPECIAL ORDER

S.F. No. 908: A bill for an act relating to human services; revising procedures and requirements under the aid to families with dependent children, medical assistance, and general assistance programs; appropriating money; amending Minnesota Statutes 1984, sections 245.791; 245.804, subdivision 1; 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; 256.871, subdivision 3; 256.99; 256B.02, subdivisions 2 and 3; 256B.06, subdivision 1; 256B.07; 256B.17, subdivision 6; 256D.01, subdivision 1a; 256D.03, subdivision 4; and 256D.06, by adding a subdivision.

Mr. Waldorf moved to amend S.F. No. 908 as follows:

Page 3, after line 15, insert:

“Sec. 3. Minnesota Statutes 1984, section 256.12, subdivision 15, is amended to read:

Subd. 15. [CONTINUED ABSENCE FROM THE HOME.] “Continued absence from the home,” as used in sections 256.72 to 256.87, means the absence from the home of the parent, whether or not entitled to the custody of the child, by reason of being an inmate of a penal institution or a fugitive after escape therefrom, or absence from the home by the parent for a period believed to be, and declared by applicant to be, of a continuous duration together with failure on the part of the absent parent to support the child, provided that prior to the granting of such aid all reasonable efforts have been made to secure support for such child. *Daily visitation by the absent parent in the home of the child renders the child ineligible for assistance based on continued parental absence.*”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

S.F. No. 908 was read the third time 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:

Adkins	Dieterich	Kronebusch	Pehler	Sieloff
Anderson	Frank	Laidig	Peterson, C.C.	Solon
Benson	Frederick	Langseth	Peterson, D.C.	Storm
Berg	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Luther	Petty	Vega
Bertram	Hughes	McQuaid	Pogemiller	Waldorf
Brataas	Isackson	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Nelson	Renneke	
Dicklich	Knaak	Novak	Samuelson	
Diessner	Kroening	Olson	Schmitz	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 729 at 4:00 p.m.:

Messrs. Pogemiller; Moe, D.M.; Renneke; Wegscheid and Spear. The motion prevailed.

The question recurred on S.F. No. 903.

SPECIAL ORDER

S.F. No. 903: A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; requiring recovery of the federal share of medical assistance overpayments; authorizing bingo in nursing homes and senior citizen housing projects; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; requiring a study of the feasibility of home equity conversion to finance long-term health care; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144.651, subdivision 6; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.421, subdivision 1; 256B.431, subdivisions 2b, 3, and 4, and by adding a subdivision; 256B.50; 256B.504, subdivision 1; 349.214, by adding a subdivision; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapters 144 and 256B.

Mr. Kamrath moved to amend S.F. No. 903 as follows:

Page 6, line 4, before "rate" insert "estimated" and after "rate" insert

“expected to be”

Ms. Berglin moved to amend the Kamrath amendment to S.F. No. 903 as follows:

Page 1, after line 3 of the Kamrath amendment, insert:

“Page 6, line 6, after “period” insert “, provided the hospital reimburses the patient for any overpayment that results from the final rate being lower than the estimated rate””

The question was taken on the adoption of the Berglin amendment to the Kamrath amendment.

The roll was called, and there were yeas 47 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Sieloff
Anderson	Diessner	Knutson	Olson	Solon
Belanger	Dieterich	Laidig	Peterson, C.C.	Stumpf
Berg	Frank	Langseth	Peterson, D.C.	Taylor
Berglin	Frederick	Lantry	Pogemiller	Vega
Bernhagen	Frederickson	Lessard	Ramstad	Waldorf
Bertram	Freeman	Luther	Reichgott	Willet
Chmielewski	Hughes	McQuaid	Renneke	
Davis	Johnson, D.E.	Moe, R.D.	Samuelson	
DeCramer	Jude	Nelson	Schmitz	

Those who voted in the negative were:

Benson	Isackson	Kamrath	Kronebusch	Mehrkens
Brataas				

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Kamrath withdrew his amendment, as amended.

S.F. No. 903 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 58 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Merriam	Schmitz
Anderson	Diessner	Knaak	Moe, R.D.	Sieloff
Belanger	Dieterich	Knutson	Novak	Solon
Benson	Frank	Kroening	Olson	Storm
Berg	Frederick	Kronebusch	Peterson, C.C.	Stumpf
Berglin	Frederickson	Laidig	Peterson, D.L.	Taylor
Bernhagen	Freeman	Langseth	Pogemiller	Vega
Bertram	Gustafson	Lantry	Purfeerst	Waldorf
Brataas	Hughes	Lessard	Ramstad	Wegscheid
Chmielewski	Isackson	Luther	Reichgott	Willet
Davis	Johnson, D.E.	McQuaid	Renneke	
DeCramer	Johnson, D.J.	Mehrkens	Samuelson	

Mr. Kamrath voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 694: A bill for an act relating to natural resources; grants and

loans for certain dam reconstruction, repair, and removal projects; appropriating money; amending Laws 1979, chapter 300, section 4, subdivisions 2, as amended, 3 and 4; and Laws 1981, chapter 361, section 3, subdivision 3.

SUSPENSION OF RULES

Mr. Peterson, C.C. 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. 694 and that the rules of the Senate be so far suspended as to give H.F. No. 694, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Peterson, C.C. moved to amend H.F. No. 694 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 694, and insert the language after the enacting clause, and the title, of S.F. No. 1543, as introduced.

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the Peterson, C.C. amendment.

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Peterson, C.C. imposed a call of the Senate for the balance of the proceedings on H.F. No. 694. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Taylor moved to amend H.F. No. 694, as amended by the Senate, May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 15, delete lines 9 to 16

Correct the section totals and the summary

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Laidig	Renneke
Belanger	Dieterich	Kamrath	McQuaid	Sieloff
Benson	Frederickson	Knaak	Mehrkens	Storm
Berg	Hughes	Knutson	Olson	Stumpf
Bernhagen	Isackson	Kronebusch	Ramstad	Taylor

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, C.C.	Samuelson
Berglin	Freeman	Luther	Peterson, D.C.	Schmitz
Bertram	Gustafson	Merriam	Peterson, D.L.	Solon
Chmielewski	Johnson, D.J.	Moe, D.M.	Peterson, R.W.	Spear
Dahl	Jude	Moe, R.D.	Petty	Vega
Davis	Kroening	Nelson	Pogemiller	Waldorf
DeCramer	Langseth	Novak	Purfeerst	Wegscheid
Dicklich	Lantry	Pehler	Reichgott	Willett

The motion did not prevail. So the amendment was not adopted.

Mr. Kamrath moved to amend H.F. No. 694, as amended by the Senate, May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 2, delete section 2

Page 4, delete line 8

Reletter the lettered paragraphs in sequence

Page 4, delete lines 41 and 42

Page 14, delete lines 20 to 34

Page 14, line 35, delete "(b)"

Correct the subdivision and section totals and the summary

Renumber the sections in sequence

Correct internal section references

Mr. Frederickson requested division of the amendment as follows:

First portion:

Page 2, delete section 2

Page 4, delete line 8

Reletter the lettered paragraphs in sequence

Page 14, delete lines 20 to 34

Page 14, line 35, delete "(b)"

Correct the subdivision and section totals and the summary

Renumber the sections in sequence

Correct internal section references

Second portion:

Page 4, delete lines 41 and 42

Correct the subdivision and section totals and the summary

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 16 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	DeCramer	Kamrath	Olson
Belanger	Brataas	Dieterich	Laidig	Storm
Benson	Davis	Isackson	McQuaid	Taylor
Berg				

Those who voted in the negative were:

Adkins	Frederickson	Lantry	Peterson, C.C.	Schmitz
Berglin	Freeman	Lessard	Peterson, D.C.	Solon
Bertram	Hughes	Luther	Peterson, R.W.	Spear
Chmielewski	Johnson, D.E.	Merriam	Petty	Stumpf
Dahl	Jude	Moe, D.M.	Purfeerst	Vega
Dicklich	Knaak	Moe, R.D.	Ramstad	Waldorf
Diessner	Kroening	Novak	Reichgott	Wegscheid
Frank	Langseth	Pehler	Samuelson	Willet

The motion did not prevail. So the first portion of the amendment was not

adopted.

Mr. Kamrath withdrew the second portion of his amendment.

H.F. No. 694 was then progressed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that S.F. No. 623 be taken from the table. The motion prevailed.

S.F. No. 623: A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1984, sections 518.552; and 518.64, subdivision 2.

Ms. Reichgott moved that the Senate do not concur in the amendments by the House to S.F. No. 623, 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.

Ms. Reichgott moved that S.F. No. 196 be taken from the table. The motion prevailed.

S.F. No. 196: A bill for an act relating to crimes; requiring the county attorney to prosecute failure to report child abuse or neglect; providing for the reporting of child abuse or neglect; defining certain terms; clarifying immunity from liability for reporting child abuse or neglect; providing for concise summaries of disposition of reports; making technical changes; prescribing penalties; amending Minnesota Statutes 1984, sections 388.051, subdivision 2; and 626.556, subdivisions 1, 2, 3, 4, 4a, 5, 6, 9, and 11.

Ms. Reichgott moved that the Senate do not concur in the amendments by the House to S.F. No. 196, 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. Samuelson moved that S.F. No. 1455, No. 54 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on Senate File No. 862:

The name of Boo has been deleted.

The name of Dempsey has been added.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 968:

H.F. No. 968: A bill for an act relating to education; permitting payroll deductions in the state university system for a certain nonprofit university foundation; proposing coding for new law in Minnesota Statutes, chapter 136.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Thorson, Haukoos and Boerboom have been appointed as such committee on the part of the House.

House File No. 968 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1985

Mr. Waldorf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 968, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 33: A bill for an act relating to crimes; providing for penalties upon conviction of certain hit and run violations; enhancing penalties upon conviction of certain hit and run violations; amending Minnesota Statutes 1984, section 169.09, subdivision 14.

There has been appointed as such committee on the part of the House:

Hartinger, Kelly and Blatz.

Senate File No. 33 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

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. 295: A bill for an act relating to counties; authorizing a special levy for county agricultural society and park and recreation purposes for Hubbard county; authorizing a special levy for support of the Clearwater

county hospital; authorizing a special levy for tourism and agriculture promotion in Cass county; requiring a reverse referendum under certain circumstances; increasing the amount of loans available to certain counties for design and construction costs of district heating and qualified energy improvements; allowing municipalities to accelerate repayment of principal of energy loans; authorizing county regulation of pawnbrokers, second-hand, and junk dealers; designating Hubbard county as a fiscal agent; amending Minnesota Statutes 1984, section 116J.36, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 471.

There has been appointed as such committee on the part of the House:

Zaffke, Brinkman and Marsh.

Senate File No. 295 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

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. 1176: A bill for an act relating to children; requiring a new job classification in child protection; requiring continuing education; providing for a joint training program; requiring a report to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

There has been appointed as such committee on the part of the House:

Blatz, Vellenga and Kiffmeyer.

Senate File No. 1176 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1183: Messrs. Dieterich, Novak and Gustafson.

H.F. No. 213: Messrs. Spear, Ramstad and Merriam.

H.F. No. 1032: Messrs. Schmitz, Renneke and Mrs. Adkins.

H.F. No. 83: Ms. Reichgott, Messrs. Freeman and Storm.

S.F. No. 647: Mr. Pehler, Ms. Olson and Mr. Moe, D.M.

S.F. No. 818: Messrs. Pogemiller, Freeman and Dicklich.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 251: Ms. Berglin, Mrs. Lantry and Mr. Benson.

S.F. No. 43: Messrs. Langseth, Purfeerst, DeCramer, Schmitz and Mehrkens.

S.F. No. 623: Ms. Reichgott, Mrs. Brataas and Ms. Berglin.

S.F. No. 196: Ms. Reichgott, Messrs. Pogemiller and Knaak.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1639 at 7:00 p.m.:

Mr. Langseth, Mrs. Lantry, Messrs. Schmitz, Purfeerst and Mehrkens. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641 at 7:00 p.m.:

Messrs. Kroening, Dahl, Luther, Willet and Frederickson. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, the Senate reverted to the Order of Business of Mes-

sages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 264:

H.F. No. 264: A bill for an act relating to animals; providing for a rabies control program; imposing criminal liability on persons who cause the death or substantial bodily harm of another by permitting certain dogs to be unconfined or improperly confined; providing for the destruction of dangerous animals; imposing penalties; amending Minnesota Statutes 1984, section 609.25; proposing coding for new law in Minnesota Statutes, chapters 346 and 609.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Heap, Gutknecht and Kelly have been appointed as such committee on the part of the House.

House File No. 264 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1985

Mr. Ramstad moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 264, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 513:

H.F. No. 513: A bill for an act relating to state government; regulating the career executive service; specifying executive branch conflicts of interest; providing for review of state trooper arbitration awards; regulating approved complements; regulating liquidation of vacation leave; amending Minnesota Statutes 1984, sections 15.62, subdivision 2; 16A.123, subdivision 3; 16B.65, subdivision 3; 43A.17, subdivision 8; 43A.21, subdivision 5; 43A.38, subdivision 5; 62D.22, subdivision 7; and 299D.03, subdivision 11.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Sviggum, Knuth and McPherson have been appointed as such committee on the part of the House.

House File No. 513 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1985

Mr. Moe, D.M. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 513, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 850:

H.F. No. 850: A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.095; 201.12, subdivision 2; 201.15, subdivision 1; 202A.11, subdivision 2; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03; repealing Minnesota Statutes 1984, section 204B.19, subdivision 3.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Shaver, Tjornhom and Osthoff have been appointed as such committee on the part of the House.

House File No. 850 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1985

Mr. Hughes moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 850, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports read by the Secretary be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1002: A bill for an act relating to the Minnesota historical society; requiring it to develop instructional materials on Minnesota history; providing for a study of the tourist potential of the Fond du Lac region; appropriating money.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, line 35, delete "\$150,000" and insert "\$50,000"

Page 2, lines 35 and 36, delete "for fiscal year 1986, and \$300,000 is appropriated for fiscal year 1987"

Page 3, line 2, delete "6" and insert "7"

Page 3, line 2, delete ". The amounts appropriated by this section are" and insert "to be"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1284: A bill for an act relating to traffic regulations; authorizing commissioner of transportation to issue special permit for three-vehicle combination exceeding length and weight restrictions under certain conditions; prescribing fees; amending Minnesota Statutes 1984, sections 169.81, subdivision 2; and 169.86, subdivision 5, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On trucks and tractors except those in this chapter defined as farm trucks, and urban trucks, and on truck-tractor and semitrailer combinations except those defined as farm combinations and urban combinations and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

Minnesota Base Rate Schedule

Scheduled taxes include five percent surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS		TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 26,000	270
K	26,001 - 33,000	360
L	33,001 - 39,000	470
M	39,001 - 45,000	590
N	45,001 - 51,000	710
O	51,001 - 57,000	860

P	57,001 - 63,000	1010
Q	63,001 - 69,000	1180
R	69,001 - 73,280	1320
S	73,281 - 78,000	1520 1595
T	78,001 - 81,000	1620 1760

Except for purposes of the special permit under section 9, the base rates for vehicles with six or more axles in the "S" and "T" categories are \$1,520 and \$1,620 respectively, subject to the annual increases authorized by this section.

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

For the registration year 1987 and each subsequent registration year through 1991, the commissioner of revenue shall recompute and publish the tax rates provided in the Minnesota base rate schedule, including the tax provided for vehicles with a gross weight in excess of 81,000 pounds. The commissioner shall calculate the new rates by increasing each rate in effect at the time of the calculation by four percent. The calculation for each registration year must be published by the previous July 1. The rates calculated under this subdivision must be rounded to the nearest dollar and are effective for all vehicles taxed under the Minnesota base rate schedule.

Truck-tractors except those herein defined as farm and urban truck-tractors and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to the gross weight tax imposed on the truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one-year period or \$50 for a five-year period whichever the applicant elects.

Commercial zone trucks include only trucks, truck-tractors, and semi-trailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or,

(2) operated by an interstate carrier registered under section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75

percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, the tax for the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision, except as otherwise provided in this subdivision.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, during each of the first eight years of vehicle life the tax shall be:

(a) for the registration year 1982, 83 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 89 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 95 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 2. Minnesota Statutes 1984, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF VEHICLES.] (a) No single unit motor vehicle, except truck cranes which may not exceed 45 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together, and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with the permit on the streets or highways of the city is not in violation of this chapter.

(b) No single semitrailer, *unladen or with load*, may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient opera-

tion mounted or located on the end of the semitrailer adjacent to the truck or truck-tractor, in excess of 48 feet, except as provided in paragraph (d). No single trailer, *unladen or with load*, may have an overall length inclusive of tow bar assembly and exclusive of rear protective bumpers which do not increase the overall length by more than six inches, in excess of 45 feet. For determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer must be determined separately from the overall length of the combination of vehicles.

(c) No semitrailer or trailer used in a three-vehicle combination, *unladen or with load*, may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, and further exclusive of the tow bar assembly, in excess of 28-1/2 feet. *Except as provided in section 12*, the commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, *whether unladen or with load*, except that the commissioner may renew a permit that was granted before April 16, 1984 for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph.

(d) The commissioner may issue an annual permit for a semitrailer in excess of 48 feet in length, if the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 41 feet and if a combination of vehicles, which includes a semitrailer in excess of 48 feet for which a permit has been issued under this paragraph, does not exceed an overall length of 65 feet, *unladen or with load*. The annual fee for a permit issued under this paragraph is \$36.

Sec. 3. Minnesota Statutes 1984, section 169.825, is amended by adding a subdivision to read:

Subd. 3a. [TANDEM.] "Tandem axles" means two consecutive axles whose centers are spaced more than 40 inches and not more than 96 inches apart.

Sec. 4. Minnesota Statutes 1984, section 169.825, subdivision 8, is amended to read:

Subd. 8. [PNEUMATIC-TIRED VEHICLES.] No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state:

(a) Where the gross weight on any wheel exceeds 9,000 pounds, except that on designated *local routes and state trunk highways* the gross weight on any single wheel shall not exceed 10,000 pounds;

(b) Where the gross weight on any single axle exceeds 18,000 pounds, except that on designated *local routes and state trunk highways* the gross weight on any single axle shall not exceed 20,000 pounds;

(c) Where the maximum wheel load exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less;

(d) Where the gross weight on any axle of a tridem exceeds 15,000 pounds, except that for vehicles to which an additional axle has been added prior to June 1, 1981, the maximum gross weight on any axle of a tridem may be up to 16,000 pounds provided the gross weight of the tridem combination does not exceed 37,000 pounds where the first and third axles of the tridem are spaced seven feet apart; 38,500 pounds where the first and third axles of

the tridem are spaced eight feet apart; and 39,900 pounds where the first and third axles of the tridem are spaced nine feet apart.

(e) Where the gross weight on any group of axles exceeds the weights permitted under this section with any or all of the interior axles disregarded and their gross weights subtracted from the gross weight of all axles of the group under consideration.

Sec. 5. Minnesota Statutes 1984, section 169.825, subdivision 10, is amended to read:

Subd. 10. [GROSS WEIGHT SCHEDULE.] (a) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state where the total gross weight on any group of two or more consecutive axles of any vehicle or combination of vehicles exceeds that given in the following table for the distance between the centers of the first and last axles of any group of two or more consecutive axles under consideration; the distance between axles being measured longitudinally to the nearest even foot, and when the measurement is a fraction of exactly one-half foot the next largest whole number in feet shall be used, except that when the distance between axles is more than three feet four inches and less than three feet six inches the distance of four feet shall be used:

Distances in feet between centers of fore- most and rear-most axles of a group	Maximum gross weight in pounds on a group of		
	2	3	4
	consecutive axles of a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles	consecutive axles of a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles	consecutive axles of a 4-axle vehicle or any com- bination of vehicles having a total of 4 or more axles
4	34,000		
5	34,000 (35,000)		
6	34,000 (36,000)		
7	34,000 (37,000)	41,500	
8	34,000 (38,000)	42,000	
9	35,000 (39,000)	43,000	
10	36,000 (40,000)	43,500	49,000
11	36,000	44,500	49,500
12		45,000	50,000
13		46,000	51,000
14		46,500	51,500
15		47,500	52,000
16		48,000	53,000
17		49,000	53,500
18		49,500	54,000

19	50,500	55,000
20	51,000	55,500
21	52,000	56,000
22	52,500	57,000
23	53,500	57,500
24	54,000	58,000
25	(55,000)	59,000
26	(55,500)	59,500
27	(56,500)	60,000
28	(57,000)	61,000
29	(58,000)	61,500
30	(58,500)	62,000
31	(59,500)	63,000
32	(60,000)	63,500
33		64,000
34		65,000
35		65,500
36		66,000
37		67,000
38		67,500
39		68,000
40		69,000
41		69,500
42		70,000
43		71,000
44		71,500
45		72,000
46		72,500
47		(73,500)
48		(74,000)
49		(74,500)
50		(75,500)
51		(76,000)

Maximum gross weight in pounds on a group of

	5	6	7
Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 5-axle vehicle or any combination of vehicles having a total of 5 or more axles	consecutive axles of a combination of vehicles having a total of 6 or more axles	consecutive axles of a combination of vehicles having a total of 7 or more axles
14	57,000		
15	57,500		
16	58,000		
17	59,000		
18	59,500		
19	60,000		
20	60,500	66,000	72,000
21	61,500	67,000	72,500
22	62,000	67,500	73,000
23	62,500	68,000	73,500

24	63,000	68,500	74,000
25	64,000	69,000	75,000
26	64,500	70,000	75,500
27	65,000	70,500	76,000
28	65,500	71,000	76,500
29	66,500	71,500	77,000
30	67,000	72,000	77,500
31	67,500	73,000	78,500
32	68,000	73,500	79,000
33	69,000	74,000	79,500
34	69,500	74,500	80,000
35	70,000	75,000	
36	70,500	76,000	
37	71,500	76,500	
38	72,000	77,000	
39	72,500	77,500	
40	73,000	78,000	
41	74,000 (74,000)	79,000	
42	74,500 (74,500)	79,500	
43	75,000 (75,000)	80,000	
44	75,500 (75,500)		
45	76,500 (76,500)		
46	77,000 (77,000)		
47	77,500 (77,500)		
48	78,000 (78,000)		
49	79,000 (79,000)		
50	79,500 (79,500)		
51	80,000 (80,000)		

The gross weights shown in parentheses in this clause are permitted only on *state trunk highways and routes* designated under section 169.832, subdivision 11.

(b) Notwithstanding any lesser weight in pounds shown in this table but subject to the restrictions on gross vehicle weights in clause (c), two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross load of 68,000 pounds provided the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more.

(c) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed the following:

(1) 80,000 pounds for any vehicle or combination of vehicles on all *state trunk highways as defined in section 160.02, subdivision 2, and for all routes* designated under section 169.832, subdivision 11; and

(2) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes, *other than state trunk highways, that are not* designated under section 169.832, subdivision 11; and

(3) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes, *other than state trunk highways, that are not* designated under section 169.832, subdivision 11;.

(d) The maximum weights specified in this subdivision for five consecutive axles shall not apply to a combination of vehicles that includes a three

axle semi-trailer first registered before August 1, 1981. All other weight limitations in this section are applicable.

(e) The maximum weights specified in this subdivision for five consecutive axles shall not apply to a four axle ready mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this subdivision.

Sec. 6. Minnesota Statutes 1984, section 169.825, subdivision 11, is amended to read:

Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.] (a) The limitations provided in this section are increased:

(1) by ten percent from January 1 to March 7 each winter, statewide;

(2) by ten percent from December 1 through December 31 each winter in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior along Trunk Highway No. 61 to the junction with Trunk Highway No. 210; thence westerly along Trunk Highway No. 210 to the junction with Trunk Highway No. 10; thence northwesterly along Trunk Highway No. 10 to the junction with Trunk Highway No. 59; thence northerly along Trunk Highway No. 59 to the junction with Trunk Highway No. 2; thence westerly along Trunk Highway No. 2 to the junction with Trunk Highway No. 32; thence northerly along Trunk Highway No. 32 to the junction with Trunk Highway No. 11; thence northeast along Trunk Highway No. 11 to the east line of Range 43W to the Minnesota-North Dakota Border; thence northerly along said Border to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior; and

(3) by ten percent from October 1 through November 30 each year for the movement of sugar beets and potatoes from the field of harvest to the point of first unloading.

(b) The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of springtime load restrictions, or March 7.

(c) When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in subdivision 10, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

(d) In cases where gross weights in an amount less than that set forth in this section are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in this section.

(e) Notwithstanding any other provision of this subdivision, no vehicle may exceed a total gross vehicle weight of 80,000 pounds on local and county routes which have not been designated by the commissioner under section 169.832, subdivision 11.

Sec. 7. Minnesota Statutes 1984, section 169.833, is amended to read:

169.833 [ADDITION OF TRUNK HIGHWAYS TO DESIGNATED

ROUTE SYSTEM; PRIORITY LIST.]

Subdivision 1. [PRIORITY LIST PREPARED.] (a) By December 31 of each odd-numbered year beginning in 1985, each highway district must submit to the commissioner its list of identified market arteries and recommended priorities for upgrading. The priority list must be prepared in accordance with this section by the district engineer in consultation with county and city engineers in the district. Each district engineer must hold one or more public meetings on the list and report to the commissioner in detail how the district upgrading priority list reflects testimony received in the public meetings.

(b) In making its priority list each district must consider the priorities of counties, municipalities, regions and adjoining districts. Each district must submit to the commissioner a preliminary list of market arteries identified for upgrading by September 1, 1985.

Subd. 2. [SELECTION OF MARKET ARTERIES.] The district priority list must identify all market arteries and determine those in need of upgrading. Roads considered for identification as market arteries must include roads connecting Minnesota with border states and provinces, roads connecting interstate highways with state trunk highways, and roads connecting trunk highways with one another. In determining the need for upgrading market arteries, the district must consider shippers' needs, community views, road conditions, regional development plans and the plans of adjoining districts. In identifying market arteries and determining the need for upgrading, the district must give priority to roads serving communities without access to rail service or a year-round, ten-ton route.

Subdivision 4 Subd. 3. [IDENTIFICATION OF PROJECTS.] The commissioner shall develop a priority list of trunk highway routes to be added to the system of routes designated under section 169.832 improvements to upgrade market arteries identified in the district priority lists developed under this section. The commissioner shall consult with representatives of the trucking, shipping, and agricultural industries and, local authorities, and regional development commissions in developing the list. A route shall be added to the designated route system after completion of road improvements that provide road strength adequate to carry the permissible weights under section 169.825 or when the commissioner otherwise determines that designation of a route is reasonable. In developing the list the commissioner shall give highest priority to improvements that will eliminate prohibitions or restrictions that interrupt year-round full service on market arteries.

Subd. 2. [FUNDING OF ADDITIONS TO THE SYSTEM.] On July 1 of each year the commissioner of finance shall certify to the commissioner the estimated increase in revenue to the trunk highway fund resulting from the increase in the gasoline and special fuel excise tax under section 296.02. The commissioner shall expend 15 percent of the increase in revenue to the trunk highway fund resulting from the increase in the gasoline and special fuel excise tax under section 296.02 and 15 percent of future increases in gasoline and special fuel excise tax revenues to the trunk highway fund for the purposes of subdivision 1. In the event that actual expenditures during any fiscal year are less or greater than 15 percent when compared to actual revenue the commissioner shall adjust his expenditures for the purpose of subdivision 1

for the following years in order to achieve compliance with this subdivision.

Sec. 8. Minnesota Statutes 1984, section 169.86, subdivision 1a, is amended to read:

Subd. 1a. [SEASONAL PERMITS FOR CERTAIN HAULERS.] The commissioner of transportation, upon application in writing therefor, may issue special permits annually to any hauler authorizing the hauler to move vehicles or combinations of vehicles with weights exceeding by not more than ten percent the weight limitations contained in section 169.825, but not exceeding 88,000 pounds gross vehicle weight, on interstate highways during the times and within the zones specified in section 169.825.

Sec. 9. Minnesota Statutes 1984, section 169.86, is amended by adding a subdivision to read:

Subd. 1b. [SPECIAL PERMITS.] (a) The commissioner of transportation may issue a permit authorizing a hauler, during the times and under the conditions specified by the commissioner, to move a vehicle or combination of vehicles with a gross vehicle weight not exceeding 88,000 pounds on state trunk highways, if the vehicle or combination of vehicles has six or more axles and all wheels are equipped with brakes. The maximum wheel load on a non-steering axle shall not exceed the lesser of 500 pounds per inch of tire width or the manufacturer's recommended load for the tire used. The maximum gross weight on a group of consecutive axles shall not exceed the limits set in section 169.825, subdivision 10, for any combination of five or fewer axles. The seasonal increases allowed under section 169.825, subdivision 11, do not apply to vehicles operating under a permit issued under this subdivision. The commissioner shall not issue permits under this section if their issuance will result in a loss of federal highway funding to the state.

(b) Before a permit is issued under this subdivision, the applicant must present to the commissioner an inspection report issued by the department of public safety for each vehicle or combination of vehicles. The inspection report must certify that at the time of inspection each loaded vehicle properly distributed the weight as prescribed in section 169.825. The inspection report must also certify that at the time of inspection each vehicle complied with federal bureau of motor carrier safety standards. At the time of inspection, each vehicle or combination of vehicles must be loaded to the requested permitted weight. The inspection report will expire 12 months after the date of inspection. The commissioner shall issue at no charge a 48-hour permit to authorize transportation to and from the point of inspection.

The applicant must pay to the commissioner a permit fee of \$200 and an inspection fee of \$50 for each vehicle or combination of vehicles that will be operated under the permit. Permit fees must be deposited in the state treasury and credited to the trunk highway fund. Inspection fees must be deposited in the trunk highway fund and credited to a special account. Money in the account is appropriated to the commissioner of public safety to administer this subdivision.

(c) The permit and a copy of the inspection report must be carried with each vehicle or combination of vehicles operating under a permit issued under this subdivision and must be displayed on request of any officer empowered to enforce this section. Each vehicle certified for compliance must

display an identifying sticker as prescribed by the commissioner.

Sec. 10. Minnesota Statutes 1984, section 169.86, subdivision 2, is amended to read:

Subd. 2. [REQUIRED INFORMATION.] The application for ~~any such a~~ permit shall specifically describe *in writing* the vehicle or vehicles and loads to be moved and the particular highways for which ~~permit to so use is requested~~, and the period of time for which ~~such a~~ permit is requested.

Sec. 11. Minnesota Statutes 1984, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under his jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(3) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(4) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, clause (3).

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) truck cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, paragraphs (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

(e) For vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum

of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limi- tations on axles	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced with- in 14 feet or less
0-2,000	.100	.040	.036
2,001-4,000	.124	.050	.044
4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of vehicle Annual Permit Fee

90,000 or less	\$200.00
90,001 - 100,000	\$300.00
100,001 - 110,000	\$400.00
110,001 - 120,000	\$500.00
120,001 - 130,000	\$600.00
130,001 - 140,000	\$700.00

If the gross weight of the vehicle is more than 140,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) For vehicles granted a special permit under section 12, an annual fee

of \$120.

Sec. 12. Minnesota Statutes 1984, section 169.86, is amended by adding a subdivision to read:

Subd. 7. [SPECIAL PERMIT FOR WESTERN BORDER VEHICLES.] The commissioner may issue a special annual permit for a three-vehicle combination consisting of a truck tractor and two semitrailers. The combination of vehicles may not exceed an overall length, unladen or with load, of 110 feet; a maximum total gross weight of 105,000 pounds; or maximum axle weight restrictions under this chapter. This combination of vehicles may not travel within this state more than 25 miles from the western border of Minnesota, and is limited to four-lane highways and local two-lane roads leading to a terminal within one mile of a four-lane highway. The commissioner may rescind the permit if the condition of the road begins to deteriorate or show signs of damage. The combination of vehicles must not travel within the corporate limits of a home rule, statutory, or charter city unless the governing body of the city approves the travel by resolution.

Sec. 13. Minnesota Statutes 1984, section 169.862, is amended to read:

169.862 [PERMITS FOR WIDE LOADS OF BALED HAY.]

The commissioner of transportation with respect to highways under the commissioner's jurisdiction, and local authorities with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying round ~~baled hay~~, *bales of agricultural products* with a total outside width of the vehicle or the load not exceeding 11-1/2 feet, to be operated on public streets and highways. Permits issued under this section are governed by the applicable provisions of section 169.86 except as otherwise provided herein and, in addition, carry the following restrictions:

(a) The vehicles may not be operated between sunset and sunrise, 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 ~~Saturdays, Sundays, and Sunday from noon until sunset~~, *or on the days the following holidays are observed: New Year's day, Memorial day, Independence day, Labor day, Thanksgiving day, and Christmas day.*

(b) The vehicles may not be operated on interstate highways.

(c) The vehicles may not be operated on a trunk highway with a pavement less than 24 feet wide.

(d) A vehicle operated under the permit must be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle. ~~Simultaneous flashing amber lights, as provided in section 169.59, subdivision 4, must be displayed to the front and rear of the vehicle. The flashing amber lights must be lighted only when the width of the load exceeds 102 inches. The flashing amber light system is in addition to and separate from the turn signal system and the hazard warning light system.~~

(e) A vehicle operated under the permit must display red, orange, or yellow flags, ~~±~~ 18 inches square, as markers at the front and rear and on both sides of the load. The load must be securely bound to the transporting vehicle.

The fee for the permit is \$24.

Sec. 14. Minnesota Statutes 1984, section 169.87, subdivision 1, is amended to read:

Subdivision 1. [~~OPTIONAL POWER SEASONAL LOAD RESTRICTION.~~] Local authorities, with respect to highways under their jurisdiction, may prohibit the operation of vehicles upon any such highway or impose restrictions as to the weight of vehicles to be operated upon any such highway, whenever any such highway, by reason of deterioration, rain, snow, or other climatic conditions, will be seriously damaged or destroyed unless the use of vehicles thereon is prohibited or the permissible weights thereof reduced.

The local authority enacting any such prohibition or restriction shall erect or cause to be erected and maintained signs plainly indicating the prohibition or restriction at each end of that portion of any highway affected thereby, and the prohibition or restriction shall not be effective unless and until such signs are erected and maintained.

Municipalities, with respect to highways under their jurisdiction, may also, by ordinance, prohibit the operation of trucks or other commercial vehicles, or may impose limitations as to the weight thereof, on designated highways, which prohibitions and limitations shall be designated by appropriate signs placed on such highways.

The commissioner shall likewise have authority, as hereinabove granted to local authorities, to determine and to impose prohibitions or restrictions as to the weight of vehicles operated upon any highway under the jurisdiction of the commissioner, and, *except as provided in this subdivision*, such restrictions shall be effective when signs giving notice thereof are erected upon the highway or portion of any highway affected by such action.

~~When a local authority petitions the commissioner to establish a truck route for travel into, through, or out of the territory under its jurisdiction, the commissioner shall investigate the matter. If the commissioner determines from his investigation that the operation of trucks into, through, or out of the territory involves unusual hazards because of any or all of the following factors; load carried; type of truck used; or topographic or weather conditions; the commissioner may make his order designating certain highways under his jurisdiction as truck routes into, through, or out of such territory. When these highways have been marked as truck routes pursuant to the order, trucks traveling into, through, or out of the territory shall comply with the order. The commissioner shall propose the prohibitions and restrictions and publish them in the qualified legal newspaper of each affected county by November 1 of each year. The commissioner shall, within ten days of the publication, notify the county auditor of each affected county, by mail, of the proposed prohibitions and restrictions. The commissioner may impose restrictions that are not proposed by November 1 only in cases of unanticipated road damage so severe as to warrant immediate emergency action. Emergency road restrictions are not subject to the meeting requirement.~~

If a meeting is requested by the county board of one or more counties in which the proposed prohibition or restriction is effective, a proposed prohibition or restriction may not be posted and does not become effective unless

the commissioner holds a public meeting. Notice of the meeting must be published in the qualified legal newspaper of the county. The commissioner or his designee shall hold a public meeting in the affected county and shall determine whether the adverse economic impact of the prohibition or restriction on the affected communities is so severe that the prohibition or restriction must be modified or suspended. If more than one county board requests a meeting on a single proposed prohibition or restriction the commissioner may hold one consolidated meeting on the proposal.

A county board may request a meeting only if it determines that the proposed prohibition or restriction would adversely affect one or more communities in the county by denying it all access to unrestricted routes.

Sec. 15. Minnesota Statutes 1984, section 169.87, is amended by adding a subdivision to read:

Subd. 1a. [TRUCK ROUTES.] When a local authority petitions the commissioner to establish a truck route for travel into, through, or out of the territory under its jurisdiction, the commissioner shall investigate the matter. The commissioner may designate by order certain highways under his or her jurisdiction as truck routes into, through, or out of a territory if the commissioner determines from investigation that the operation of trucks into, through, or out of the territory involves unusual hazards because of any or all of the following factors: load carried, type of truck used, or topographic or weather conditions. When these highways have been marked as truck routes pursuant to the order, trucks traveling into, through, or out of the territory shall comply with the order.

Sec. 16. [COMPLEMENT.]

The approved complement of the department of public safety is increased by three trooper positions. If the number of inspections under section 9 in either year of the biennium ending June 30, 1987, exceeds 5,000, the approved complement of the department of public safety is increased as follows: to four trooper positions if the number of inspections is greater than 5,000 and less than 6,501, to five trooper positions if the number of inspections is greater than 6,500 and less than 8,000, and to six trooper positions if the number of inspections is 8,000 or greater."

Delete the title and insert:

"A bill for an act relating to transportation; motor carriers; providing for annual increases in gross weight tax rates; establishing a gross vehicle weight limitation for state trunk highways; revising the gross weight seasonal zone; providing for ten percent overweight allowance for movement of potatoes and sugar beets; authorizing the commissioner of transportation to issue special permit for three-vehicle combination exceeding length and weight restrictions under certain conditions; allowing wide loads of baled agricultural products to travel certain roads at certain times by annual permit; removing a requirement that wide loads be marked by flashing amber lights; requiring a district priority list; providing that a county may challenge a seasonal weight restriction imposed by the commissioner; appropriating money; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 169.81, subdivision 2; 169.825, subdivisions 8, 10, and 11, and by adding a subdivision; 169.833; 169.86, subdivisions 1a, 2, 5, and by adding subdivi-

sions; 169.862; and 169.87, subdivision 1, and by adding a subdivision.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1002 and 1284 were read the second time.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Merriam introduced—

S.F. No. 1550: A bill for an act relating to education; restricting the Minnesota state high school league's regulation of athletics to interscholastic athletics; amending Minnesota Statutes 1984, section 129.121, subdivision 1.

Referred to the Committee on Education.

Messrs. Lessard, Stumpf and Chmielewski introduced—

S.F. No. 1551: A bill for an act relating to tax-forfeited lands; providing for sale of certain improved lots; amending Minnesota Statutes 1984, section 282.01, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Sieloff and Frederick introduced—

S.F. No. 1552: A bill for an act relating to taxation; income; changing computation of corporate net operating losses and carryovers; amending Minnesota Statutes 1984, section 290.095, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

The question recurred on H.F. No. 694.

SPECIAL ORDER

H.F. No. 694: A bill for an act relating to natural resources; grants and loans for certain dam reconstruction, repair, and removal projects; appropriating money; amending Laws 1979, chapter 300, section 4, subdivisions 2, as amended, 3 and 4; and Laws 1981, chapter 361, section 3, subdivision 3.

Mr. Ramstad moved to amend H.F. No. 694, as amended by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 9, delete lines 43 to 46

Page 10, delete lines 7 to 22 and insert:

“(h) Construct a play area at French/Medicine Lake regional park	1,750,000
(i) Complete campground at Spring Lake	350,000
(j) Renovate railroad crossing at Hyland-Bush-Anderson Lakes regional park	200,000
(k) Begin reimbursement for agency funds spent to acquire corridor for portion of North Hennepin regional trail	800,000
(l) Continue development in Lake Minnewashta regional park	200,000”

Reletter the clauses in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Sieloff
Benson	Frederickson	Knutson	Merriam	Storm
Berg	Isackson	Kronebusch	Olson	Taylor
Bernhagen	Johnson, D.E.	Laidig	Ramstad	
Bertram	Jude	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Peterson, D.C.	Solon
Berglin	Dieterich	Lantry	Petty	Stumpf
Chmielewski	Frank	Luther	Pogemiller	Vega
Dahl	Freeman	Moe, D.M.	Purfeerst	Waldorf
Davis	Hughes	Moe, R.D.	Reichgott	Wegscheid
DeCramer	Johnson, D.J.	Novak	Samuelson	Willet
Dicklich	Kroening	Peterson, C.C.	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Wegscheid moved to amend H.F. No. 694, as amended by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 37, after line 30, insert:

“Sec. 40. Minnesota Statutes 1984, section 453.51, is amended to read:
453.51 [INTENT.]

Sections 453.51 to 453.62 are intended to provide a means for those Minnesota cities which now or hereafter own and operate a utility pursuant to law for the local distribution of electric energy to secure, by individual or joint action among themselves or by contract with other public or private entities within or outside the state, an adequate, economical, and reliable supply of energy. It is also the purpose of sections 453.51 to 453.62 to provide a means for Minnesota cities to construct and operate hydroelectric generating plants. To accomplish this purpose these purposes it is necessary for such cities to have power, by agreement between or among two or more of their

number, to create a separate municipal corporation with the power and authority to finance and acquire facilities for the generation or transmission of electric energy, or interests in such facilities or rights to part of all of the capacity thereof. It is determined that an adequate, economical, and reliable supply of electric energy is essential to the orderly growth and prosperity of these communities, and a shortage of such energy is inimical to the safety, health, morale, and welfare of residents of the state and to the sound growth and developments of its communities. Such a shortage exists and is expected to continue or increase because of the difficulty, among others, in the operation of municipal generating plants, of achieving economies of size, limiting environmental impacts, and providing for peak loads. Accordingly it is determined that the exercise of the powers granted herein will benefit the people of the state and serve a valid public purpose in improving and otherwise promoting their health, welfare, and prosperity.

Sec. 41. Minnesota Statutes 1984, section 453.54, subdivision 15, is amended to read:

Subd. 15. It may contract with any person, within or outside the state, for the construction of any project or for the sale, *with or without advertising for bids*, or transmission of electric energy generated by any project, or for any interest therein or any right to capacity thereof, on such terms and for such period of time as its board of directors determines.

Sec. 42. Minnesota Statutes 1984, section 453.58, is amended by adding a subdivision to read:

Subd. 4. [NO TAXATION OF PROPERTY.] Notwithstanding anything in sections 453.51 to 453.62 to the contrary, a city, by the exercise of any or all of the powers granted in sections 453.51 to 453.62, is not subject to any duty under section 453.54, subdivision 20, to pay amounts in lieu of taxes on any of its property. The sale or distribution of electric energy to private persons shall not cause a project to be treated as not used exclusively for a public purpose.

Sec. 43. [INTERPRETATION.]

Section 453.58, subdivision 4, is adopted to clarify the powers intended to be granted to cities under Minnesota Statutes 1984, section 453.58, and the consequences thereof, is remedial in character, and applies to all property heretofore or hereafter acquired through the exercise of any of the powers of Minnesota Statutes, sections 453.51 to 453.62.

Sec. 44. [AUTHORIZATION.]

The city of Hastings, acting through its governing body, may exercise any or all of the powers granted in Minnesota Statutes, sections 453.51 to 453.62, with respect to a hydroelectric generating plant within its boundaries, whether or not electricity generated at the plant is distributed locally. The provisions of Minnesota Statutes, section 453.54, subdivision 20, shall not apply to the hydroelectric generating plant. The hydroelectric generating plant may be acquired and constructed without advertising for bids, preparing final plans and specifications in advance of construction or acquisition.

Sec. 45. [FINDING.]

Notwithstanding any sale of electric energy to private persons, the hydro-

electric generating plant referred to in section 44 constitutes public property used exclusively for a public purpose."

Page 39, line 8, after the period, insert "Sections 44 and 45 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Hastings."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 694, as amended by the Senate, May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 6, delete lines 21 and 22, and lines 31 to 48

Page 7, delete lines 1 to 8

Reletter the lettered paragraphs in sequence

Correct the subdivision and section totals and the summary

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Isackson	McQuaid	Ramstad	Storm
Benson	Kamrath	Mehrrens	Renneke	Stumpf
Bernhagen	Kronebusch	Olson	Sieloff	Taylor
Brataas				

Those who voted in the negative were:

Adkins	DeCramer	Laidig	Novak	Solon
Berg	Dieterich	Langseth	Peterson, C.C.	Spear
Berglin	Frank	Lantry	Petty	Vega
Bertram	Hughes	Luther	Reichgott	Waldorf
Chmielewski	Johnson, D.J.	Merriam	Samuelson	Wegscheid
Davis	Jude	Moe, R.D.	Schmitz	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Isackson moved to amend H.F. No. 694, as amended by the Senate, May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 13, after line 19, insert:

"(c) Bigelow, on trunk highway 60, including
a travel information center 1,191,000"

Correct the subdivision and section totals and the summary

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knutson	Mehrrens	Taylor
Benson	DeCramer	Kronebusch	Renneke	
Berg	Isackson	Laidig	Sieloff	
Bernhagen	Johnson, D.E.	McQuaid	Storm	

Those who voted in the negative were:

Adkins	Frank	Luther	Petty	Vega
Berglin	Hughes	Merriam	Purfeerst	Waldorf
Bertram	Johnson, D.J.	Moe, D.M.	Ramstad	Wegscheid
Chmielewski	Jude	Moe, R.D.	Samuelson	Willet
Davis	Kamrath	Novak	Schmitz	
Diessner	Langseth	Olson	Solon	
Dieterich	Lantry	Peterson, C.C.	Stumpf	

The motion did not prevail. So the amendment was not adopted.

Mr. Storm moved to amend H.F. No. 694, as amended by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 37, after line 30, insert:

“Sec. 40.

Notwithstanding Laws 1984, chapter 644, section 83, a new mixed municipal solid waste disposal facility or capacity shall not be permitted in the metropolitan area without a certificate of need.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Willet questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Kamrath	Olson	Storm
Benson	Dieterich	Kronebusch	Ramstad	Taylor
Berg	Frank	Laidig	Reichgott	
Bernhagen	Isackson	McQuaid	Renneke	
Brataas	Johnson, D.E.	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Hughes	Moe, D.M.	Purfeerst	Wegscheid
Berglin	Jude	Moe, R.D.	Samuelson	Willet
Bertram	Langseth	Novak	Schmitz	
Davis	Lantry	Pehler	Solon	
DeCramer	Luther	Peterson, C.C.	Stumpf	
Diessner	Merriam	Petty	Vega	

The motion did not prevail. So the amendment was not adopted.

Mrs. Brataas moved to amend H.F. No. 694, as amended by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S. F. No. 1543.)

Page 17, after line 19, insert:

“(i) Independent School District No. 535,
Rochester

4,379,500

This appropriation is to construct an addition

and remodel the existing facility. The total cost of the project must not be more than \$5,140,000, whether paid from state, local, or federal money.”

Reletter the items in sequence

Correct the subdivision and section totals, the summary, and the amount of bonds authorized to be sold

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Sieloff
Benson	Diessner	Kronebusch	Olson	Solon
Berg	Isackson	Laidig	Ramstad	Taylor
Bernhagen	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Petty	Spear
Berglin	Dieterich	Lantry	Purfeerst	Stumpf
Bertram	Hughes	Merriam	Reichgott	Vega
Davis	Johnson, D.J.	Novak	Samuelson	Willet
DeCramer	Jude	Peterson, C.C.	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Laidig moved to amend H.F. No. 694, as amended by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S. F. No. 1543.)

Page 22, line 40, delete “The”

Page 22, delete lines 41 to 51

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knutson	Merriam	Storm
Benson	Isackson	Kronebusch	Olson	Taylor
Berg	Johnson, D.E.	Laidig	Ramstad	
Bernhagen	Jude	McQuaid	Renneke	
Brataas	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Berglin	Frank	Moe, D.M.	Purfeerst	Vega
Bertram	Freeman	Novak	Samuelson	Waldorf
Davis	Hughes	Peterson, C.C.	Schmitz	Wegscheid
DeCramer	Langseth	Petty	Solon	Willet
Diessner	Lantry	Pogemiller	Stumpf	

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 694, as amended by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 22, delete section 18

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Mehrkens	Storm
Benson	DeCramer	Knutson	Olson	Taylor
Berg	Isackson	Kronebusch	Ramstad	
Bernhagen	Johnson, D.E.	Laidig	Renneke	
Bertram	Kamrath	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Dieterich	Jude	Petty	Stumpf
Berglin	Frank	Langseth	Pogemiller	Vega
Chmielewski	Freeman	Lantry	Purfeerst	Waldorf
Davis	Gustafson	Merriam	Samuelson	Willet
Dicklich	Hughes	Novak	Schmitz	
Diessner	Johnson, D.J.	Peterson, C.C.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend H.F. No. 694, as amended by the Senate, May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1543.)

Page 13, after line 2, insert:

“(c) Arden Hills 562,000”

Correct the subdivision and section totals and the summary

The motion did not prevail. So the amendment was not adopted.

H.F. No. 694 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 43 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Peterson, C.C.	Solon
Berg	Frank	Lantry	Peterson, D.C.	Spear
Berglin	Frederickson	Luther	Peterson, R.W.	Stumpf
Bertram	Freeman	Merriam	Petty	Vega
Chmielewski	Gustafson	Moe, D.M.	Pogemiller	Waldorf
Dahl	Hughes	Moe, R.D.	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Nelson	Reichgott	Willet
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Kronebusch	Pehler	Schmitz	

Those who voted in the negative were:

Anderson	Isackson	Knutson	Peterson, D.L.	Taylor
Benson	Johnson, D.E.	Laidig	Ramstad	
Bernhagen	Jude	McQuaid	Renneke	
Brataas	Kamrath	Mehrkens	Sieloff	
Dieterich	Knaak	Olson	Storm	

So the bill, as amended, passed and its title was agreed to.

Mr. Willet moved that S.F. No. 1543, No. 74 on General Orders, be stricken and laid on the table. The motion prevailed.

SPECIAL ORDER

S.F. No. 1512: A bill for an act relating to public finance; imposing financial reporting and accounting requirements; allowing municipalities to issue bonds for pension liabilities; allowing municipalities to issue bonds on various conditions; limiting use of tax increments in interest reduction programs; removing limitation on duration of interest reduction programs; amending Minnesota Statutes 1984, sections 273.74, subdivision 2, and by adding a subdivision; 273.75, subdivision 4; 475.52, subdivision 6; 475.54, by adding a subdivision; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; and 475.67, subdivision 8, and by adding a subdivision; repealing Minnesota Statutes 1984, section 462.445, subdivision 13.

Mr. Novak moved to amend S.F. No. 1512 as follows:

Page 5, line 24, delete "*purchasing from*" and insert "*paying an amount specified in a contract between the municipality and*" and delete "*or financial corporation a*"

Page 5, line 25, delete "*contractual*" and insert "*in consideration of the*"

Page 5, line 25, delete "*providing for the*" and insert "*of the insurance company to*" and delete "*annually*" and insert "*periodically*"

Page 5, line 27, after "*or*" insert "*a specified*"

Page 5, line 28, delete "*A pension*" and insert "*The board of trustees or directors of a pension fund*"

Page 5, line 29, before "*shall*" insert "*or chapter 422A must consent and*" and delete "*contractual obligation*" and insert "*contract*"

Page 5, line 30, delete everything after "*section*"

Page 5, line 31, delete everything before the period and insert "*with respect to the fund held by it for the benefit of and in trust for its members*"

Page 6, line 24, before "*Any*" insert "*(a)*"

Page 7, line 10, after the period, begin a new paragraph and insert "*(b)*"

Page 7, line 27, after the period, insert "*The provisions of this paragraph do not apply to obligations issued by a statutory or home rule charter city with a population of less than 10,000, as defined in section 477A.011, subdivision 3.*"

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend S.F. No. 1512 as follows:

Pages 2 and 3, delete section 2

Page 10, line 31, delete everything before "*section 3*" and delete "*3*" and insert "*2*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete “, and by”

Page 1, line 10, delete “adding a subdivision”

The motion did not prevail. So the amendment was not adopted.

Mr. Pogemiller then moved to amend S.F. No. 1512 as follows:

Page 5, line 4, after “located” insert “either”

Page 5, line 5, before the period, insert “or within a city designated as an enterprise zone pursuant to section 273.1312, subdivision 4, clause (c) (3)”

The motion did not prevail. So the amendment was not adopted.

Mr. Gustafson moved to amend S.F. No. 1512 as follows:

Page 10, after line 26, insert:

“Sec. 11. Laws 1981, chapter 223, section 4, subdivision 2, is amended to read:

Subd. 2. [INSTALLMENT PAYMENTS.] Alternatively, the city may accept payment by a promissory note in a principal amount equal to the contract price, repayable in equal periodic installments, including both principal and interest on the declining principal balance, payable on the due dates of bills for utility service furnished by the city and made available to the home from the completion date until the principal and interest are fully paid, and matching as closely as possible the estimated reduction in current home energy cost resulting from the project; with such provisions as may be agreed, permitting or restricting prepayment. The installments shall be added to ~~and deemed a part of~~ the charges for municipal utility service to the premises, but shall be deposited when received in a special fund or funds separate from other utility or municipal funds and used only for the payment and security of revenue bonds or notes issued by the city to finance the cost of projects to be paid as provided in this subdivision.

Sec. 12. Laws 1981, chapter 223, section 4, subdivision 3, is amended to read:

Subd. 3. [~~LIEN FOR COLLECTION OF UNPAID INSTALLMENTS.]~~ *The resolutions establishing a home energy conservation program may provide that the payment of note installments may be enforced in the same manner as other utility charges. ~~The~~ and that the installments are a first and prior lien on the property improved as provided in Minnesota Statutes, Section 514.67, and if not paid when due shall be entered upon the tax rolls and collected with and as a part of the taxes on the property, with the same interest and penalties, or that the lien is subject to mortgages or other encumbrances of record.”*

Page 10, line 33, delete “The other” and before “are” insert “1, 4 to 10, and 13”

Page 10, line 34, after the period, insert “Sections 11 and 12 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Duluth city council.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "programs;" insert "modifying limitations for Duluth home energy improvement loans;"

Page 1, line 14, after the semicolon, insert "and Laws 1981, chapter 223, section 4, subdivisions 2 and 3;"

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Pehler moved that the vote whereby the second Pogemiller amendment to S.F. No. 1512 was not adopted on May 16, 1985, be now reconsidered. The motion prevailed.

Mr. Pogemiller moved to amend S.F. No. 1512 as follows:

Page 5, line 4, after "located" insert "either"

Page 5, line 5, before the period, insert "or within a city designated as an enterprise zone pursuant to section 273.1312, subdivision 4, clause (c) (3)"

The motion prevailed. So the amendment was adopted.

S.F. No. 1512 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 6, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kronebusch	Pehler	Solon
Anderson	Freeman	Laidig	Peterson, C.C.	Storm
Berg	Gustafson	Langseth	Pogemiller	Stumpf
Bernhagen	Hughes	Lantry	Purfeerst	Taylor
Bertram	Isackson	McQuaid	Ramstad	Vega
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	Waldorf
Davis	Johnson, D.J.	Merriam	Renneke	Wegscheid
DeCramer	Jude	Moe, D.M.	Samuelson	
Dicklich	Knaak	Novak	Schmitz	
Diessner	Knutson	Olson	Sieloff	

Those who voted in the negative were:

Benson	Brataas	Dieterich	Kamrath	Petty
Berglin				

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1513: A bill for an act relating to local government; permitting the establishment of special service districts in the cities of Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker, and Waite Park; providing taxing and other financial authority for the cities.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lantry	Purfeerst	Stumpf
Anderson	Gustafson	McQuaid	Ramstad	Taylor
Bernhagen	Hughes	Merriam	Reichgott	Vega
Bertram	Isackson	Moe, R. D.	Renneke	Waldorf
Chmielewski	Johnson, D.E.	Novak	Samuelson	Wegscheid
Davis	Jude	Olson	Schmitz	
DeCramer	Kamrath	Pehler	Sieloff	
Dicklich	Knutson	Petty	Solon	
Diessner	Kronebusch	Pogemiller	Storm	

Messrs. Benson, Dieterich and Knaak voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1014: A bill for an act relating to crimes; clarifying the prosecution for failure to appear in court; prohibiting diversion of corporate property; authorizing criminal trials with petit juries composed of six persons for gross misdemeanor prosecutions; admitting into evidence for impeachment purposes certain convictions of prior driving offenses; amending Minnesota Statutes 1984, sections 169.92, subdivision 1; and 593.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 302A and 634.

Mr. Sieloff moved to amend S.F. No. 1014 as follows:

Page 8, delete section 10

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 1014 as follows:

Page 8, after line 4, insert:

"Sec. 10. Minnesota Statutes 1984, section 260.141, subdivision 1, is amended to read:

Subdivision 1. (a) Service of summons or notice required by section 260.135 shall be made upon the following persons in the same manner in which personal service of summons in civil actions is made:

(1) in all delinquency matters, upon the person having custody or control of the child and upon the child *and, upon their request, upon grandparents of the child;* and

(2) in all other matters, upon the person having custody or control of the child, and upon the child if he is more than 12 years of age *and, upon their request, upon grandparents of the child.*

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. 11. Minnesota Statutes 1984, section 260.155, subdivision 6, is amended to read:

Subd. 6. [RIGHTS OF THE PARTIES AT THE HEARING.] The minor and his parent, guardian, ~~or~~ custodian, *or grandparent* are entitled to be heard, to present evidence material to the case, and to cross examine witnesses appearing at the hearing."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 1014 as follows:

Page 8, after line 4, insert:

"Sec. 10. Minnesota Statutes 1984, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section 169.121, 169.123, or 171.17, the commissioner may at his own discretion issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license; ~~or~~

(2) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license; *or*

(3) *if child visitation by a non-custodial parent depends upon the use of the driver's license.*

The commissioner in issuing a limited license may impose such conditions and limitations as in his judgment are necessary to the interests of the public safety and welfare including re-examination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in his possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 1014 as follows:

Page 5, after line 18, insert:

"(4) that the person has a right to consult with an attorney but that this right is limited to the extent that it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test;"

Renumber the clauses in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 11 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knutson	McQuaid	Storm
Belanger	Chmielewski	Kronebusch	Sieloff	Stumpf
Benson				

Those who voted in the negative were:

Adkins	Diessner	Knaak	Olson	Schmitz
Berglin	Dieterich	Laidig	Petty	Waldorf
Bernhagen	Frank	Lantry	Pogemiller	
Bertram	Freeman	Merriam	Ramstad	
Davis	Hughes	Moe, D.M.	Reichgott	
DeCramer	Jude	Novak	Renneke	

The motion did not prevail. So the amendment was not adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Pogemiller moved that the vote whereby the second Sieloff amendment to S.F. No. 1014 was adopted on May 16, 1985, be now reconsidered. The motion did not prevail.

Mr. Sieloff moved to amend S.F. No. 1014 as follows:

Page 3, line 11, after the semicolon, insert "or"

Page 3, line 12, strike the semicolon

Page 3, line 13, strike "or"

Page 3, strike line 14

Page 3, line 15, strike everything before the period

Page 3, after line 21, insert:

"Sec. 4. Minnesota Statutes 1984, section 169.121, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section or an ordinance in conformity with it.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (e) that the defendant consumed a sufficient quantity of alcohol after the time of actual driving, operating, or physical control of a motor vehicle and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.10. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person was under the influence of alcohol or a controlled substance, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Storm
Anderson	DeCramer	Kronebusch	Olson	Waldorf
Belanger	Diessner	Laidig	Peterson, R.W.	Wegscheid
Benson	Isackson	Langseth	Petty	
Bertram	Johnson, D.E.	McQuaid	Renneke	
Brataas	Jude	Mehrkens	Samuelson	
Chmielewski	Kamrath	Merriam	Sieloff	

Those who voted in the negative were:

Berglin	Frank	Lantry	Peterson, C.C.	Stumpf
Bernhagen	Freeman	Luther	Pogemiller	Taylor
Dicklich	Hughes	Moe, R.D.	Ramstad	
Dieterich	Knaak	Novak	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 1014 as follows:

Page 3, after line 21, insert:

“Sec. 4. Minnesota Statutes 1984, section 169.121, is amended by adding a subdivision to read:

Subd. 1b. [POLICE REPORT.] A person charged with a violation of subdivision 1, or the person's attorney, may by a phone request to the prosecuting attorney obtain a copy of the police report relating to the person's arrest. The prosecuting attorney shall promptly mail a copy of the report to the address indicated by the requester.”

Renumber the sections in sequence

Correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Isackson	McQuaid	Storm
Belanger	Chmielewski	Knutson	Olson	Taylor
Benson	Diessner	Kronebusch	Samuelson	
Bernhagen	Dieterich	Laidig	Sieloff	

Those who voted in the negative were:

Adkins	Freeman	Langseth	Petty	Waldorf
Berglin	Gustafson	Lantry	Pogemiller	Wegscheid
Bertram	Hughes	Luther	Ramstad	
Davis	Johnson, D.E.	Moe, D.M.	Reichgott	
DeCramer	Jude	Moe, R.D.	Renneke	
Frank	Knaak	Peterson, C.C.	Stumpf	

The motion did not prevail. So the amendment was not adopted.

CALL OF THE SENATE

Mr. Petty imposed a call of the Senate for the balance of the proceedings on S.F. No. 1014. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 1014 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Moe, D.M.	Samuelson
Anderson	Dieterich	Knutson	Moe, R.D.	Schmitz
Belanger	Frank	Kronebusch	Novak	Sieloff
Benson	Freeman	Laidig	Olson	Storm
Berglin	Gustafson	Langseth	Peterson, C.C.	Stumpf
Bernhagen	Hughes	Lantry	Petty	Waldorf
Bertram	Isackson	Luther	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	
Davis	Jude	Mehrkens	Reichgott	
DeCramer	Kamrath	Merriam	Renneke	

So the bill, as amended, passed and its title was agreed to.

Without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 490, 646, 1256, 961, 957 and 1064.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 490: A bill for an act relating to state government; requiring preparation of fiscal notes for mandates to local units of government; amending Minnesota Statutes 1984, sections 3.98, subdivision 1; and 14.131; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Finance.

H.F. No. 646: A bill for an act relating to public records; providing for fees of the county recorder and secretary of state; changing grounds for appeal from resolution of county board setting salaries or budgets for certain county officials; amending Minnesota Statutes 1984, sections 268.161, subdivision 1; 270.69, by adding a subdivision; 272.483; 336.9-407; 357.18, subdivision 1; 384.151, subdivision 7; 385.373, subdivision 7; 386.015, subdivision 7; 386.77; 387.20, subdivision 7; 388.18, subdivision 6; 485.018, subdivision 7; 505.08, subdivision 2; 508.47, subdivision 4; 508.82; 508A.11; 508A.47, subdivision 4; and 508A.82.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 762, now on General Orders.

H.F. No. 1256: A bill for an act relating to natural resources; altering certain provisions regarding water permit and annual water appropriation processing fees; amending Minnesota Statutes 1984, sections 105.41, subdivision 5; and 105.44, subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1450, now on General Orders.

H.F. No. 961: A bill for an act relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; providing additional authorities to counties; providing additional duties of the water resources board; amending Minnesota Statutes 1984, section 473.882, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 110B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 993, now on General Orders.

H.F. No. 957: A bill for an act relating to agriculture; providing that local

governments may enter agreements; providing for soil conservation; imposing a penalty; amending Minnesota Statutes 1984, sections 40.19, subdivisions 1, 2, 5, 6, 7, 8, 9, 11, 13, and by adding subdivisions; 40.20; 40.21; 40.22, subdivisions 1 and 2; 40.23; 40.25; 40.26; 40.28; proposing coding for new law in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, section 40.19, subdivisions 3, 4, 10, 12, 14, and 15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1033, now on General Orders.

H.F. No. 1064: A bill for an act relating to public employment; providing that applicants for public employment in the fire services must be fingerprinted; amending Minnesota Statutes 1984, section 364.09.

Referred to the Committee on Governmental Operations.

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. 35: A bill for an act relating to crimes; requiring health professionals to report suspicious wounds to law enforcement authorities; amending Minnesota Statutes 1984, section 626.52.

Senate File No. 35 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Mr. Diessner moved that the Senate do not concur in the amendments by the House to S.F. No. 35, 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.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 968: Messrs. Waldorf, Nelson and Mrs. Kronebusch.

H.F. No. 513: Messrs. Moe, D.M.; Wegscheid and Frederickson.

H.F. No. 264: Messrs. Ramstad, Merriam and Petty.

S.F. No. 35: Messrs. Diessner; Peterson, R.W. and Merriam.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that S.F. No. 1551 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Mr. Frank moved that the vote whereby the Stumpf amendment to H.F. No. 265 was adopted on May 14, 1985, be now reconsidered.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Knaak moved that the Senate do now adjourn until 12:00 noon, Friday, May 17, 1985. The motion did not prevail.

The question was taken on the adoption of the motion of Mr. Frank.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 29 and nays 28, as follows:

Those who voted in the affirmative were:

Berglin	Frank	Lantry	Novak	Pogemiller
Dahl	Freeman	Luther	Pehler	Reichgott
Davis	Hughes	Merriam	Peterson, C.C.	Schmitz
DeCramer	Johnson, D.J.	Moe, D.M.	Peterson, D.C.	Waldorf
Dicklich	Kroening	Moe, R.D.	Peterson, R.W.	Willet
Diessner	Langseth	Nelson	Petty	

Those who voted in the negative were:

Adkins	Brataas	Jude	Mehrkens	Storm
Anderson	Chmielewski	Kamrath	Olson	Stumpf
Belanger	Frederickson	Knaak	Peterson, D.L.	Taylor
Benson	Gustafson	Kronebusch	Renneke	Wegscheid
Bernhagen	Isackson	Laidig	Samuelson	
Bertram	Johnson, D.E.	McQuaid	Sieloff	

The motion prevailed.

H.F. No. 265 was then progressed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on S.F. No. 818 from 7:00 to 11:00 p.m.:

Messrs. Pogemiller, Freeman and Dicklich. The motion prevailed.

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 12:00 to 4:00 p.m. Mr. Moe, R.D. was excused from the Session of today from 12:00 to 1:30 p.m. Mrs. Lantry was excused from the Session of today from 12:30 to 2:00 p.m. Mr. Dicklich was excused from the Session of today from 12:30 to 1:30 p.m. Messrs. Nelson; Pehler; Peterson, R.W.; Peterson, D.L. and Ms. Peterson, D.C. were excused from the Session of today at 1:00 p.m. Mr. Frank was excused from the Session of today from 1:00 to 1:45 p.m. Ms. Olson was excused from the Session of today from 2:00 to 2:45 p.m. Mr. Frederick was excused from the Session of today at 5:00 p.m. Mr. Belanger was excused from the Session of today from 7:00 to 10:20 p.m. Mr. Solon was excused from the Session of today at 10:50 p.m. Messrs. Berg and Vega were excused from the Session of today at 10:15 p.m. Mr. Lessard was excused from the Session of today at 7:00 p.m. Mr. Knaak was excused from the Session of today from 7:00 to 9:25 p.m. Mr. Purfeerst was excused from the Session of today at 11:00 p.m.

The following member was excused from today's Session for a brief period of time: Ms. Reichgott.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, May 17, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-THIRD DAY

St. Paul, Minnesota, Friday, May 17, 1985

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Robert Rolfes.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Storm
Berg	Frederickson	Langseth	Peterson, D.C.	Stumpf
Berglin	Freeman	Lantry	Peterson, D.L.	Taylor
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Vega
Bertram	Hughes	Luther	Petty	Waldorf
Brataas	Isackson	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willet
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 12:00 noon:

Messrs. Samuelson, Ms. Berglin, Messrs. Spear, Solon and Knutson. 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. 521, 581, 557, 1148, 664, 966, 1278, 1434, 597, 721, 1187, 1220, 243, 825, 1447, 1506 and 616.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 650: A bill for an act relating to crimes; increasing the penalty for an offense committed against a transit provider or operator when violence or a threat of violence is not involved; amending Minnesota Statutes 1984, section 609.855, subdivisions 3 and 4.

Senate File No. 650 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 650, 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. 1279: A bill for an act relating to housing; providing for a product standard for formaldehyde in building materials used in the construction of housing units; amending Minnesota Statutes 1984, sections 144.495; and 325F.18, subdivisions 1, 1a, and 4; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 1984, section 325F.18, subdivision 5.

Senate File No. 1279 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

CONCURRENCE AND REPASSAGE

Mr. Vega moved that the Senate concur in the amendments by the House to S.F. No. 1279 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1279 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	DeCramer	Kamrath	Moe, R. D.	Reichgott
Belanger	Diessner	Knaak	Novak	Renneke
Benson	Frank	Kronebusch	Olson	Solon
Berg	Frederickson	Langseth	Pehler	Stumpf
Berglin	Freeman	Lantry	Peterson, C. C.	Taylor
Bernhagen	Gustafson	Lessard	Peterson, D. L.	Vega
Bertram	Hughes	Luther	Petty	Waldorf
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	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. 658: A bill for an act relating to wild animals; altering certain provisions regarding taking and possession, and penalties related thereto; amending Minnesota Statutes 1984, sections 97.55, subdivision 16; 98.46, subdivision 5; 98.52, by adding a subdivision; 100.273, subdivisions 6 and 9; and 100.29, subdivision 8; repealing Minnesota Statutes 1984, section 97.55, subdivision 4.

Senate File No. 658 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

CONCURRENCE AND REPASSAGE

Mr. Peterson, C.C. moved that the Senate concur in the amendments by the House to S.F. No. 658 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 658: A bill for an act relating to wild animals; altering certain provisions regarding taking and possession, and penalties related thereto; amending Minnesota Statutes 1984, sections 97.55, subdivision 16; 98.46, subdivision 5; 98.52, by adding a subdivision; and 100.273, subdivisions 6 and 9; repealing Minnesota Statutes 1984, section 97.55, 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 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, D. M.	Reichgott
Anderson	Diessner	Kamrath	Moe, R. D.	Renneke
Belanger	Dieterich	Knaak	Novak	Stumpf
Benson	Frank	Kroening	Olson	Taylor
Berg	Frederickson	Kronebusch	Pehler	Vega
Berglin	Freeman	Laidig	Peterson, C. C.	Waldorf
Bernhagen	Gustafson	Langseth	Peterson, D. L.	Wegscheid
Bertram	Hughes	Lantry	Petty	Willet
Brataas	Isackson	McQuaid	Pogemiller	
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	
Davis	Johnson, D.J.	Merriam	Ramstad	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1159: A bill for an act relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision; 302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.

Senate File No. 1159 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 1159, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

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. 863: A bill for an act relating to commerce; modifying the definition of credit card to include other types of instruments; prescribing criminal penalties for financial transaction card fraud; amending Minnesota Statutes 1984, sections 325G.02, subdivisions 2 and 4; 325G.03; 325G.04; 325G.041; 325G.05; 609.52, subdivisions 1 and 2; and 609.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

Senate File No. 863 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Ms. Reichgott moved that S.F. No. 863 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. 1357: A bill for an act relating to contempt of court; providing penalties for failure to file a complete income tax return pursuant to court order; proposing coding for new law in Minnesota Statutes, chapter 588.

Senate File No. 1357 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 1357 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1357 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:

Adkins	DeCramer	Kamrath	Merriam	Ramstad
Anderson	Diessner	Knaak	Moe, R. D.	Reichgott
Belanger	Dieterich	Kroening	Novak	Stumpf
Benson	Frank	Kronebusch	Olson	Taylor
Berg	Frederickson	Laidig	Pehler	Vega
Bernhagen	Freeman	Langseth	Peterson, C.C.	Waldorf
Bertram	Gustafson	Lantry	Peterson, D.C.	Wegscheid
Brataas	Hughes	Lessard	Peterson, D.L.	Willet
Chmielewski	Isackson	Luther	Petty	
Dahl	Johnson, D.E.	McQuaid	Pogemiller	
Davis	Jude	Mehrkens	Purfeerst	

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. 1238: A bill for an act relating to intoxicating liquor; authorizing the issuance of temporary on-sale intoxicating liquor licenses; amending Minnesota Statutes 1984, section 340.11, by adding a subdivision.

Senate File No. 1238 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1985

Mr. Merriam moved that S.F. No. 1238 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641 at 1:00 p.m.:

Messrs. Kroening, Willet, Luther, Dahl and Frederickson. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 646 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.
646	762				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 646 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 646 and insert the language after the enacting clause of S.F. No. 762, the first engrossment; further, delete the title of H.F. No. 646 and insert the title of S.F. No. 762, the first engrossment.

And when so amended H.F. No. 646 will be identical to S.F. No. 762, and further recommends that H.F. No. 646 be given its second reading and substituted for S.F. No. 762, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 957 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.
957	1033				

Pursuant to Rule 49, the Committee on Rules and Administration recom-

mends that H.F. No. 957 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 957 and insert the language after the enacting clause of S.F. No. 1033, the first engrossment; further, delete the title of H.F. No. 957 and insert the title of S.F. No. 1033, the first engrossment.

And when so amended H.F. No. 957 will be identical to S.F. No. 1033, and further recommends that H.F. No. 957 be given its second reading and substituted for S.F. No. 1033, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 961 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.
961	993				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 961 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 961 and insert the language after the enacting clause of S.F. No. 993, the third engrossment; further, delete the title of H.F. No. 961 and insert the title of S.F. No. 993, the third engrossment.

And when so amended H.F. No. 961 will be identical to S.F. No. 993, and further recommends that H.F. No. 961 be given its second reading and substituted for S.F. No. 993, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1256 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.
1256	1450				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1256 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1256 and

insert the language after the enacting clause of S.F. No. 1450, the first engrossment; further, delete the title of H.F. No. 1256 and insert the title of S.F. No. 1450, the first engrossment.

And when so amended H.F. No. 1256 will be identical to S.F. No. 1450, and further recommends that H.F. No. 1256 be given its second reading and substituted for S.F. No. 1450, 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. 646, 957, 961 and 1256 were read the second time.

Without objection, the Senate reverted to the Order of Business of Executive and Official Communications.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

The Honorable Jerome M. Hughes
President of the Senate

Mr. President:

I have the honor to inform you that the following resolution was adopted by the Committee on Governmental Operations at its meeting on May 8, 1985.

Senator Donald M. Moe
Chairman, Committee on
Governmental Operations

A committee resolution

BE IT RESOLVED that the Senate Committee on Governmental Operations recommends that the Metropolitan Airports Commission:

- (1) declare the position of executive director of the Metropolitan Airports Commission vacant;
- (2) adopt a procedure for hiring a permanent executive director;
- (3) adopt by resolution a description of the qualifications, experience, and training required for the position of executive director;
- (4) establish a procedure to solicit and screen qualified candidates for the position of executive director; and
- (5) delay the permanent appointment of managers at the level of director or superintendent until a permanent executive director is appointed.

BE IT FURTHER RESOLVED that the secretary of the Senate Committee on Governmental Operations shall transmit a copy of this resolution to the Metropolitan Airports Commission.

MOTIONS AND RESOLUTIONS

S.F. No. 1398 and the Conference Committee Report thereon were re-

ported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1398

A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66, subdivision 1; and 475.76, subdivision 1.

May 10, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1398, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1398 be further amended as follows:

Page 2, line 1, strike the second "the"

Page 2, line 2, strike everything after the stricken "bearing"

Page 2, line 3, strike "investments for"

Page 2, line 4, reinstate everything after the stricken period

Page 2, lines 5 to 7, reinstate the stricken language

Page 2, line 8, reinstate everything before the stricken "or"

Page 2, line 22, after the stricken "subdivision" insert "*the obligations which are legally authorized investments for*"

Page 2, line 28, after "2." insert "*Except for notes secured by first mortgages of future maturity,*"

Page 2, line 32, after the period insert "*The total amount of collateral consisting of notes secured by first mortgages of future maturity computed at its market value shall be at least 40 percent more than the amount on deposit at the close of the business day, in excess of any insured portion, which would be permitted if a corporate or personal surety bond were furnished.*"

Page 3, line 4, after the comma insert "*except for early withdrawal penalties on time deposits,*"

Page 6, after line 17, insert:

"Sec. 4. Minnesota Statutes 1984, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in any security which is a direct obligation of or is guaranteed as to payment of principal and interest by the United States or any agency or instrumentality of the United States governmental bonds, notes, bills, mort-

gages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress,

(b) in shares of an investment company registered under the federal investment company act of 1940, whose shares are registered under the federal securities act of 1933, and whose only investments are in securities described in the preceding clause,

(c) in any security which is a general obligation of the state of Minnesota or any of its municipalities,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System, or

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created."

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, delete the second "subdivision 1" and insert "subdivisions 1 and 3"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Darril Wegscheid, Michael O. Freeman, Gen Olson

House Conferees: (Signed) William Schreiber, Gerald Knickerbocker, Gordon O. Voss

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1398 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. 1398 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Luther	Pogemiller
Anderson	DeCramer	Jude	McQuaid	Purfeerst
Belanger	Diessner	Kamrath	Mehrkens	Ramstad
Benson	Dieterich	Knaak	Moe, D. M.	Reichgott
Berg	Frank	Kroening	Moe, R. D.	Renneke
Bernhagen	Frederickson	Kronebusch	Olson	Stumpf
Bertram	Freeman	Laidig	Pehler	Taylor
Brataas	Gustafson	Langseth	Peterson, D.C.	Vega
Chmielewski	Hughes	Lantry	Peterson, D.L.	Wegscheid
Dahl	Isackson	Lessard	Petty	Willet

Mr. Merriam voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on S.F. No. 818 from 1:00 to 2:30 p.m.:

Messrs. Pogemiller, Dicklich and Freeman. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, D.M. moved that S.F. No. 918, No. 11 on General Orders, be stricken and returned to its author. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 67: A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law in Minnesota Statutes, chapter 480B.

Mr. Pogemiller moved to amend H.F. No. 67, as amended pursuant to Rule 49, adopted by the Senate March 18, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 245.)

Page 4, line 36, after "*committee*" insert a period

Page 5, delete lines 1 to 3

The motion prevailed. So the amendment was adopted.

H.F. No. 67 was then progressed.

SPECIAL ORDER

H.F. No. 648: A bill for an act relating to state departments and agencies; transferring authority for administration of the rural rehabilitation corporation trust liquidation act from the state executive council to the commissioner of energy and economic development; creating a governor's rural develop-

ment council; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1984, section 9.36.

Was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Nelson	Solon
Anderson	Dieterich	Kroening	Olson	Stumpf
Belanger	Frank	Laidig	Pehler	Taylor
Benson	Frederickson	Langseth	Peterson, D.C.	Vega
Berg	Freeman	Lantry	Peterson, D.L.	Waldorf
Berglin	Gustafson	Luther	Petty	Wegscheid
Bernhagen	Isackson	McQuaid	Pogemiller	Willet
Bertram	Johnson, D.E.	Mehrkens	Purfeerst	
Chmielewski	Jude	Merriam	Ramstad	
Dahl	Kamrath	Moe, D. M.	Reichgott	
Davis	Knaak	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 857: A bill for an act relating to insurance; authorizing the receiver of an insolvent insurer to accelerate the distribution of available assets in payment of claims against the insurer; establishing priority of certain claims; amending Minnesota Statutes 1984, sections 60B.44, subdivisions 1 and 4; 60B.46, by adding subdivisions; and 60C.05, subdivision 1.

Mr. Jude moved to amend H.F. No. 857, as amended pursuant to Rule 49, adopted by the Senate May 15, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 905.)

Pages 1 and 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivisions 1 and 4" and insert "subdivision 1"

The motion prevailed. So the amendment was adopted.

H.F. No. 857 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Novak	Reichgott
Anderson	DeCramer	Knutson	Olson	Renneke
Belanger	Dieterich	Kroening	Pehler	Solon
Benson	Frank	Langseth	Peterson, D.C.	Stumpf
Berg	Frederickson	Lantry	Peterson, D.L.	Taylor
Berglin	Gustafson	Luther	Peterson, R.W.	Vega
Bernhagen	Isackson	Mehrkens	Petty	Waldorf
Bertram	Johnson, D.E.	Merriam	Pogemiller	Willet
Chmielewski	Jude	Moe, R. D.	Purfeerst	
Dahl	Kamrath	Nelson	Ramstad	

So the bill, as amended, passed and its title was agreed to.

The question recurred on H.F. No. 67.

SPECIAL ORDER

H.F. No. 67: A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law in Minnesota Statutes, chapter 480B.

CALL OF THE SENATE

Mr. Pogemiller imposed a call of the Senate for the balance of the proceedings on H.F. No. 67. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 67 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.

Mr. Vega moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 22 and nays 39, as follows:

Those who voted in the affirmative were:

Berglin	Knutson	Moe, D. M.	Petty	Sieloff
Brataas	Laidig	Moe, R. D.	Pogemiller	Solon
Diessner	Lantry	Nelson	Purfeerst	
Dieterich	Lessard	Peterson, D.C.	Ramstad	
Knaak	Luther	Peterson, R.W.	Reichgott	

Those who voted in the negative were:

Adkins	Dahl	Isackson	Mehrkens	Samuelson
Anderson	Davis	Johnson, D.E.	Merriam	Stumpf
Belanger	DeCramer	Jude	Novak	Taylor
Benson	Frank	Kamrath	Olson	Vega
Berg	Frederick	Kroening	Pehler	Waldorf
Bernhagen	Frederickson	Kronebusch	Peterson, C.C.	Wegscheid
Bertram	Freeman	Langseth	Peterson, D.L.	Willet
Chmielewski	Gustafson	McQuaid	Renneke	

So the bill, as amended, failed to pass.

SPECIAL ORDER

H.F. No. 1145: A bill for an act relating to liquor; recodifying statutory provisions relating to intoxicating liquor and nonintoxicating malt liquor; amending Minnesota Statutes 1984, sections 260.015, subdivision 22; 299A.02; 473F.02, subdivision 17; and 624.701; proposing coding for new law in Minnesota Statutes, chapter 171; proposing coding for new law as Minnesota Statutes, chapters 297C and 340A; repealing Minnesota Statutes 1984, sections 340.001 to 340.988.

Mr. Frederickson moved to amend H.F. No. 1145 as follows:

Page 3, delete lines 13 to 18

Page 4, line 7, after "A" insert "*qualified*"

Page 4, line 8, delete "*within Minnesota*"

Page 4, lines 9 and 13, delete "75,000" and insert "25,000"

Page 4, line 11, delete "*Minnesota*" and insert "*Qualified*"

Page 4, after line 14, insert:

"For purposes of this subdivision, a "qualified brewer" means a brewer, whether or not located in this state, manufacturing less than 100,000 barrels of fermented malt beverages in the calendar year immediately preceding the calendar year for which the credit under this subdivision is claimed. In determining the number of barrels, all brands or labels of a brewer must be combined. All facilities for the manufacture of fermented malt beverages owned or controlled by the same person, corporation, or other entity must be treated as a single brewer."

Page 28, line 17, delete the language before the period

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend H.F. No. 1145 as follows:

Page 6, line 36, delete "his" and insert "the commissioner's"

Page 7, line 5, delete "he" and insert "the commissioner"

Page 7, line 6, delete "he proposes to assess" and insert "the taxpayer will be assessed"

Page 7, line 9, delete "by him" and delete "he" and insert "the commissioner"

Page 7, line 15, delete "his" and insert "a" and delete "he proposes to assess" and after "amount" insert "is"

Page 7, line 21, delete "his" and insert "a"

Page 7, line 23, delete "he" and insert "the commissioner"

Page 9, line 28, delete "his" and insert "their"

Page 11, line 25, delete "his designated" and after "employees" insert "designated by the commissioner"

Page 11, line 32, delete "his designated"

Page 11, line 33, after "employees" insert "designated by the commissioner"

Page 12, line 17, delete "or his agents"

Page 12, line 31, delete "his" and insert "the commissioner's"

Page 13, line 7, delete "his" and insert "the owner's"

Page 13, line 8, delete "his" and insert "the" and delete "he" and insert "the owner"

Page 13, line 25, delete "him" and insert "that person"

Page 18, line 36, delete "his"

Page 19, line 33, delete "his" and insert "the"

Page 20, line 35, delete "his" and insert "to the licensee's"

Page 21, line 5, delete "his"

Page 21, line 6, delete "he" and insert "the manufacturer or wholesaler"

Page 25, line 32, delete "he has"

Page 26, line 27, delete "his"

Page 26, line 28, delete "his"

Page 27, line 9, delete "he prescribes" and insert "prescribed by the commissioner"

Page 35, line 3, delete "his" and insert "to the licensee's"

Page 35, line 10, delete "his or her" and insert "the"

Page 43, line 16, delete "he or she" and insert "the person"

Page 48, line 1, delete "his" and insert "the commissioner's"

Page 50, line 1, delete "his or her" and insert "the person's"

Page 50, line 2, delete "his or her" and insert "the"

Page 50, line 11, delete "for him or her"

Page 50, line 15, delete "have in possession" and insert "possess"

Page 50, line 17, delete "their" and insert "the person's"

Page 50, line 25, delete "to him or her"

Page 56, line 34, delete "he or she" and insert "the commissioner"

Page 58, line 3, delete "his" and insert "the commissioner's"

Page 58, line 4, delete "he" and insert "the commissioner"

Page 58, line 5, delete "him" and insert "the commissioner" and delete "his" and insert "the commissioner's"

Page 58, line 26, delete "his or her" and insert "the commissioner's"

Page 59, line 12, delete "his" and insert "the person's"

Page 59, line 16, delete "his" and insert "the minor's"

Page 59, line 27, delete "his"

Page 60, line 34, delete "him" and insert "the person"

The motion prevailed. So the amendment was adopted.

H.F. No. 1145 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Novak	Sieloff
Anderson	Diessner	Knutson	Olson	Solon
Belanger	Dieterich	Kronebusch	Pehler	Stumpf
Benson	Frank	Laidig	Peterson, C.C.	Taylor
Berg	Frederick	Lantry	Peterson, D.C.	Vega
Berglin	Frederickson	Lessard	Peterson, D.L.	Waldorf
Bernhagen	Freeman	Luther	Peterson, R.W.	Wegscheid
Bertram	Gustafson	McQuaid	Petty	Willet
Brataas	Isackson	Merriam	Purfeerst	
Chmielewski	Johnson, D.E.	Moe, D. M.	Ramstad	
Dahl	Jude	Moe, R. D.	Reichgott	
Davis	Kamrath	Nelson	Renneke	

So the bill, as amended, passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be

excused for a Conference Committee on H.F. No. 1639 at 1:20 p.m.:

Messrs. Langseth, Purfeerst, Schmitz, Mrs. Lantry and Mr. Mehrkens. The motion prevailed:

SPECIAL ORDER

H.F. No. 440: A bill for an act relating to retirement; making various changes in laws governing public retirement funds; amending Minnesota Statutes 1984, sections 3.85, subdivisions 11 and 12; 353.657, subdivision 2a; 354.44, subdivision 6; 354A.35, subdivision 1; 356.20, subdivision 4; 356.215, subdivision 4; 356.216; and 356.70.

CALL OF THE SENATE

Mr. Moe, D.M. imposed a call of the Senate for the proceedings on H.F. No. 440. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Moe, D.M. moved that the rules of the Senate be so far suspended as to allow him to move to reconsider the vote whereby the Sieloff amendment to H.F. No. 440 was adopted on May 13, 1985.

The question was taken on the adoption of the motion.

Mr. Sieloff moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Moe, R.D.	Reichgott
Anderson	Diessner	Kroening	Nelson	Renneke
Belanger	Frank	Kronebusch	Novak	Schmitz
Benson	Frederick	Laidig	Olson	Sieloff
Berg	Freeman	Langseth	Pehler	Solon
Berglin	Hughes	Lantry	Peterson, C.C.	Stumpf
Bernhagen	Isackson	Lessard	Peterson, D.C.	Taylor
Bertram	Johnson, D.E.	Luther	Peterson, R.W.	Vega
Chmielewski	Johnson, D.J.	McQuaid	Petty	Waldorf
Dahl	Jude	Mehrkens	Pogemiller	Wegscheid
Davis	Kamrath	Merriam	Purfeerst	Willet
DeCramer	Knaak	Moe, D.M.	Ramstad	

Mr. Peterson, D.L. voted in the negative.

The motion prevailed.

RECONSIDERATION

Mr. Moe, D.M. moved that the vote whereby the Sieloff amendment to H.F. No. 440 was adopted on May 13, 1985, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knutson	Novak	Renneke
Anderson	Frank	Kronebusch	Olson	Schmitz
Belanger	Frederick	Laidig	Pehler	Sieloff
Benson	Freeman	Langseth	Peterson, C. C.	Solon
Berg	Gustafson	Lantry	Peterson, D. C.	Taylor
Berglin	Hughes	Lessard	Peterson, D. L.	Vega
Bernhagen	Isackson	Luther	Peterson, R. W.	Waldorf
Bertram	Johnson, D. E.	McQuaid	Petty	Wegscheid
Chmielewski	Johnson, D. J.	Mehrkes	Pogemiller	
Davis	Jude	Merriam	Purfeerst	
DeCramer	Kamrath	Moe, D. M.	Ramstad	
Diessner	Knaak	Moe, R. D.	Reichgott	

The motion prevailed.

Mr. Peterson, C.C. moved to amend H.F. No. 440, the second unofficial engrossment, as follows:

Page 15, lines 28 to 36, reinstate the stricken language

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend H.F. No. 440, the second unofficial engrossment, as follows:

Page 50, after line 5, insert:

“Sec. 45. Minnesota Statutes 1984, section 422A.101, subdivision 3, is amended to read:

Subd. 3. [STATE CONTRIBUTIONS.] The state shall pay to the Minneapolis employees retirement fund annually an amount equal to the financial requirements of the Minneapolis employees retirement fund reported by the actuary in the actuarial valuation of the fund prepared pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded liabilities by the year 2017 less the amount of employee contributions required pursuant to section 422A.10, ~~and~~ the amount of employer contributions required pursuant to subdivisions 1a and 2, *and the amount of contributions required of the metropolitan airports commission by subdivision 4.* Payments shall be made in four equal installments on March 15, July 15, September 15, and November 15 annually.

Sec. 46. Minnesota Statutes 1984, section 422A.101, is amended by adding a subdivision to read:

Subd. 4. [METROPOLITAN AIRPORTS COMMISSION CONTRIBUTION.] *The metropolitan airports commission shall pay to the Minneapolis employees retirement fund annually in installments as specified in subdivision 3, that share of the additional support rate required for full amortization of the unfunded liabilities by the year 2017 which is attributable to commission employees who are members of the fund. The amount of the payment shall be determined by the most recent actuarial valuation, as calculated by the actuary for the legislative commission on pensions and retirement.”*

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 20, after the first semicolon insert “422A.101, subdivision 3,

and by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 440; the second unofficial engrossment, as follows:

Page 3, after line 35, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1984, section 3A.01, subdivision 8, is amended to read:

Subd. 8. [NORMAL RETIREMENT AGE.] "Normal retirement age" means the age of 60 years with regard to any member of the legislature whose service terminates prior to the beginning of the 1981 legislative session, and the age of 62 years with regard to any member of the legislature whose service terminates after the beginning of the 1981 session. "Normal retirement age" means the age of 65 years with regard to any member who serves after the beginning of the 1987 session."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Dieterich moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 45 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Moe, R.D.	Ramstad
Anderson	Diessner	Kamrath	Novak	Renneke
Benson	Dieterich	Knaak	Olson	Samuelson
Berg	Frank	Knutson	Pehler	Sieloff
Berglin	Frederick	Kronebusch	Peterson, C.C.	Storm
Bernhagen	Gustafson	Laidig	Peterson, D.C.	Stumpf
Bertram	Isackson	Lessard	Peterson, D.L.	Taylor
Davis	Johnson, D.E.	Luther	Peterson, R.W.	Waldorf
DeCramer	Johnson, D.J.	McQuaid	Petty	Wegscheid

Those who voted in the negative were:

Belanger	Hughes	Moe, D.M.	Solon	Vega
Chmielewski	Merriam			

The motion prevailed. So the amendment was adopted.

H.F. No. 440 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knaak	Pehler	Samuelson
Anderson	Frederick	Kronebusch	Peterson, C.C.	Sieloff
Belanger	Gustafson	Lessard	Peterson, D.C.	Solon
Benson	Hughes	Luther	Peterson, D.L.	Storm
Berg	Isackson	McQuaid	Peterson, R.W.	Stumpf
Bernhagen	Johnson, D.E.	Moe, D.M.	Petty	Taylor
Davis	Johnson, D.J.	Moe, R.D.	Ramstad	Waldorf
DeCramer	Jude	Novak	Reichgott	Wegscheid
Dicklich	Kamrath	Olson	Renneke	

Messrs. Bertram, Frank, Merriam and Vega voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 268: A bill for an act relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous activity; stating effect of removing certain provisions; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 268. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Peterson, C.C. moved to amend H.F. No. 268, the unofficial engrossment, as follows:

Page 3, after line 20, insert:

“Sec. 5. [115B.25] [DEFINITIONS.]

Subdivision 1. [GENERAL.] The terms used in sections 5 to 17 have the definitions given them in section 115B.02 and this section.

Subd. 2. [BOARD.] “Board” means the hazardous substance injury compensation board established in section 7.

Subd. 3. [ELIGIBLE PROPERTY.] “Eligible property” means property damage that is eligible for compensation under section 9.

Subd. 4. [ELIGIBLE PERSONAL INJURY.] “Eligible personal injury” means personal injury that is eligible for compensation under section 9.

Subd. 5. [COMPENSABLE LOSS.] “Compensable loss” means a loss that is compensable under section 13.

Subd. 6. [FUND.] “Fund” means the hazardous substance injury compensation fund established in section 6.

Sec. 6. [115B.26] [HAZARDOUS SUBSTANCE INJURY COMPENSATION FUND.]

Subdivision 1. [ESTABLISHMENT.] A hazardous substance injury compensation fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. [APPROPRIATION.] The amount necessary to pay for staff assistance, administrative services, and office space under section 8, subdivision 4, and to pay claims of compensation granted by the board under sections 5 to 17 is appropriated to the board from the hazardous substance injury compensation fund.

Subd. 3. [PAYMENT OF CLAIMS WHEN FUND INSUFFICIENT.] If

the amount of the claims granted exceeds the amount in the fund, the board shall request a transfer from the general contingent account to the hazardous substance injury compensation fund as provided in section 3.30. If no transfer is approved, the board shall pay the claims in the order granted only to the extent of the money remaining in the fund. The board may summarily pay the remaining claims after additional money is credited to the fund.

Sec. 7. [115B.27] [HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD.]

Subdivision 1. [ESTABLISHMENT OF BOARD.] The hazardous substance injury compensation board is established. The board consists of three members appointed by the governor with the advice and consent of the senate. One member must be a physician knowledgeable in toxicology; one member must be a member of the bar of this state; and one member must be a health professional knowledgeable in the area of hazardous substance injuries. The board shall annually elect a member to serve as chairman for a term of one year. Filling of vacancies on the board and removal of members are governed by section 15.0575.

Subd. 2. [MEMBERSHIP TERMS.] The initial members shall be appointed to terms as follows:

- (1) the first member appointed for six years;*
- (2) the second member appointed for four years;*
- (3) the third member appointed for two years.*

At the end of each member's term, the successor shall be appointed for six years and each successor thereafter shall be appointed for six years.

Subd. 3. [COMPENSATION AND EXPENSES.] The commissioner of employee relations shall establish the compensation or salary to be paid members of the board, based on the professional expertise and experience of the members and the workload of the board.

Sec. 8. [115B.28] [POWERS AND DUTIES OF THE BOARD.]

Subdivision 1. [DUTIES.] In addition to performing duties specified in sections 5 to 17 or in other law, the board shall:

(1) adopt rules as soon as practicable after all members are appointed, including rules governing practice and procedure before the board, the form and procedure for applications for compensation, and procedures for claims investigations;

(2) publicize the availability of compensation and application procedures on a statewide basis with special emphasis on geographical areas surrounding sites identified by the pollution control agency as having releases prior to July 1, 1983;

(3) collect, analyze, and make available to the public, in consultation with the department of health, the pollution control agency, the University of Minnesota medical and public health schools, and the medical community, data regarding injuries relating to exposure to hazardous substances; and

(4) prepare and transmit by December 31 of each year to the governor and the legislature an annual report to include (a) a summary of board activity

under clause (3); (b) data determined by the board from actual cases, including but not limited to number of cases, actual compensation received by each claimant, types of cases, and types of injuries compensated, as they relate to types of hazardous substances as well as length of exposure; (c) all administrative costs associated with the business of the board; and (d) board recommendations for legislative changes, further study, or any other recommendation aimed at improving the system of compensation.

Subd. 2. [POWERS.] In addition to exercising any powers specified in sections 5 to 17 or in other law, the board may:

(1) in reviewing a claim, consider any information that the board determines is relevant to the claim;

(2) contract for consultant or other services necessary to carry out the board's duties under sections 5 to 17;

(3) grant reasonable partial compensation on an emergency basis pending the final decision on a claim, subject to the adoption of rules by the board, if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made;

(4) limit access to information collected and maintained by the board and take any other action necessary to protect privileged or confidential information.

Subd. 3. [INVESTIGATION; OBTAINING INFORMATION.] The board may investigate any claim for compensation and for this purpose it may request from any person information regarding any matter, fact, or circumstance which is relevant to deciding the claim. In order to obtain this information the board, subject to any applicable privilege, may:

(a) request any person to produce documents, papers, books, or other tangible things in his possession, custody, or control;

(b) request the sworn testimony of any person as to any relevant fact or opinion;

(c) direct written questions to any person and request written answers and objections; and

(d) request a mental or physical examination or autopsy of the claimant.

The board shall give written notice of any request under this subdivision at least 15 days before the person is expected to comply with the request. If any person fails or refuses to comply with the request, the board may apply to a district court for an order to compel compliance with the request. The district court shall issue the order upon a showing of cause by the board, subject to applicable protective provisions of the rules of civil procedure.

Subd. 4. [ADMINISTRATIVE PERSONNEL AND SERVICES.] The commissioner of health shall provide staff assistance, administrative services, and office space under a contract with the board. The board shall reimburse the commissioner for the staff, services, and space provided. In order to perform its duties, the board may request information from the supervising officer of any state agency or state institution of higher education. The supervising officer shall comply with the board's request to the extent possible considering available agency or institution appropriations

and may assign agency or institution employees to assist the board in performing its duties under sections 5 to 17.

Sec. 9. [115B.29] [ELIGIBLE INJURY AND PROPERTY DAMAGE.]

Subdivision 1. [ELIGIBLE PERSONAL INJURY.] (a) A personal injury is eligible for compensation from the fund if it is a medically verified injury, including a chronic or acute disease or death, which is related to exposure to a hazardous substance released from a site where the substance was deposited. An eligible personal injury includes but is not limited to cancer, genetic mutations, behavioral abnormalities, physiological malfunctions, and physical deformations.

(b) A personal injury is not eligible for compensation from the fund if:

(1) the exposure took place outside the geographical boundaries of the state;

(2) the injury is one that is compensable under the workers compensation law, chapter 176;

(3) the injury arises out of the ordinary use of a consumer product; or

(4) it is the result of the release of a hazardous substance for which the injured or damaged party is a responsible person.

Subd. 2. [ELIGIBLE PROPERTY DAMAGE.] Damage to real property owned by the claimant is eligible for compensation from the fund if the damage results from the presence in or on the property of a hazardous substance released from a site where the substance was deposited. Damage to property is not eligible for compensation from the fund if it results from the release of a hazardous substance for which the claimant is a responsible person.

Subd. 3. [TIME FOR FILING CLAIM.] A claim is not eligible for compensation from the fund unless it is filed with the board within the time provided in this subdivision.

(a) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a hazardous substance has been discovered.

(b) A claim for compensation for property damage must be filed within two years after the damage occurred.

Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by the passage of time may be filed not later than January 1, 1988.

Sec. 10. [115B.30] [OTHER ACTIONS.]

Subdivision 1. [SUBSEQUENT ACTION PROHIBITED IN CERTAIN CASES.] A person who has filed a claim with the fund for a compensable injury, and who has received and accepted an award from the board, is precluded from bringing an action in court for the same compensable injury. The findings and decision of the board are inadmissible in any court action.

In any action brought under this section to recover damages for wrongful death, personal injury or disease, or property damage arising out of the release of a hazardous substance, the total fees charged by all attorneys

representing the plaintiff shall not exceed 15 percent of the amount awarded to the plaintiff by the court.

Subd. 2. [SUBROGATION BY STATE.] The state is subrogated to all the claimant's rights under statutory or common law to recover losses compensated from the fund from other sources, including responsible persons as defined in section 115B.03. The state may bring a subrogation action in its own name or in the name of the claimant. Money recovered by the state under this subdivision must be deposited in the fund.

Subd. 3. [SIMULTANEOUS CLAIM AND COURT ACTION PROHIBITED.] A claimant may not commence a court action to recover for any injury or damage for which the claimant seeks compensation from the fund during the time that a claim is pending before the board. A person may not file a claim with the board for compensation for any injury or damage for which the claimant seeks to recover in a pending court action. The time for filing a claim under section 9 or the statute of limitations for any civil action is suspended during the period of time that a claimant is precluded from filing a claim or commencing an action under this subdivision.

Sec. 11. [115B.31] [CLAIM FOR COMPENSATION.]

Subdivision 1. [FORM.] A claim for compensation from the fund must be filed with the board in the form required by the board. When a claim does not include all of the information required by subdivision 2 and applicable board rules, board staff shall notify a claimant of the absence of required information within 14 days of the filing of the claim. All required information must be received by the board not later than 60 days after the claimant received notice of its absence or the claim will be inactivated and may not be resubmitted for at least one year following the date of inactivation. The board may decide not to inactivate a claim under this subdivision if it finds serious extenuating circumstances.

Subd. 2. [REQUIRED INFORMATION.] A claimant must provide as part of the claim:

(1) a sworn verification by the claimant of the facts set forth in the claim to the best of the claimant's knowledge;

(2) evidence of the claimant's exposure to a named hazardous substance;

(3) evidence that the exposure experienced by the claimant causes or significantly contributes to injury of the type suffered by the claimant, except when the claim is based on an earlier decision of the board as provided in section 12, subdivision 3;

(4) evidence of the injury eligible for compensation suffered by the claimant and the compensable losses resulting from the injury;

(5) evidence of any property damage eligible for compensation and the amount of compensable losses resulting from the damage;

(6) information regarding any collateral sources of compensation; and

(7) other information required by the rules of the board.

Subd. 3. [DEATH CLAIMS.] In any case in which death is claimed as a compensable injury, the claim may be brought on behalf of the claimant by

the individuals eligible for death benefits and by the claimant's estate for compensable medical expenses.

Sec. 12. [115B.32] [DETERMINATION OF CLAIM.]

Subdivision 1. [STANDARD FOR PERSONAL INJURY.] The board shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant suffers a medically verified injury that is eligible for compensation from the fund and that has resulted in a compensable loss;

(2) the claimant has been exposed to a hazardous substance in an amount and duration sufficient to cause or significantly contribute to injury of the type suffered by claimant; and

(3) the exposure of the claimant could reasonably have resulted from the release of the hazardous substance from an identified site where the substance was deposited.

Subd. 2. [STANDARD FOR PROPERTY DAMAGE.] The board shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant has suffered property damage that is eligible for compensation and that has resulted in compensable loss; and

(2) the presence of the hazardous substance in or on the property could reasonably have resulted from the release of the hazardous substance from an identified site where the substance was deposited.

Subd. 3. [EFFECT OF PRIOR DECISION; EXCEPTION.] (a) Except as provided in this subdivision, the board may not rely on an earlier decision granting or denying compensation as dispositive of any later claim.

(b) If the board finds that exposure to a particular hazardous substance in a particular amount, duration, and location causes or significantly contributes to an injury of the type suffered by a claimant, it may rely on that finding as dispositive of any future claim by another claimant who shows that it is more likely than not that he or she suffered the same type of injury and was exposed to the same hazardous substance in substantially the same amount, duration, and location.

Sec. 13. [115B.33] [COMPENSABLE LOSSES.]

Subdivision 1. [PERSONAL INJURY LOSSES.] Losses compensable by the fund for personal injury are limited to:

(a) medical expenses directly related to the claimant's injury;

(b) up to two-thirds of the claimant's lost wages not to exceed \$2,000 per month or \$24,000 per year;

(c) up to two-thirds of a self-employed claimant's lost income, not to exceed \$2,000 per month or \$24,000 per year;

(d) death benefits to dependents as follows:

(1) to a spouse with no dependent children, a sum equal to the deceased claimant's lost wages or lost income, calculated on a monthly basis not to

exceed \$2,000 per month, multiplied by 60 months;

(2) to a spouse with three or fewer dependent children, a sum equal to two-thirds of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18;

(3) to a spouse with four or more dependent children, a sum equal to three-fourths of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18;

(4) to three or fewer dependent children when there is no surviving spouse, an amount as calculated in clause (2) but using one-half of the deceased claimant's lost wages or lost income as the base for the calculation;

(5) to four or more dependent children when there is no surviving spouse, an amount as calculated in clause (3) but using two-thirds of the deceased claimant's lost wages or lost income as the base for the calculation; and

(6) to any other individual who can show dependence on the deceased claimant, an amount equal to the amount of actual average monthly contribution made by the claimant to that individual prior to his or her inability to contribute or one-fourth of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, whichever is less, multiplied by 36 months. A person who cannot show actual dependence on the deceased claimant may not recover death benefits. For the purposes of all the provisions in clause (d), lost wages includes the value of lost household labor; and

(e) the value of household labor lost due to the claimant's injury or disease not to exceed \$2,000 per month or \$24,000 per year.

Subd. 2. [PROPERTY DAMAGE LOSSES.] (a) Losses compensable by the fund for property damage are limited to the following loss caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property to the extent actually expended by the claimant or assessed by a local taxing authority, if the department of health has determined that the water is contaminated or has included the property in a well advisory area and has certified that the replacement or decontamination of the source of drinking water effectively has or will eliminate the contamination, up to a maximum of \$25,000; and

(2) losses incurred as a result of a sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000.

(b) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a hazardous substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a

special circumstance of the owner including catastrophic medical expenses, inability of the owner to maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(c) Appraisals are subject to board approval. The board may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 14. [115B.34] [DETERMINATION OF CLAIMS.]

Subdivision 1. [ASSIGNMENT OF CLAIMS.] The chairman of the board shall assign each claim that has been accepted for filing to a member of the board.

Subd. 2. [PRELIMINARY DECISION.] The board member to whom the claim is assigned shall review all materials filed in support of the claim and may cause an investigation to be conducted into the validity of the claim. The board member may make a preliminary decision on the basis of the papers filed in support of the claim and the report of any investigation of it. The decision must be in writing and include the reasons for the decision.

Subd. 3. [CIRCULATION OF PRELIMINARY DECISION.] Copies of the preliminary decision made under subdivision 2 must be circulated to the other two board members as soon as practicable. On receipt of the preliminary decision, the other two members have 20 days to challenge it by written notice to the member who made the decision. If neither member challenges the preliminary decision, a copy must be sent to the claimant who may challenge the decision by written notice to the board within 30 days of receipt of the decision. If no notice is received within the required time, the preliminary decision becomes a final decision of the board.

Subd. 4. [CHALLENGES.] If a board member or a claimant challenges a preliminary decision made pursuant to subdivision 2, the full board shall order the claimant to appear before the board. The appearance is not a contested case hearing under chapter 14. The claimant may produce further evidence to support the claim, including books, studies, reports, and any other written material and oral testimony of witnesses, including experts. The board members may ask questions of the claimant and any witnesses presented by the claimant. After the appearance, the board shall make a final decision on the claim as soon as practicable. The decision must be in writing and include the reasons for the decision. A copy of each final decision must be sent to the claimant, including, for a claim that is granted, an explanation of the form in which the claim will be paid.

Subd. 5. [RECORD.] Any appearance by a claimant or witnesses must be tape recorded but a formal record pursuant to chapter 14 is not required.

Sec. 15. [115B.35] [AMOUNT AND FORM OF PAYMENT.]

If the board decides to grant compensation, it shall determine the net uncompensated loss payable to the claimant by computing the total amount of compensable losses payable to the claimant and subtracting the total amount of any compensation received by the claimant for the same injury or damage from other sources including, but not limited to, all forms of insurance and social security and any emergency award made by the board. The board

shall pay compensation in the amount of the net uncompensated loss, provided that no claimant may receive more than \$250,000.

Compensation from the fund may be awarded in a lump sum or in installments at the discretion of the board.

Sec. 16. [115B.36] [ATTORNEY FEES.]

The board may by rule limit the fee charged by any attorney for representing a claimant before the board.

Sec. 17. [115B.37] [PARTIAL RECOUPMENT.]

At the end of each fiscal year, the board shall certify to the commissioner of revenue the amount expended from the fund to compensate persons injured by hazardous substances less amounts recovered under subrogation claims under section 10. The commissioner of revenue shall compute the rate of a surtax to be added to the hazardous waste generator tax in section 115B.22 which, collected over the next calendar year, will recoup 50 percent of the expenditures made from the fund during the previous fiscal year in excess of the subrogation claims recovered. The computation by the commissioner of the rate in this section shall not be considered a rule and shall not be subject to the administrative procedure act contained in chapter 14. The surtax is imposed effective January 1, 1987. Surtaxes collected under this section must be deposited in the fund.

Sec. 18. [APPROPRIATION.]

\$2,000,000 is appropriated from the general fund to the hazardous substance injury compensation fund, to be available until expended. Up to \$250,000 of this appropriation may be used for staff assistance, administrative services, and office space."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon insert "creating a hazardous substance injury compensation fund; establishing a board to administer compensation; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; providing for partial recoupment of expenditures from hazardous waste generators; appropriating money;"

The question was taken on the adoption of the amendment.

Mr. Peterson, C.C. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 43 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Pehler	Sieloff
Anderson	Dietrich	Knaak	Peterson, D.C.	Solon
Belanger	Frank	Laidig	Peterson, D.L.	Storm
Berg	Gustafson	Lessard	Petty	Stumpf
Berglin	Hughes	McQuaid	Pogemiller	Taylor
Bertram	Isackson	Merriam	Ramstad	Waldorf
Davis	Johnson, D.E.	Nelson	Reichgott	Wegscheid
DeCramer	Johnson, D.J.	Novak	Renneke	
Dicklich	Jude	Olson	Samuelson	

Messrs. Peterson, R. W. and Vega voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 268, the unofficial engrossment, as follows:

Page 3, after line 20, insert:

“Sec. 5. [ASSIGNED RISK PLAN.]

Subdivision 1. The commissioner of commerce shall establish an environment impairment liability assigned risk plan pursuant to this subdivision.

Subd. 2. The purpose of the assigned risk plan is to provide coverage required by this statute to persons rejected pursuant to this subdivision.

Subd. 3. An insurer that refuses to write the coverage required by this subdivision shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the executive director of the pollution control agency and with the assigned risk plan at the time of application for coverage under the plan.

Subd. 4. The commissioner of commerce may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13) or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services shall possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for shall be an obligation of the assigned risk plan.

Subd. 5. The commissioner of commerce may assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (13) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner of commerce determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multi-peril, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

Subd. 6. Policies and contracts of coverage issued pursuant to this subdivision shall contain the usual and customary provisions of liability insurance policies, and shall contain the minimum coverage required by this subdivision.

Subd. 7. Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15.

Subd. 8. Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan approved by the commissioner of commerce. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner of commerce shall fix the compensation received by the agent of record.

Subd. 9. The commissioner of commerce shall adopt rules, including

emergency rules, as may be necessary to implement this subdivision. The rules may include:

- (a) appeal procedures from actions of the assigned risk plan;
- (b) formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of commerce regarding operation of the plan; and
- (c) applicable rating plans and rating standards."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "providing for establishment of an assigned risk plan;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 40, as follows:

Those who voted in the affirmative were:

Dicklich	Hughes	Luther	Nelson	Pogemiller
Diessner	Johnson, D.J.	Moe, D.M.	Peterson, D.C.	Reichgott

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, D.E.	Merriam	Sieloff
Anderson	Davis	Jude	Pehler	Solon
Belanger	DeCramer	Kamrath	Peterson, C.C.	Storm
Benson	Dieterich	Knaak	Peterson, D.L.	Stumpf
Berg	Frank	Kronebusch	Peterson, R.W.	Taylor
Bernhagen	Frederick	Laidig	Petty	Vega
Bertram	Gustafson	Lessard	Ramstad	Waldorf
Brataas	Isackson	McQuaid	Renneke	Wegscheid

The motion did not prevail. So the amendment was not adopted.

Mr. Pogemiller then moved to amend H.F. No. 268, the unofficial engrossment, as follows:

Page 3, after line 20, insert:

"Sec. 5. [INSURANCE STUDY.]

The commissioner of commerce shall study and develop a plan for creation and implementation of an environment impairment liability reinsurance association similar to the workers compensation reinsurance association created by Minnesota Statutes, sections 79.34 to 79.38. The commissioner shall report the plan to the committee on economic development and commerce of the senate and the committee on commerce of the house of representatives by October 1, 1985."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "requiring a study and a report to the legislature;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 35, as follows:

Those who voted in the affirmative were:

Davis	Dieterich	Luther	Novak	Pogemiller
DeCramer	Hughes	Moe, D.M.	Peterson, D.C.	Reichgott
Dicklich	Johnson, D.J.	Nelson	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Brataas	Jude	Merriam	Renneke
Anderson	Chmielewski	Kamrath	Moe, R.D.	Sieloff
Belanger	Frank	Knaak	Olson	Storm
Benson	Frederick	Kronebusch	Pehler	Stumpf
Berg	Gustafson	Laidig	Peterson, C.C.	Taylor
Bernhagen	Isackson	Lessard	Peterson, D.L.	Waldorf
Bertram	Johnson, D.E.	McQuaid	Ramstad	Wegscheid

The motion did not prevail. So the amendment was not adopted.

H.F. No. 268 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 46 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Olson	Solon
Anderson	Dicklich	Jude	Pehler	Storm
Belanger	Diessner	Kamrath	Peterson, C.C.	Stumpf
Benson	Dieterich	Knaak	Peterson, D.L.	Taylor
Berg	Frank	Kronebusch	Petty	Waldorf
Bernhagen	Frederick	Laidig	Purfeerst	Wegscheid
Bertram	Gustafson	Lessard	Ramstad	
Brataas	Hughes	Merriam	Reichgott	
Chmielewski	Isackson	Moe, R.D.	Renneke	
Davis	Johnson, D.E.	Novak	Sieloff	

Those who voted in the negative were:

Luther	Moe, D.M.	Peterson, D.C.	Pogemiller	Vega
McQuaid	Nelson	Peterson, R.W.		

So the bill, as amended, passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mrs. Kronebusch moved that the following members be excused for a Conference Committee on H.F. No. 968 from 2:30 to 3:00 p.m.:

Messrs. Nelson, Waldorf and Mrs. Kronebusch. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on S.F. No. 348 at 4:00 p.m.:

Messrs. Merriam, Ramstad and Petty. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pehler moved that the following members be excused for a Conference Committee on S.F. No. 647 from 4:00 to 5:20 p.m.:

Ms. Olson, Messrs. Moe, D.M. and Pehler. The motion prevailed.

SPECIAL ORDER

S.F. No. 1127: A bill for an act relating to children; expanding the definition of a medically neglected child; providing for intervention by commissioner of human services after a report of medical neglect; requiring the local agency to report and initiate proceedings in cases of medical neglect; amending Minnesota Statutes 1984, sections 260.015, subdivision 10; 626.556, subdivisions 2 and 10, and by adding a subdivision.

Mr. Chmielewski moved to amend S.F. No. 1127 as follows:

Page 7, line 5, after "shall" insert "*in addition to its other duties under this section,*"

Page 7, line 8, delete everything after "and"

Page 7, delete lines 9 to 11 and insert "*shall immediately secure an independent medical review of the infant's medical charts and records and, if necessary, seek a court order for an independent medical examination of the infant. If the review or examination leads to a conclusion of medical neglect, the agency shall intervene on behalf of the infant by initiating legal proceedings under section 260.131 and by filing an expedited motion to prevent the withholding of medically indicated treatment.*"

CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on S.F. No. 1127. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Petty moved to amend the Chmielewski amendment to S.F. No. 1127 as follows:

Page 1, line 5, after "shall" insert "*if necessary,*"

The question was taken on the adoption of the Petty amendment to the Chmielewski amendment.

The roll was called, and there were yeas 13 and nays 34, as follows:

Those who voted in the affirmative were:

Berglin	Diessner	Nelson	Peterson, R.W.	Reichgott
Brataas	Dieterich	Novak	Petty	
Dicklich	Luther	Peterson, D.C.	Pogemiller	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	Lessard	Storm
Anderson	DeCramer	Johnson, D.J.	McQuaid	Stumpf
Belanger	Frank	Jude	Peterson, C.C.	Taylor
Berg	Frederick	Kamrath	Peterson, D.L.	Vega
Bernhagen	Gustafson	Knutson	Renneke	Waldorf
Bertram	Hughes	Kronebusch	Sieloff	Wegscheid
Chmielewski	Isackson	Laidig	Solon	

The motion did not prevail. So the amendment to the amendment was not

adopted.

The question recurred on the Chmielewski amendment.

The roll was called, and there were yeas 38 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	McQuaid	Storm
Anderson	DeCramer	Kamrath	Peterson, C.C.	Stumpf
Belanger	Frank	Knaak	Peterson, D.L.	Taylor
Benson	Frederick	Kronebusch	Renneke	Vega
Berg	Hughes	Laidig	Samuelson	Waldorf
Bernhagen	Isackson	Langseth	Schmitz	Wegscheid
Bertram	Johnson, D.E.	Lantry	Sieloff	
Chmielewski	Johnson, D.J.	Lessard	Solon	

Those who voted in the negative were:

Berglin	Diessner	Freeman	Peterson, D.C.	Pogemiller
Brataas	Dieterich	Novak	Peterson, R.W.	Reichgott
Dicklich				

The motion prevailed. So the amendment was adopted.

Mr. Diessner moved to amend S.F. No. 1127 as follows:

Page 1, after line 11, insert:

“Section 1. [145.99] [TREATMENT OF TERMINAL CONDITION; POLICY.]

The legislature finds that all competent adults have the fundamental right to control decisions relating to their own medical care, including the decision to have medical treatment withheld or withdrawn. It is the intent of the legislature that a treating physician should honor an adult's desire to withhold or withdraw treatment, other than appropriate nutrition, hydration, or medication, when, in the treating physician's reasonable medical judgment:

(1) *the person is chronically and irreversibly comatose;*

(2) *the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the person's life-threatening conditions, or otherwise be futile in terms of the survival of the person; or*

(3) *the provision of the treatment would be virtually futile in terms of the survival of the person and the treatment itself under the circumstances would be inhumane.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete “children” and insert “health”

Page 1, line 6, after the semicolon insert “stating legislative policy regarding treatment of terminal conditions;”

Page 1, line 9, before the period insert “; proposing coding for new law in Minnesota Statutes, chapter 145”

Mr. Waldorf questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Peterson, R.W. moved to amend the Chmielewski amendment to S.F. No. 1127, adopted by the Senate May 17, 1985, as follows:

Page 1, line 9, delete "or" and insert "and"

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1127 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Merriam	Samuelson
Anderson	Frank	Knutson	Moe, R.D.	Schmitz
Belanger	Frederick	Kroening	Novak	Sieloff
Benson	Freeman	Kronebusch	Olson	Solon
Berg	Gustafson	Laidig	Pehler	Storm
Bernhagen	Hughes	Langseth	Peterson, C.C.	Stumpf
Bertram	Isackson	Lantry	Peterson, D.L.	Taylor
Chmielewski	Johnson, D.E.	Lessard	Purfeerst	Vega
Dahl	Johnson, D.J.	Luther	Ramstad	Waldorf
Davis	Jude	McQuaid	Reichgott	Wegscheid
DeCramer	Kamrath	Mehrkens	Renneke	Willet

Those who voted in the negative were:

Berglin	Dicklich	Moe, D.M.	Peterson, D.C.	Petty
Brataas	Dieterich	Nelson	Peterson, R.W.	Pogemiller

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Kronebusch moved that S.F. No. 1224, No. 13 on General Orders, be stricken and re-referred to the Committee on Elections and Ethics. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:00 p.m. The motion prevailed.

The hour of 6:00 p.m. having arrived, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Frederickson moved that H.F. No. 738, No. 5 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Ms. Reichgott moved that S.F. No. 863 be taken from the table. The motion prevailed.

S.F. No. 863: A bill for an act relating to commerce; modifying the definition of credit card to include other types of instruments; prescribing criminal penalties for financial transaction card fraud; amending Minnesota Stat-

utes 1984, sections 325G.02, subdivisions 2 and 4; 325G.03; 325G.04; 325G.041; 325G.05; 609.52, subdivisions 1 and 2; and 609.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

Ms. Reichgott moved that the Senate do not concur in the amendments by the House to S.F. No. 863, 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.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 650: Messrs. Pogemiller, Knaak and Luther.

S.F. No. 863: Ms. Reichgott, Messrs. Luther and Ramstad.

H.F. No. 850: Messrs. Hughes, Luther and Johnson, D.E.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Storm moved that S.F. No. 1238 be taken from the table. The motion prevailed.

S.F. No. 1238: A bill for an act relating to intoxicating liquor; authorizing the issuance of temporary on-sale intoxicating liquor licenses; amending Minnesota Statutes 1984, section 340.11, by adding a subdivision.

CONCURRENCE AND REPASSAGE

Mr. Storm moved that the Senate concur in the amendments by the House to S.F. No. 1238 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1238: A bill for an act relating to intoxicating liquor; authorizing beer wholesalers to provide certain equipment to retailers; authorizing the issuance of temporary on-sale intoxicating liquor licenses; amending Minnesota Statutes 1984, sections 340.031, subdivision 2; 340.11, by adding a subdivision; and 340.405.

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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lantry	Peterson, D.L.	Solon
Anderson	Frederick	Lessard	Peterson, R.W.	Storm
Benson	Freeman	Luther	Petty	Stumpf
Bernhagen	Johnson, D.E.	Mehrkens	Pogemiller	Vega
Bertram	Johnson, D.J.	Merriam	Purfeerst	Waldorf
Chmielewski	Jude	Moe, R.D.	Ramstad	Wegscheid
Dahl	Knaak	Nelson	Reichgott	Willet
Davis	Kroening	Novak	Renneke	
DeCramer	Kronebusch	Olson	Samuelson	
Dicklich	Langseth	Pehter	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 828, 1243 and 1018.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 828: A bill for an act relating to economic security; clarifying the community action program financial assistance requirements; amending Minnesota Statutes 1984, sections 268.52, subdivisions 1 and 2; and 268.53, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1246, now on General Orders.

H.F. No. 1243: A bill for an act relating to the Minnesota historical society; requiring it to develop instructional materials on Minnesota history and government; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1002, now on General Orders.

H.F. No. 1018: A bill for an act relating to human services; requiring contribution by the parent of a child for full assistance expenditures; amending Minnesota Statutes 1984, section 256.87, subdivision 1.

Referred to the Committee on Finance.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Petty introduced—

S.F. No. 1553: A bill for an act relating to horse racing; imposing a tax for the funding of social services programs; amending Minnesota Statutes 1984, section 240.15, subdivisions 1 and 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Petty, Diessner, Sieloff and Luther introduced—

S.F. No. 1554: A bill for an act relating to children; establishing a presumption in favor of joint legal and physical custody when both parents agree; establishing a preference for joint custody when one parent requests it; establishing a preference for awarding sole custody to the parent more likely to allow the child frequent and continuing contact with the noncustodial parent; requiring courts to make specific findings and rulings in apportioning custody; providing for modification of custody orders; mandating that access to health and school records be available to parents regardless of custody arrangements; amending Minnesota Statutes 1984, section 518.17, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Petty, Mrs. Lantry, Messrs. Diessner, Storm and Ms. Berglin introduced—

S.F. No. 1555: A bill for an act relating to human services; requiring county boards to provide services to mentally ill persons; specifying duties of the commissioner; authorizing rulemaking; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 253C.

Referred to the Committee on Health and Human Services.

Mr. Petty, Mrs. Lantry and Mr. Benson introduced—

S.F. No. 1556: A bill for an act relating to animals; authorizing a statewide program of spaying and neutering dogs and cats; creating a spaying and neutering fund; imposing a surcharge on certain pet food sold in Minnesota; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 343.

Referred to the Committee on Veterans and General Legislation.

Mr. Petty, Mrs. Lantry and Mr. Johnson, D.E. introduced—

S.F. No. 1557: A bill for an act relating to child abuse; authorizing the commissioner of human services to order the suspension of facility employees accused of child abuse, pending investigation or prosecution; amending Minnesota Statutes 1984, section 626.556, subdivision 10b.

Referred to the Committee on Health and Human Services.

Messrs. DeCramer and Peterson, R.W. introduced—

S.F. No. 1558: A bill for an act relating to natural resources; creating water and soil resources board; transferring responsibilities; prescribing penalties;

amending Minnesota Statutes 1984, sections 378.01; 378.02; 378.03; 378.04; 378.05; 378.06; 378.08; 378.09; 378.20; 378.21; 378.22; 378.31; 378.32; 378.33; 378.34; 378.35; 378.41; 378.42; 378.43; 378.45; 378.46; 378.47; 378.51; 378.52; 378.53; 378.54; 378.55; 378.56; and 378.57; proposing coding for new law as Minnesota Statutes, chapter 103; repealing Minnesota Statutes 1984, sections 40.01; 40.02; 40.03; 40.035; 40.036; 40.038; 40.04; 40.05; 40.06; 40.07; 40.071; 40.072; 40.073; 40.075; 40.12; 40.13; 40.14; 40.15; 40.19; 40.20; 40.21; 40.22; 40.23; 40.24; 40.25; 40.26; 40.27; 40.28; 104.01; 104.02; 104.03; 104.04; 104.05; 104.06; 104.07; 104.08; 104.25; 104.31; 104.32; 104.33; 104.34; 104.35; 104.36; 104.37; 104.38; 104.39; 104.40; 104.42; 104.43; 104.44; 104.45; 104.46; 104.47; 104.48; 104.49; 104.50; 105.37; 105.38; 105.39; 105.391; 105.392; 105.40; 105.403; 105.405; 105.41; 105.415; 105.416; 105.417; 105.418; 105.42; 105.43; 105.44; 105.45; 105.46; 105.461; 105.462; 105.463; 105.471; 105.475; 105.48; 105.482; 105.484; 105.485; 105.49; 105.50; 105.51; 105.52; 105.521; 105.53; 105.535; 105.541; 105.55; 105.63; 105.64; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 105.81; 110.13; 110.14; 110.15; 110.16; 110.17; 110.18; 110.31; 110.32; 110.33; 110.34; 110.35; 110.36; 110.37; 110.38; 110.39; 110.40; 110.46; 110.47; 110.48; 110.49; 110.50; 110.51; 110.52; 110.53; 111.65; 111.66; 111.67; 111.68; 111.69; 111.70; 111.71; 111.72; 111.73; 111.74; 111.75; 111.76; 111.77; 111.78; 111.79; 111.80; 111.81; 111.82; 114.12; 114.13; 114B.01; 114B.02; 114B.03; 114B.031; 114B.04; 114B.05; 114B.06; 114B.07; 116C.40; and 116C.41.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. DeCramer, Davis and Wegscheid introduced—

S.F. No. 1559: A bill for an act relating to agriculture; making changes related to agricultural credit and agricultural collateral; changing priority of security interests related to agricultural products; amending Minnesota Statutes 1984, sections 336.9-307; 336.9-312; 336.9-315; 336.9-402; and 336.9-403; proposing coding for new law in Minnesota Statutes, chapter 514.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Johnson, D.J.; Schmitz; Lessard; Nelson and Renneke introduced—

S.F. No. 1560: A bill for an act relating to metropolitan government; permitting the issuance of bonds to make certain improvements to sports facilities; amending Minnesota Statutes 1984, section 473.581, subdivisions 1 and 2, and by adding a subdivision.

Referred to the Committee on Economic Development and Commerce.

Messrs. Purfeerst, Langseth, Frederick and Solon introduced—

S.F. No. 1561: A bill for an act relating to traffic regulations; authorizing commissioner of transportation to issue special permit for three-vehicle combination exceeding length and weight restrictions to travel on certain interstate highways; prescribing fees; amending Minnesota Statutes 1984,

sections 169.81, subdivision 2; and 169.86, subdivision 5, and by adding a subdivision.

Referred to the Committee on Transportation.

MEMBERS EXCUSED

Mr. Spear was excused from the Session of today. Mr. Schmitz was excused from the Session of today from 12:00 to 1:00 p.m. Mr. Dicklich was excused from the Session of today from 12:30 to 1:30 p.m. Mr. Hughes was excused from the Session of today from 1:00 to 1:30 p.m. Mr. Peterson, R.W. was excused from the Session of today from 12:00 to 1:00 p.m. Mr. Storm was excused the Session of today from 12:00 to 2:15 p.m. Mr. Moe, R.D. was excused from the Session of today from 2:00 to 5:00 p.m. Messrs. Nelson; Pehler; Peterson, D.L.; Peterson, R.W. and Ms. Peterson, D.C. were excused from the Session of today from 4:00 to 6:00 p.m.

The following members were excused from today's Session for brief periods of time: Mr. Johnson, D.J. and Mrs. Kronebusch.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Saturday, May 18, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FOURTH DAY

St. Paul, Minnesota, Saturday, May 18, 1985

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Purfeerst imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Carole S. Lloyd.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Storm
Berg	Frederickson	Langseth	Peterson, D.C.	Stumpf
Berglin	Freeman	Lantry	Peterson, D.L.	Taylor
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Vega
Bertram	Hughes	Luther	Petty	Waldorf
Brataas	Isackson	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willet
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1523:

Messrs. Waldorf, Dicklich, Nelson, Hughes and Taylor. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641:

Messrs. Kroening, Willet, Luther, Dahl and Frederickson. The motion prevailed.

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Department of Employee Relations, Biennial Work Force Report, 1983-84; Department of Agriculture, Weather Modification Activities Report, 1984; State Board of Investment, Annual Report, 1984; Department of Health, Maternal and Child Health Services Block Grant, 1985; Metropolitan Council, Recommendation for a Speedskating Rink Site in the Metropolitan Area; Department of Labor and Industry, Prevailing Wage Division, Certification of Prevailing Wage Rates, 1985; Department of Administration, Public Broadcasting Equipment Grant Allocation Task Force Report, 1984; Department of Finance, State Agency Payment Record Report; Department of Education, ESV Computer Council, Micro-Fin Pilot Test Findings, 1985; Department of Human Services, Recommendations for Improving the Coordination and Cost-Effectiveness of the State's Response to Alcohol and Other Drug Problems, Biennial Report, 1985; Department of Labor and Industry, Workers' Compensation Report, 1984; Ombudsman for Corrections, Annual Report, 1984; Minnesota Housing Finance Agency, Housing Services Guide, 1985; Department of Health, Minnesota Health Care Markets: Cost Containment and Other Public Policy Goals, 1985; Metropolitan Council, Annual Report, 1984; Metropolitan Waste Control Commission, Program Budget, 1985; Department of Agriculture, Biennial Report, 1982-84; Regional Transit Board, Proposed Work Program and Budget, 1985; Minnesota Housing Finance Agency, Biennial Report, 1984-85; Legislative Commission on Waste Management, A Study of Compensation for Victims of Hazardous Substance Exposure, 1984; Highway Study Commission, Final Report, 1984; Minnesota Zoological Garden, Annual Report, 1984; Department of Transportation, Rail User Loan Guarantee Program, 1984; Pollution Control Agency, Biennial Report, 1984; Department of Employee Relations, Report of the Task Force on Employee Development, 1984; Supreme Court, Legal Needs of the Poor in Minnesota, An Assessment of the Unmet Need, 1984; Mississippi Headwaters Board, Biennial Report, 1983-85; Minnesota Racing Commission, Annual Report, 1984; Department of Finance, Actions Taken by the Legislative Advisory Commission, 1983-85; St. Paul Teachers' Retirement Fund Association, Retirees Using the Rule of 85; Minnesota-Wisconsin Boundary Area Commission, 1983-84; Department of Corrections, Task Force on Sexual Exploitation by Counselors and Therapists, 1985; Department of Economic Security, Minnesota Housing Finance Agency, Temporary Housing Demonstration Program, 1985; Department of Health, Sudden Infant Death Syndrome, 1985; Department of Finance, An Evaluation of School District Cash Flow, 1985; Department of Public Safety, Bicycle Registration Progress Report, 1985; Department of Health, Community Health Services Systems in Minnesota, 1985; Department of Natural Resources, White Earth Land Titles, 1985; Department of Health, Summary of Health Related Regulatory Boards' Reports, Biennium, 1983-84; Department of Revenue, Railroads; Methods of Valuing Operating Property and the Amounts of Tax Payments, 1985; Department of Revenue, Tax Expenditure Budget, 1984-87; Department of Natural Resources, Three-Wheeled Off-Road Vehicle Gasoline Consumption in Minnesota, 1985; State Board of Investment, External Money Manager Report, 1984; Health Facility Complaints, Annual Report, 1984; Department of Human Services, Mental Health Division, Study of the Availability of Services to People with Mental Illness Problems, 1985; Department of Human Services, Mental Health Division, Treatment of

Compulsive Gamblers, 1985; Department of Health, An Assessment of the Impact of the Moratorium on the Medical Assistance Certification of Nursing Home and Boarding Care Home Beds, 1985; Department of Public Safety, Bureau of Criminal Apprehension; State Planning Agency, State Planning Programs, 1985; Supreme Court, Civil Filing Fee Surcharge, 1985.

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. 455, 566, 1202, 1320, 319, 374, 547, 675, 147, 643 and 821.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 882: A bill for an act relating to commerce; clarifying submission of applications for directors and officers liability insurance; providing for the withdrawal of certain registration statements; broadening the securities transaction exemptions for isolated sales and limited offerings; repealing the securities transaction for preorganization offerings; simplifying an exemption from franchise registration; providing for disclosure of representation by real estate brokers and salespersons; expanding those officers who may verify corporate broker licenses; altering re-examination requirements for brokers and salespersons who fail to renew their licenses; altering the unclaimed property reporting deadline for life insurance companies; raising the aggregation amount for holders reporting unclaimed property; specifying dates for notifying and advertising owners of abandoned property; and providing for the notification of all lienholders by a unit owners association in an assessment lien foreclosure; amending Minnesota Statutes 1984, sections 60A.08, by adding a subdivision; 80A.10, by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 2; 80C.03; 82.19, subdivision 3, and by adding a subdivision; 82.20, subdivision 4; 82.21, subdivision 1; 82.22, subdivision 10; 82.24, subdivision 4; 345.41; 345.42, subdivisions 1 and 3; and 515A.3-115; proposing coding for new law in Minnesota Statutes, chapter 82.

Senate File No. 882 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Ms. Peterson, D.C. moved that S.F. No. 882 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 con-

currence of the Senate is respectfully requested:

S.F. No. 1219: A bill for an act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; providing for appeals; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; 112.401; and 473.882, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, subdivision 6.

Senate File No. 1219 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 1219 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1219: A bill for an act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; providing for appeals; permitting certain insurance; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; 112.401; 471.98, subdivision 2; and 473.882, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, subdivision 6.

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 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Olson	Schmitz
Anderson	Dieterich	Kronebusch	Pehler	Solon
Bernhagen	Frank	Lantry	Peterson, C.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, D.C.	Wegscheid
Chmielewski	Gustafson	Luther	Peterson, R.W.	Willet
Dahl	Hughes	McQuaid	Petty	
Davis	Isackson	Moe, D.M.	Purfeerst	
DeCramer	Jude	Nelson	Ramstad	
Dicklich	Kamrath	Novak	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. 1225: A bill for an act relating to agriculture; exempting manufactured home parks and recreational camping areas from food handling licenses; regulating organically grown foods; amending Minnesota Statutes 1984, section 28A.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 31.

Senate File No. 1225 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

CONCURRENCE AND REPASSAGE

Mr. Davis moved that the Senate concur in the amendments by the House to S.F. No. 1225 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1225: A bill for an act relating to agriculture; exempting manufactured home parks and recreational camping areas from food handling licenses; regulating organic foods; amending Minnesota Statutes 1984, section 28A.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 31.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Reichgott
Anderson	Dieterich	Knaak	Olson	Renneke
Belanger	Frank	Kroening	Pehler	Samuelson
Benson	Frederick	Kronebusch	Peterson, C.C.	Schmitz
Bernhagen	Frederickson	Laidig	Peterson, D.C.	Solon
Bertram	Freeman	Langseth	Peterson, D.L.	Storm
Brataas	Gustafson	Lantry	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Lessard	Petty	Wegscheid
Dahl	Isackson	Luther	Pogemiller	Willet
Davis	Johnson, D.E.	McQuaid	Purfeerst	
DeCramer	Jude	Moe, D.M.	Ramstad	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 919: A bill for an act relating to agriculture; limiting security interests in farm product proceeds; protecting buyers when subject to a security interest; amending Minnesota Statutes 1984, sections 336.9-306; and

336.9-307.

Senate File No. 919 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 919 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 919: A bill for an act relating to commerce; providing for registration of crop and livestock buyers and wholesale produce dealers in licensing application; establishing a registration system for buyers of farm products; describing when farm products are purchased subject to a security interest; restricting certain financing statements to only cover crops; requiring secured parties to send termination statements to debtors under certain circumstances; appropriating money; amending Minnesota Statutes 1984, sections 17A.04, subdivisions 2, 5, and by adding a subdivision; 27.03; 223.17, by adding a subdivision; 336.9-307; 336.9-402; 336.9-403; 336.9-404; 386.42; proposing coding for new law as Minnesota Statutes, chapter 223A; repealing Minnesota Statutes 1984, section 386.43.

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 49 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Moe, R.D.	Reichgott
Anderson	Dieterich	Knaak	Olson	Renneke
Belanger	Frank	Kronebusch	Pehler	Samuelson
Berglin	Frederick	Laidig	Peterson, C.C.	Schmitz
Bernhagen	Freeman	Langseth	Peterson, D.C.	Solon
Bertram	Gustafson	Lantry	Peterson, D.L.	Storm
Brataas	Hughes	Lessard	Peterson, R.W.	Stumpf
Chmielewski	Isackson	Luther	Petty	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Willet
DeCramer	Jude	Moe, D.M.	Ramstad	

Messrs. Davis, Frederickson and Kroening 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 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. 35: A bill for an act relating to crimes; requiring health professionals to report suspicious wounds to law enforcement authorities; amend-

ing Minnesota Statutes 1984, section 626.52.

There has been appointed as such committee on the part of the House:

Bennett, Ozment and Rodosovich.

Senate File No. 35 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of five members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 43: A bill for an act relating to transportation; regulating motor carriers; establishing gross vehicle weight limits for courier service vehicles; providing that hours of service rules do not apply to farm vehicles; exempting certain farm vehicles from the vehicle identification rule; providing for rescission of canceled permits if a carrier has insurance coverage; excluding modular home movers from regulation as building movers; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 174A.06; 221.011, subdivisions 13 and 25; 221.025; 221.031, subdivisions 2 and 6; 221.131, by adding a subdivision; 221.161, subdivision 1; 221.185, subdivision 4, and by adding a subdivision; 221.231; 221.291, subdivision 1; 221.65; 221.67; 221.68; 221.81, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1984, sections 221.296, subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66.

There has been appointed as such committee on the part of the House:

Johnson; Carlson, D.; Bennett; Dempsey and Lieder.

Senate File No. 43 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

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. 196: A bill for an act relating to crimes; requiring the county attorney to prosecute failure to report child abuse or neglect; providing for the reporting of child abuse or neglect; defining certain terms; clarifying immunity from liability for reporting child abuse or neglect; providing for concise summaries of disposition of reports; making technical changes; prescribing penalties; amending Minnesota Statutes 1984, sections 388.051, subdivision 2; and 626.556, subdivisions 1, 2, 3, 4, 4a, 5, 6, 9, and 11.

There has been appointed as such committee on the part of the House:

Levi, Blatz and Greenfield.

Senate File No. 196 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

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. 251: A bill for an act relating to nursing homes; establishing an educational program for resident and family advisory councils; authorizing a surcharge on license fees; requiring evaluation and a report to the legislature by the Minnesota board on aging; appropriating money; amending Minnesota Statutes 1984, sections 256B.421, subdivision 8; and 256B.431, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 144A.

There has been appointed as such committee on the part of the House:

Boo, Greenfield and Clausnitzer.

Senate File No. 251 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

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. 623: A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1984, sections 518.552; and 518.64, subdivision 2.

There has been appointed as such committee on the part of the House:

Bishop, Halberg and Cohen.

Senate File No. 623 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

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. 647: A bill for an act relating to education; Minnesota Educational Computing Corporation; removing some limits on its powers; providing for compliance with certain bidding laws for management computing services; amending Minnesota Statutes 1984, sections 119.04, subdivision 2;

119.05, subdivision 2; and 119.07.

There has been appointed as such committee on the part of the House:

Erickson, Knuth and Hartle.

Senate File No. 647 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

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. 818: A bill for an act relating to employment and economic opportunity; providing for the streamlining and coordination of job, economic development, and income-maintenance programs; setting as dual goals the lowering of unemployment rates and welfare caseloads; creating the councils for the hearing impaired and for the blind; abolishing the department of economic security; creating a new department of employment and training; transferring responsibilities of the department of economic security to the department of employment and training and the department of human services; transferring certain employment and training functions of the department of human services and the department of administration to the department of employment and training; providing for biennial statewide plans for employment and training and apprenticeships; providing for coordination of state and federal jobs programs; establishing community investment programs; granting rulemaking authority; changing formulas for paying local agencies for general assistance grants to recipients subject to work requirements; removing a sunset provision from the Minnesota emergency employment development act; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 86.33, by adding subdivisions; 116J.035, by adding a subdivision; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 129A.02, subdivision 2; 136.63, by adding a subdivision; 136C.06; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.736; 256.737; 256C.24; 256C.25; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.04, by adding subdivisions; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; and 268.686; proposing coding for new law in Minnesota Statutes, chapters 256C and 268; proposing coding for new law as Minnesota Statutes, chapters 267 and 268A; repealing Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; and 268.81.

There has been appointed as such committee on the part of the House:

Quist, Frerichs and Zaffke.

Senate File No. 818 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

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. 1183: A bill for an act relating to intoxicating liquor; providing for issuance of licenses within Indian country; allowing the sales between collectors of discontinued brands of beer in cans; authorizing the issuance of on-sale licenses in certain theaters in Minneapolis; amending Minnesota Statutes 1984, section 340.11, subdivision 15, and by adding a subdivision.

There has been appointed as such committee on the part of the House:

Bennett, Marsh and Osthoff.

Senate File No. 1183 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 245, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 245 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 245

A bill for an act relating to crimes; clarifying elements of the crime of depriving another of custodial or parental rights; amending Minnesota Statutes 1984, section 609.26, subdivisions 1 and 2.

May 16, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 245, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Gloria Segal, Kathleen Blatz, David T. Bishop

Senate Conferees: (Signed) Lawrence J. Pogemiller, Linda Berglin, Dean

E. Johnson

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 245 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 245 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	DeCramer	Kamrath	Moe, D.M.	Reichgott
Belanger	Diessner	Knaak	Moe, R.D.	Renneke
Benson	Dieterich	Kroening	Olson	Schmitz
Berg	Frank	Kronebusch	Pehler	Sieloff
Berglin	Frederick	Laidig	Peterson, D.C.	Solon
Bernhagen	Frederickson	Langseth	Peterson, D.L.	Storm
Bertram	Gustafson	Lantry	Peterson, R.W.	Stumpf
Brataas	Hughes	Lessard	Petty	Vega
Chmielewski	Isackson	Luther	Pogemiller	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 282, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 282 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 282

A bill for an act relating to education; declaring the mission of public elementary and secondary education in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 120.

May 16, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 282, report that we have

agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 282 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [120.011] [PURPOSE STATEMENT.]

In accordance with the responsibility vested in the legislature in the Minnesota Constitution, article XIII, section 1, the legislature declares that the purpose of public education in Minnesota is to help all individuals acquire knowledge, skills, and positive attitudes toward self and others that will enable them to solve problems, think creatively, continue learning, and develop maximum potential for leading productive, fulfilling lives in a complex and changing society.

Sec. 2. Minnesota Statutes 1984, section 128A.01, is amended to read:

128A.01 [LOCATION.]

The Minnesota ~~school~~ *state academy* for the deaf and the Minnesota ~~braille and sight-saving school~~ *state academy for the blind* shall be continued at Faribault, and shall be grouped and classed with the educational institutions of the state.

Sec. 3. Minnesota Statutes 1984, section 128A.02, is amended to read:

128A.02 [TRANSFER OF AUTHORITY STATE BOARD DUTIES AND POWERS.]

Subdivision 1. The state board of education ~~shall be~~ *is* responsible for the control, management and administration of the Minnesota ~~school state academy for the deaf and the Minnesota braille and sight-saving school state academy for the blind; and all the property real or personal appertaining thereto.~~ *At the request of the state board, the department of education shall be responsible for program leadership, program monitoring, and technical assistance at the academies. The department shall assist the state board in the preparation of reports.*

Subd. 1a. By July 1, 1986, the academies shall comply with the uniform financial accounting and reporting system under sections 121.90 to 121.917, subject to variances developed by the advisory council and adopted by the state board.

Subd. 2. The state board ~~may~~ *shall* promulgate rules regarding the operation of both ~~schools academies~~ and the individuals in attendance, and shall perform all duties necessary to provide the most beneficial and least restrictive program of education for each child handicapped by visual disability or hearing impairment.

Subd. 2a. The state board shall develop a two-year plan for the academies and update it annually. The plan shall include at least the following:

- (1) interagency cooperation;*
- (2) financial accounting;*
- (3) cost efficiencies;*
- (4) staff development;*

- (5) program and curriculum development;
- (6) use of technical assistance from the department;
- (7) criteria for program and staff evaluation;
- (8) pupil performance evaluation;
- (9) follow-up study of graduates;
- (10) implementation of the requirements of chapter 128A;
- (11) communication procedures with districts of pupils attending the academies; and
- (12) coordination between the instructional and residential programs.

The state board shall submit the plan and recommendations for improvement to the education committees of the legislature by January 15 of each odd-numbered year.

Subd. 3. The state board may employ central administrative staffs and other personnel as necessary to provide and support programs and services in each school academy. The board may shall place the position of the residential school academy administrator in the unclassified service and may place any other position in the unclassified service if the position it meets the criteria established in section 43A.08, subdivision 1a. These schools shall be academies are deemed to be public schools for the purposes of sections 125.03 and 125.04, and all teachers as defined in those sections who are employed at these schools shall be academies are subject to the standards of the board of teaching and the state board of education; provided that any teacher who does not meet these standards as of July 1, 1977 shall be required to meet these standards by September 15, 1980 in order to continue in employment. Instructional supervisory staff shall have appropriate post-secondary credits from a teacher education program for teachers of the deaf or blind and have experience in working with handicapped pupils.

Subd. 3a. All staff employed by the academy for the deaf are required to have sign language communication skills, as applicable. Staff employed by the academy for the blind must be knowledgeable in Braille communication, as applicable. The department of employee relations, in cooperation with the state board, shall develop a statement of necessary qualifications and skills for all staff. An employee hired after August 1, 1985 shall not attain permanent status until the employee is proficient in sign language communication skills or is knowledgeable in Braille communication, as applicable.

Subd. 4. The state board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could thus be provided in a more efficient and less expensive manner. The state board may also enter into contracts with public and private agencies and institutions, school districts or combinations thereof, and educational cooperative service units to provide supplementary educational instruction and services, including assessments and counseling.

Subd. 5. The state board of education may by agreement with teacher preparing institutions or accredited institutions of higher education arrange for practical experience in the Minnesota school academy for the deaf and the

Minnesota ~~braille and sight-saving school~~ *academy for the blind* for practice or student teachers, or for other students engaged in fields of study which prepare professionals to provide special services to handicapped children in school programs, who have completed not less than two years of an approved program in their respective fields. These student trainees shall be provided with appropriate supervision by a teacher licensed by the board of teaching or by a professional licensed or registered in the appropriate field of special services and shall be deemed employees of ~~the school for the deaf or the braille and sight-saving school~~ *either academy*, as applicable, for purposes of workers' compensation.

Subd. 6. The rules of the state board pursuant to this section shall establish procedures for admission to, *including short-term admission*, and discharge from the ~~schools~~ *academies*, for decisions on a child's program at the ~~schools~~ *academies* and for evaluation of the progress of children enrolled in the ~~schools~~ *academies*. *Discharge procedures must include reasonable notice to the district of residence.* These procedures shall guarantee children and their parents appropriate procedural safeguards, including a review of the placement determination made pursuant to sections 120.17 and 128A.05, and the right to participate in educational program decisions. Notwithstanding the provisions of section 14.02, proceedings concerning admission to and discharge from the ~~schools~~ *academies*, a child's program at the ~~schools~~ *academies* and a child's progress at the ~~schools~~ *academies* shall not be deemed to be contested cases subject to sections 14.01 to 14.70 but shall be governed instead by the rules of the state board pursuant to this section.

Sec. 4. Minnesota Statutes 1984, section 128A.03, is amended to read:

128A.03 [ADVISORY COUNCIL.]

Subdivision 1. The state board of education ~~may~~ *shall* appoint an advisory ~~task force council~~ *on the Minnesota School state academy for the Deaf and an advisory task force on the Minnesota braille and sight-saving School state academy for the blind* to advise the board on policies pertaining to the control, management, and administration of these ~~schools~~ *academies*.

Subd. 2. ~~If created~~ The members shall be representative of the various geographic regions of the state, shall include parents or guardians of visually disabled or hearing impaired children, shall include a staff representative of the applicable ~~school~~ *academy*, and shall include two representatives from groups representing the interests of visually disabled or hearing impaired individuals, as applicable. All members shall have knowledge, experience and interest in the problems of visually disabled or hearing impaired children.

Subd. 3. The ~~task forces~~ *shall expire and the terms, compensation and removal of council members shall be as provided in section 15.059, subdivisions 2, 3, and 4. The council shall not expire.*

Sec. 5. Minnesota Statutes 1984, section 128A.05, is amended to read:

128A.05 [ATTENDANCE.]

Subdivision 1. Any individual who is ~~between four and 21 years of age and who is deaf or hard of hearing~~ *impaired shall be is* entitled to attend the ~~school~~ *academy for the deaf* if it is determined, pursuant to the provisions of section 120.17, that the nature or severity of the hearing impairment is such

that education in regular or special education classes provided for by the school district of residence cannot be achieved satisfactorily and that attendance at the ~~school~~ *academy* would be the least restrictive alternative for that individual. *A deaf or hearing impaired child also may be admitted to acquire socialization skills. Short-term admission for skills development is also permitted.* Nothing in this subdivision shall be construed as a limitation on the attendance at this ~~school~~ *academy* of children who have other handicaps in addition to being deaf or ~~hard of hearing~~ *impaired*.

Subd. 2. Any individual who is ~~between four and 21 years of age and who is blind visually impaired, blind-deaf, or partially seeing multiple handicapped~~ *shall be* is entitled to attend the ~~braille and sight-saving school academy for the blind~~ if it is determined, pursuant to the provisions of section 120.17, that the nature or severity of the visual impairment is such that education in regular or special education classes provided for by the school district of residence cannot be achieved satisfactorily and that attendance at the ~~school~~ *academy* would be the least restrictive alternative for that individual. *A visually impaired child may be admitted to acquire socialization skills. Short-term admission for skills development is also permitted.* Nothing in this subdivision shall be construed as a limitation on the attendance at this ~~school~~ *academy* of children who have other handicaps in addition to being blind or ~~partially seeing~~ *visually impaired*.

Subd. 3. Attendance at the ~~school~~ *academy* for the deaf and the ~~braille and sight-saving schools academy for the blind~~ *shall be* is subject to the compulsory attendance provisions of section 120.10 except that attendance may be excused pursuant to that section by the commissioner of education or his designee. Any person failing to comply with the provisions of section 120.10 ~~shall be~~ is subject to the provisions of section 120.12. The superintendent of the applicable ~~school~~ *academy* shall exercise the duties imposed by section 120.12. Attendance at the ~~school~~ *academy* for the deaf or the ~~braille and sight-saving school academy for the blind~~ shall fulfill the mandatory requirements of section 120.17. *The academies are subject to sections 127.26 to 127.39.*

Sec. 6. [UFARS VARIANCES.]

The advisory council on uniform financial accounting and reporting standards shall develop variances to the standards to account for the unique financial status of the academies. The variances shall be reported to the state board by December 31, 1985.

Sec. 7. [EMPLOYEE TRAINING FOR COMMUNICATION AND BRAILLE SKILLS.]

The state board of education shall provide to people employed by the academies on August 1, 1985, training in sign language communications skills or Braille communication, according to the academy in which the person is employed. If an employee fails to become proficient in the appropriate communication method within 12 months after training is provided, that failure shall be grounds for dismissal, disciplinary action, or corrective action.

Sec. 8. [MANAGEMENT AND GOVERNANCE REPORT.]

The state planning agency shall coordinate a study with the management analysis unit of the department of administration, the department of finance,

the department of employee relations and the department of education of issues related to the academies. The study shall include but not be limited to the following:

- (1) the management organization structure;
- (2) the governance;
- (3) financing methods;
- (4) ratios;
- (5) student assessments;
- (6) admission and discharge criteria.

The state planning agency shall report to the senate and house education committees, the senate finance committee, and the house appropriations committee by January 1, 1986. The agency shall report to those committees by October 1, 1985, with a progress report. The actual cost of the study must be paid by the academies."

Delete the title and insert:

"A bill for an act relating to education; declaring the purpose of public education in Minnesota; changing the name of and provisions about the Minnesota school for the deaf and the Minnesota braille and sight saving school; requiring annual development of two-year plans for the academies; allowing for certain positions at the academies to be in the unclassified service; amending Minnesota Statutes 1984, sections 128A.01; 128A.02; 128A.03; and 128A.05; proposing coding for new law in Minnesota Statutes, chapter 120."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ken Nelson, Ben Boo, Peter Rodosovich

Senate Conferees: (Signed) James C. Pehler, Clarence M. Purfeerst, Gen Olson

Mr. Pehler moved that the foregoing recommendations and Conference Committee Report on H.F. No. 282 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. 282 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Reichgott
Anderson	DeCramer	Kamrath	Moe, R.D.	Renneke
Belanger	Diessner	Knaak	Olson	Schmitz
Benson	Dieterich	Kroening	Pehler	Sieloff
Berg	Frank	Kronebusch	Peterson, D.C.	Solon
Berglin	Frederick	Laidig	Peterson, D.L.	Storm
Bernhagen	Frederickson	Lantry	Peterson, R.W.	Stumpf
Bertram	Gustafson	Lessard	Petty	Vega
Brataas	Hughes	Luther	Pogemiller	Wegscheid
Chmielewski	Isackson	McQuaid	Purfeerst	Willet
Dahl	Johnson, D.E.	Merriam	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1109, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1109 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1109

A bill for an act relating to state government; concerning the state procurement of goods and services from small businesses; modifying geographical distribution requirements and preference program limitations; amending Minnesota Statutes 1984, section 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5.

May 16, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1109, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1109 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 16B.06, is amended by adding a subdivision to read:

Subd. 3a. [WARRANTIES.] A contract for the purchase of a product covered by a manufacturer's warranty must provide for servicing of the product under the warranty by the vendor or a designated agent of the vendor.

Sec. 2. Minnesota Statutes 1984, section 16B.19, subdivision 5, is amended to read:

Subd. 5. [CERTAIN SMALL BUSINESS PREFERENCES AND SET-ASIDES.] At least ~~six~~ nine percent of the value of all procurements shall be ~~set aside~~ awarded, if possible, for award to businesses owned and operated by socially or economically disadvantaged persons as defined in section 645.445 with their principal place of business in Minnesota. ~~In addition, three percent of the value of all procurements shall be designated for award under the preference program provided for below.~~ The commissioner shall

designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the set-aside for small businesses owned and operated by socially or economically disadvantaged persons for award to bidders from a specified congressional district or other geographical region specified by the commissioner. ~~The commissioner may allow small businesses owned and operated by socially or economically disadvantaged persons a five percent preference in the bid amount on selected state procurements. The commissioner may promulgate rules relative to the set-aside and preference programs provided for in this subdivision~~ *To reach a goal of nine percent, the commissioner must set aside at least three percent of all procurements for bidding only by small businesses owned and operated by socially or economically disadvantaged persons, may award a five percent preference in the amount bid on selected state procurements to small businesses owned and operated by socially or economically disadvantaged persons, or may utilize any other bidding process authorized by this chapter.* In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least ~~24~~ *nine* percent of the ~~set-aside awards value of all procurements~~, the commissioner shall award the ~~balance of the set-aside contracts remainder~~ to other small businesses. At least 50 percent of the value of the procurements awarded to businesses owned and operated by socially or economically disadvantaged persons shall actually be performed by the business to which the award is made or another business owned and operated by a socially or economically disadvantaged person or persons. The commissioner may not designate more than 20 percent of any commodity class for set-aside *or preference awards* to businesses owned and operated by socially or economically disadvantaged persons. A business owned and operated by socially or economically disadvantaged persons that has been awarded more than three-tenths of one percent of the value of the total anticipated procurements for a fiscal year under this subdivision is disqualified from receiving further set-aside or preference advantages for that fiscal year.

Sec. 3. Minnesota Statutes 1984, section 16B.19, subdivision 6, is amended to read:

Subd. 6. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 16B.17 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons *or that at least ten percent of the contract award be expended in purchasing materials or supplies from said person or persons. If there is no socially or economically disadvantaged person or persons or other small businesses able to perform the subcontract or to provide the supplies or materials, the construction contract or contract for consultant, professional, or technical services may be awarded notwithstanding the ten percent requirement provided that the ten percent requirement is made up in other such contracts awarded or to be awarded by the same agency.* Any subcontracting or purchasing of supplies and materials pursuant to this subdivision may not be included in determining the total amount of awards required by subdivisions 1, 2, and 5. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner

shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work *or supplying supplies and materials* on the prime contract and the dollar amount of the work performed or to be performed *or the supplies and materials to be supplied*.

This subdivision does not apply to prime contractors that are themselves small businesses owned and operated by socially or economically disadvantaged persons, as duly certified pursuant to section 16B.22.

Sec. 4. Minnesota Statutes 1984, section 16B.19, subdivision 9, is amended to read:

Subd. 9. [PROCUREMENT PROCEDURES.] All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply equally to procurements designated for small businesses. In the event of conflict with other rules, *section 16B.18 and rules adopted under it govern if section 16B.18 applies. If it does not apply, sections 16B.19 to 16B.22 and rules adopted under those sections govern.*

Sec. 5. Minnesota Statutes 1984, section 16B.19, is amended by adding a subdivision to read:

Subd. 10. [APPLICABILITY.] *This section does not apply to construction contracts or contracts for consultant, professional, or technical services pursuant to section 16B.17 which are financed in whole or in part with federal funds and which are subject to federal disadvantaged business enterprise regulations.*

Sec. 6. Minnesota Statutes 1984, section 16B.21, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of energy and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the

set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(3) the total dollar value and number of ~~set-aside~~ contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons ~~with appropriate designation as to~~ pursuant to each bidding process authorized by section 16B.19, subdivision 5; the total number and value of ~~set-aside~~ these contracts awarded to each small business and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state procurements the figures of total dollar value and the number of ~~set-asides~~ ~~reflect~~ contracts awarded by each bidding process; and

(4) the number of contracts which were designated and set aside pursuant to section 16B.19 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business, and the price at which these contracts were awarded pursuant to the normal procurement procedures.

The information required by paragraphs (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Sec. 7. Minnesota Statutes 1984, section 16B.22, is amended to read:

16B.22 [RULES.]

The commissioner shall adopt by rule standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 16B.19 to 16B.22. The rules shall provide that, *except for sheltered workshops and work activity programs*, certification as a small business owned and operated by socially or economically disadvantaged persons will be for a maximum of five years from the date of receipt of the first set-aside award, and that after the expiration of the certification period the business may not again be certified for a five-year period. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16B.19 to 16B.22.

The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under sections 16B.19 to 16B.22.

The commissioner may adopt rules to establish a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be allowed a five percent preference in the bid amount on selected state procurements or a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be awarded any state procurement if the business could meet the low bid amount for that procurement. Each of the preference programs is applicable to no more than 1.5 percent of the value of anticipated total state procurements of goods and services, including construction. Each prefer-

ence program established by the commissioner expires on June 30, 1986, and the commissioner shall report to the legislature on the progress of the program by January 1, 1986.

Sec. 8. Minnesota Statutes 1984, section 645.445, subdivision 5, is amended to read:

Subd. 5. "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or economic circumstances, or background, physical location if the person resides or is employed in an area designated a labor surplus area by the United States department of labor, or other similar cause. It includes racial minorities, women, or persons who have suffered a substantial physical disability. *For purposes of sections 16B.19 to 16B.22, the definition of "socially or economically disadvantaged person" includes sheltered workshops and work activity programs.*

Sec. 9. [PREFERENCE PROGRAM STUDY.]

The commissioner shall prepare a report that examines the short-term and long-term effects of the preference bidding process on each category of businesses owned and operated by economically or socially disadvantaged persons. This report shall be submitted to the governor and the legislature by February 15, 1986.

Delete the title and insert:

"A bill for an act relating to state government; concerning the state procurement of goods and services from small businesses; modifying geographical distribution requirements and preference program limitations; providing for a warranty for certain purchases; amending Minnesota Statutes 1984, sections 16B.06, by adding a subdivision; 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Don Frerichs, Tony Bennett

Senate Conferees: (Signed) Betty A. Adkins, John Bernhagen, Donna C. Peterson

Mrs. Adkins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1109 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. 1109 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	McQuaid	Ramstad
Anderson	DeCramer	Kamrath	Moe, D.M.	Reichgott
Belanger	Dieterich	Knaak	Moe, R.D.	Renneke
Benson	Frank	Knutson	Olson	Schmitz
Berg	Frederick	Kronebusch	Pehler	Sieloff
Bernhagen	Frederickson	Laidig	Peterson, D.C.	Solon
Bertram	Gustafson	Langseth	Peterson, D.L.	Storm
Brataas	Hughes	Lantry	Peterson, R.W.	Stumpf
Chmielewski	Isackson	Lessard	Petty	Wegscheid
Dahl	Johnson, D.E.	Luther	Purfeerst	Willet

Those who voted in the negative were:

Berglin	Kroening	Merriam	Pogemiller	Vega
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 58, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 58 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 58

A bill for an act relating to the town of Moorhead; allowing the town certain powers.

May 16, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 58, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 58 be further amended as follows:

Page 1, line 11, delete "*after compliance with*" and insert "*following final enactment.*"

Page 1, delete lines 12 and 13

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Merlyn O. Valan, Dennis Poppenhagen, Henry J. Kalis

Senate Conferees: (Signed) Keith Langseth, LeRoy A. Stumpf, Gary M.

DeCramer

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 58 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. 58 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Merriam	Ramstad
Anderson	Diessner	Knaak	Moe, D.M.	Reichgott
Belanger	Dieterich	Knutson	Moe, R.D.	Renneke
Benson	Frank	Kroening	Olson	Schmitz
Berg	Frederick	Kronebusch	Pehler	Sieloff
Berglin	Frederickson	Laidig	Peterson, D.C.	Solon
Bernhagen	Gustafson	Langseth	Peterson, D.L.	Storm
Bertram	Hughes	Lantry	Peterson, R.W.	Stumpf
Brataas	Isackson	Lessard	Petty	Vega
Dahl	Johnson, D.E.	Luther	Pogemiller	Wegscheid
Davis	Jude	McQuaid	Purfeerst	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1032, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 1032 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1032

A bill for an act relating to the borough of Belle Plaine; permitting Belle Plaine to use the term "borough" for all purposes; amending Minnesota Statutes 1984, sections 410.015; and 413.02, subdivision 5, and by adding a subdivision.

May 17, 1985.

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1032, 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. 1032 be further amended as follows:

Page 2, line 10, after "may" insert "by resolution of its governing body."

Page 2, delete lines 18 to 21 and insert:

"Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Tom Rees, Ralph R. Kiffmeyer, Robert E. Vanasek

Senate Conferees: (Signed) Robert J. Schmitz, Earl W. Renneke, Betty A. Adkins

Mr. Schmitz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1032 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. 1032 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kamrath	Moe, R.D.	Renneke
Anderson	DeCramer	Knaak	Olson	Schmitz
Belanger	Dieterich	Knutson	Pehler	Sieloff
Benson	Frank	Kronebusch	Peterson, D.C.	Storm
Berg	Frederick	Langseth	Peterson, D.L.	Stumpf
Berglin	Frederickson	Lantry	Peterson, R.W.	Vega
Bernhagen	Gustafson	Lessard	Petty	Wegscheid
Bertram	Hughes	Luther	Pogemiller	
Brataas	Isackson	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Merriam	Ramstad	
Dahl	Jude	Moe, D.M.	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 786, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 786 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 786

A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and the telecommunications council; amending Minnesota Statutes 1984, sections 1.22; 4.31, subdivision 5; 14.02, subdivision 4; 16B.20, subdivision 2; 16B.33, subdivision 2; 35.02, subdivision 1; 40.03, subdivision 1; 84B.11, subdivision 1; 115.74, subdivision 1; 116C.41, subdivision 2; 116L.03; 121.82, subdivision 1; 121.83; 129B.01, subdivision 1; 144A.19, subdivision 1; 147.01, subdivisions 1 and 2; 148.03; 148.181; 148.52; 148.90, subdivision 2; 150A.02, subdivision 1; 151.03; 153.02; 154.22; 156.01, subdivisions 1 and 2; 161.1419, subdivision 2; 250.05, subdivision 2; 254A.04; 270.41; 326.04; 326.17; 326.241, subdivision 1; 343.01, subdivision 3; 386.63, subdivision 1; 611.215, subdivision 1; and 626.841; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.01; 238.02, subdivision 4; 238.04 to 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; and 238.13 to 238.17.

May 15, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 786, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 786 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 4.31, subdivision 5, is amended to read:

Subd. 5. The ~~governor~~ *commissioner of administration* shall appoint an advisory committee of not more than 21 members, at least one member from each economic development region, to advise and make recommendations to him and the director of volunteer services. Notwithstanding this numerical limitation, members currently serving on an advisory group to the ~~governor's~~ office of volunteer services shall complete their prescribed terms of office; thereafter, appointments of successors shall be made so as to be consistent with the numerical limitation contained in this section. Membership terms, compensation, removal and filling of vacancies of members and expiration of the advisory committee shall be as provided in section 15.059; provided, that members shall not be eligible for a per diem.

Sec. 2. Minnesota Statutes 1984, section 14.02, subdivision 4, is amended to read:

Subd. 4. [RULE.] “Rule” means every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. It does not

include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to the internal management of institutions under the commissioner's control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with section 97.53; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the comprehensive statewide plan of the crime control planning board provided in section 299A.03; (i) ~~special terms and conditions for an interim certificate of confirmation of the Minnesota cable communications board provided in section 238.09;~~ (j) occupational safety and health standards provided in section 182.655; or ~~(k) (j)~~ rules of the commissioner of public safety adopted pursuant to section 169.128.

Sec. 3. Minnesota Statutes 1984, section 15.0591, subdivision 2, is amended to read:

Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 shall be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) board for community colleges;
- (5) board of examiners for nursing home administrators;
- (6) board on aging;
- (7) ~~cable communications board;~~
- (8) chiropractic examiners board;
- (9) (8) consumer advisory council on vocational rehabilitation;
- (10) (9) council for the handicapped;
- (11) (10) council on affairs of Spanish-speaking people;
- (12) (11) council on black Minnesotans;
- (13) (12) dentistry board;
- (14) (13) department of economic security advisory council;
- (15) (14) higher education coordinating board;
- (16) (15) housing finance agency;
- (17) (16) Indian advisory council on chemical dependency;
- (18) (17) medical examiners board;

- (19) (18) medical policy directional task force on mental health;
- (20) (19) metropolitan transit commission or its successor;
- (21) (20) Minnesota emergency employment development task force;
- (22) (21) Minnesota office of volunteer services advisory committee;
- (23) (22) Minnesota state arts board;
- (24) (23) mortuary sciences advisory council;
- (25) (24) nursing board;
- (26) (25) optometry board;
- (27) (26) pharmacy board;
- (28) (27) physical therapists council;
- (29) (28) podiatry board;
- (30) (29) psychology board;
- (31) (30) veterans advisory committee.

Sec. 4. Minnesota Statutes 1984, section 16B.20, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] A small business procurement advisory council is created. The council consists of 13 members appointed by the ~~governor~~ *commissioner of administration*. A chairperson of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem or expenses.

Sec. 5. Minnesota Statutes 1984, section 16B.33, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATION OF BOARD.] (a) [MEMBERSHIP.] The state designer selection board consists of five individuals, the majority of whom must be Minnesota residents. Each of the following three organizations shall nominate one individual whose name and qualifications shall be submitted to the ~~governor~~ *commissioner of administration* for consideration: the consulting engineers council of Minnesota after consultation with other professional engineering societies in the state; the Minnesota society of architects; and the Minnesota board of the arts. The ~~governor~~ *commissioner* may appoint the three named individuals to the board ~~with the advice and consent of the senate~~, but the ~~governor~~ may reject a nominated individual and request another nomination. The remaining two members shall also be appointed by the ~~governor~~ *with the advice and consent of the senate commissioner*.

(b) [NONVOTING MEMBERS.] In addition to the five members of the board, two nonvoting members shall participate in the interviewing and selection of designers pursuant to this section. One shall be a representative of the commissioner and shall participate in the interviewing and selection of designers for all projects. The other shall be a representative of the user agency, who shall participate in the interviewing and selection of the designers for the project being undertaken by the user agency. The commissioner shall appoint the representative of the user agency in consultation with the user agency.

(c) [TERMS; COMPENSATION; REMOVAL; VACANCIES.] The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. No individual may serve for more than two consecutive terms.

(d) [OFFICERS, RULES.] At its first meeting, the board shall elect a voting member of the board as chairman. The board shall also elect other officers necessary for the conduct of its affairs. The board shall adopt rules governing its operations and the conduct of its meetings. The rules shall provide for the terms of the chairman and other officers.

(e) [MEETINGS.] The board shall meet as often as is necessary, not less than twice annually, in order to act expeditiously on requests submitted to it for selection of primary designers.

(f) [OFFICE, STAFF, RECORDS.] The department of administration shall provide the board with suitable quarters to maintain an office, hold meetings, and keep records. The commissioner shall designate an employee of the department of administration to serve as executive secretary to the board and shall furnish a secretarial staff to the board as necessary for the expeditious conduct of the board's duties and responsibilities.

Sec. 6. Minnesota Statutes 1984, section 115.74, subdivision 1, is amended to read:

Subdivision 1. The water and wastewater treatment operators certification council shall be composed of six members. The ~~governor~~ *commissioner of health* shall appoint ~~four~~ *two* members as follows: A currently employed water supply system operator holding a valid certificate issued by the commissioner; and a representative of the league of Minnesota cities. The director of the pollution control agency shall appoint two members as follows: a currently employed wastewater treatment facility operator holding a valid certificate issued by the director; and a university or college faculty member whose major field is related to water supply or wastewater collection and treatment; and a representative of the league of Minnesota municipalities. The remainder of the council shall be composed of the following persons: A representative of the state department of health who is either the director of the division of environmental health or a qualified member of his staff; the director of the Minnesota pollution control agency or a qualified member of his staff. In the case of the first council, the appointments of a water supply system operator and a wastewater treatment facility operator shall be made from currently employed operators holding valid certificates under the voluntary certification program administered by the state department of health and the Minnesota pollution control agency.

Sec. 7. Minnesota Statutes 1984, section 116C.41, subdivision 2, is amended to read:

Subd. 2. [SOUTHERN MINNESOTA RIVERS BASIN.] The board shall guide the creation and implementation of a comprehensive environmental conservation and development plan for the southern Minnesota rivers basin. The board shall coordinate state and local interests with respect to the study in southwestern Minnesota under Public Law Number 87-639. The board shall appoint an advisory council to advise the board concerning its responsibilities under this subdivision. The council shall consist of 11 members

who are residents of the basin and appointed by the ~~governor~~ chair of the environmental quality board with the board's concurrence. The council is subject to the provisions of section 15.059, except that the council shall expire June 30, 1987. The council shall make recommendations to the board by June 30, 1985, concerning the establishment of a statewide advisory council to advise the board on water resources planning, regulation, and management.

Sec. 8. Minnesota Statutes 1984, section 121.83, is amended to read:

121.83 [MINNESOTA EDUCATION COUNCIL.]

There is hereby established the Minnesota education council composed of the members of the education commission of the states representing this state, and ~~16~~ two other persons, two from each congressional district of which one shall be a legislator, ~~appointed by the governor for~~. Four representatives shall be appointed by the speaker of the house and four senators shall be appointed by the committee on committees. Legislative members shall serve terms coinciding with the term their respective terms of the appointing governor office. ~~Persons other than legislators shall be selected so as to be broadly representative of~~ The commissioner of education shall appoint one member from each congressional district, for terms coinciding with the term of the commissioner, who broadly represent professional and lay interests within this state having the responsibilities for, knowledge with respect to, and interest in educational matters. The chairman shall be designated by the governor commissioner shall designate a chairman from among its council members. The council shall meet on the call of the governor commissioner, but in any event the council shall meet not less than twice in each year. The council may consider any and all matters relating to recommendations of the education commission of the states and the activities of the members representing this state thereon, shall serve as a forum for major education policies, and shall serve to exchange information about important education activities of interest to all parties. Members of the council shall serve without salary, but shall be reimbursed for actual expenses incurred in attendance at meetings of the council.

Sec. 9. Minnesota Statutes 1984, section 161.1419, subdivision 2, is amended to read:

Subd. 2. The commission shall be composed of ten members of which ~~three~~ one shall be appointed by the governor commissioner of transportation, one shall be appointed by the commissioner of natural resources, one shall be appointed by the commissioner of energy and economic development, three shall be members of the senate to be appointed by the committee on committees, and three shall be members of the house of representatives to be appointed by the speaker. The tenth member shall be the secretary appointed pursuant to subdivision 3. The members of the commission shall be selected immediately after final enactment of this act and shall serve for a term expiring at the close of the next regular session of the legislature and until their successors are appointed. Successor members shall be appointed at the close of each regular session of the legislature by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota historical society shall be ex

officio members, and shall be in addition to the ten members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River parkway commission, hereinafter called the national commission, giving the names and addresses of the members so appointed.

Sec. 10. Minnesota Statutes 1984, section 238.01, is amended to read:

238.01 [DECLARATION OF LEGISLATIVE FINDINGS AND INTENT.]

Upon investigation of the public interest associated with cable communications, the legislature of the state of Minnesota has determined that while cable communications serve in part as an extension of interstate broadcasting, that their operations also involve public rights-of-way, municipal franchising, and vital business and community service, which are of state concern; that while said operations must be subject to state oversight, they also must be protected from undue restraint and regulation so as to assure development of cable systems with optimum technology and maximum penetration in this state as rapidly as economically and technically feasible; that the municipalities and the state would benefit from valuable educational and public services through cable communications systems; that the cable communications industry must provide the opportunity for minority participation and benefit which its diversity promises; that the public and the business community would benefit if served by cable channels sufficient to meet the needs of producers and distributors of program and other communication content services; that the cable communications industry is in a period of rapid growth and corporate consolidation and should proceed in accord with regional and statewide service objectives; that these objectives should encourage area-wide service where consistent with the public interest and discourage concentration of control and ownership when not in the public interest; and that many municipalities lack the necessary resources and expertise to plan for and secure these benefits and to protect subscribers and other parties to the public interest in franchise negotiations.

There is, therefore, a need for a state agency to develop a state cable communications policy; to promote the rapid development of the cable communications industry responsive to community and public interest and consonant with policies, regulations and statutes of the federal government; to assure that cable communications companies provide adequate, economical and efficient service to their subscribers, the municipalities within which they are franchised and other parties to the public interest; to encourage the endeavors of public and private institutions, municipalities, associations and organizations in developing programming for public interest; and to provide minorities with the fullest opportunity to make effective use of the medium.

It is the intent of the legislature in ~~sections 238.01 to 238.17~~ *this chapter* to ~~vest authority in a board~~ to oversee development of the cable communications industry in Minnesota in accordance with the statewide service plan; to review the suitability to practices for franchising cable communications companies to protect the public interest; to set standards for cable communications systems and franchise practices; to assure channel availability for municipal services, educational television, program diversity, local expression and other program and communications content services; to assure that

municipal franchising results in communication across metropolitan areas and in neighborhood communities in larger municipalities; to provide ~~consultant services~~ *guidance* to community organizations and municipalities in franchise negotiations; and, to stimulate the development of diverse instructional, educational, community interest and public affairs programming with full access thereto by cable communications companies, educational broadcasters and public and private institutions operating closed circuit television systems and instructional television fixed services.

Sec. 11. Minnesota Statutes 1984, section 238.02, subdivision 14, is amended to read:

Subd. 14. "Core service unit" shall mean the municipality, or, in the case of a joint powers agreement, municipalities, in which a cable communications system first provides service under a lawful franchise and from which the cable communications system extends service into additional areas which are included in the boundaries of a cable service territory ~~approved by the board.~~

Sec. 12. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 17. [CLASS A CABLE SYSTEMS.] "Class A cable systems" means systems that are located outside of the metropolitan area, are located in a franchise area having a population of 4,000 or fewer persons, and are serving fewer than 1,000 subscribers.

Sec. 13. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 18. [CLASS B CABLE SYSTEMS.] "Class B cable systems" means all systems, except those systems meeting the criteria of the class A system, that are located outside of the metropolitan area, are located in a franchise area having a population of fewer than 15,000 persons, and are serving fewer than 3,500 subscribers.

Sec. 14. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 19. [CLASS C CABLE SYSTEMS.] "Class C cable systems" means systems that are located in the metropolitan area, or are located in a franchise area having a population of 15,000 or more persons or serving 3,500 or more subscribers.

Sec. 15. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 20. [METROPOLITAN AREA.] "Metropolitan area" is that area defined under section 473.121, subdivision 2.

Sec. 16. Minnesota Statutes 1984, section 238.03, is amended to read:

238.03 [APPLICATION.]

~~Sections 238.04 to 238.17 apply~~ *This chapter applies to every cable communications system and every cable communications company as defined in section 238.02, operating within the state, including a cable communications company which constructs, operates and maintains a cable communications*

system in whole or in part through the facilities of a person franchised to offer common or contract carrier services. Persons possessing franchises for any of the purposes of ~~sections 238.01 to 238.17 this chapter~~ are subject to ~~sections 238.01 to 238.17 this chapter~~ although no property has been acquired, business transacted or franchises exercised.

Sec. 17. Minnesota Statutes 1984, section 238.08, subdivision 2, is amended to read:

Subd. 2. Nothing in this chapter shall be construed to prevent franchise requirements in excess of those prescribed by ~~the board~~, unless such requirement is inconsistent with this chapter ~~or any regulation of the board~~.

Sec. 18. Minnesota Statutes 1984, section 238.08, subdivision 3, is amended to read:

Subd. 3. Nothing in this chapter shall be construed to limit any municipality from the right to construct, purchase, and operate a cable communications system. Any municipal system shall be subject to ~~the laws, rules and regulations of the board this chapter~~ to the same extent as would any nonpublic cable communications system.

Sec. 19. Minnesota Statutes 1984, section 238.08, subdivision 4, is amended to read:

Subd. 4. Nothing in ~~sections 238.01 to 238.17 this chapter~~ shall be construed to limit the power of any municipality to impose upon any cable communications company a fee, tax or charge.

Sec. 20. [238.081] [FRANCHISE PROCEDURE.]

Subdivision 1. [PUBLICATION.] The franchising authority shall have published once each week for two successive weeks in a newspaper of general circulation in each municipality within the cable service territory, a notice of intent to franchise, requesting applications for the franchise.

Subd. 2. [REQUIRED INFORMATION.] The notice must include at least the following information:

- (1) the name of the municipality making the request;*
- (2) the closing date for submission of applications;*
- (3) a statement of the application fee, if any, and the method for its submission;*
- (4) a statement by the franchising authority of the desired system design and services to be offered;*
- (5) a statement by the franchising authority of criteria and priorities against which the applicants for the franchise must be evaluated;*
- (6) a statement that applications for the franchise must contain at least the information required by subdivision 4;*
- (7) the date, time, and place for the public hearing, to hear proposals from franchise applicants;*
- (8) the name, address, and telephone number of the individuals who may be contacted for further information.*

Subd. 3. [OTHER RECIPIENTS OF NOTICE.] In addition to the published notice, the franchising authority shall mail copies of the notice of intent to franchise to any person it has identified as being a potential candidate for the franchise.

Subd. 4. [CONTENTS OF FRANCHISING PROPOSAL.] The franchising authority shall require that proposals for a cable communications franchise be notarized and contain, but not necessarily be limited to, the following information:

(1) plans for channel capacity, including both the total number of channels capable of being energized in the system and the number of channels to be energized immediately;

(2) a statement of the television and radio broadcast signals for which permission to carry will be requested from the Federal Communications Commission;

(3) a description of the proposed system design and planned operation, including at least the following items:

(i) the general area for location of antennae and the head end, if known;

(ii) the schedule for activating two-way capacity;

(iii) the type of automated services to be provided;

(iv) the number of channels and services to be made available for access cable broadcasting; and

(v) a schedule of charges for facilities and staff assistance for access cable broadcasting;

(4) the terms and conditions under which particular service is to be provided to governmental and educational entities;

(5) a schedule of proposed rates in relation to the services to be provided, and a proposed policy regarding unusual or difficult connection of services;

(6) a time schedule for construction of the entire system with the time sequence for wiring the various parts of the area requested to be served in the request for proposals;

(7) a statement indicating the applicant's qualifications and experience in the cable communications field, if any;

(8) an identification of the municipalities in which the applicant either owns or operates a cable communications system, directly or indirectly, or has outstanding franchises for which no system has been built;

(9) plans for financing the proposed system, which must indicate every significant anticipated source of capital and significant limitations or conditions with respect to the availability of the indicated sources of capital;

(10) a statement of ownership detailing the corporate organization of the applicant, if any, including the names and addresses of officers and directors and the number of shares held by each officer or director, and intracompany relationship including a parent, subsidiary or affiliated company; and

(11) a notation and explanation of omissions or other variations with re-

spect to the requirements of the proposal.

Substantive amendments may not be made in a proposal after a proposal has been submitted to the franchising authority and before award of a franchise.

Subd. 5. [TIME LIMITS TO SUBMIT APPLICATIONS.] The franchising authority shall allow at least 20 days from the first date of published notice to the closing date for submitting applications.

Subd. 6. [PUBLIC HEARING ON FRANCHISE.] A public hearing before the franchising authority affording reasonable notice and a reasonable opportunity to be heard with respect to all applications for the franchise must be completed at least seven days before the introduction of the franchise ordinance in the proceedings of the franchising authority.

Subd. 7. [AWARD OF FRANCHISE.] Franchises may be awarded only by ordinance.

Subd. 8. [COSTS OF AWARDING FRANCHISE.] Nothing in this section prohibits a franchising authority from recovering from a successful applicant the reasonable and necessary costs of the entire process of awarding the cable communications franchise.

Subd. 9. [FRANCHISING NONPROFIT OR MUNICIPALLY-OWNED SYSTEM.] Nothing contained in this section prohibits a franchising authority from franchising a nonprofit or municipally-owned system. The municipality or nonprofit entity is considered an applicant for purposes of this section.

Subd. 10. [FRANCHISE; JOINT POWERS.] In the cases of municipalities acting in concert, the municipalities may delegate to another entity such duties, responsibilities, privileges, or activities described in this section, if such delegation is proper according to state and local law.

Sec. 21. [238.082] [FRANCHISE AMENDMENTS.]

The franchising authority shall act pursuant to local law pertaining to ordinance amendment procedures.

Sec. 22. [238.083] [SALE OR TRANSFER OF FRANCHISE.]

Subdivision 1. [FUNDAMENTAL CORPORATE CHANGE DEFINED.] For purposes of this section, "fundamental corporate change" means the sale or transfer of a majority of a corporation's assets; merger, including a parent and its subsidiary corporation; consolidation; or creation of a subsidiary corporation.

Subd. 2. [WRITTEN APPROVAL OF FRANCHISING AUTHORITY.] A sale or transfer of a franchise, including a sale or transfer by means of a fundamental corporate change, requires the written approval of the franchising authority. The parties to the sale or transfer of a franchise shall make a written request to the franchising authority for its approval of the sale or transfer. The franchising authority shall reply in writing within 30 days of the request and shall indicate its approval of the request or its determination that a public hearing is necessary if it determines that a sale or transfer of a franchise may adversely affect the company's subscribers. The franchising authority shall conduct a public hearing on the request within 30 days of that

determination.

Subd. 3. [NOTICE OF HEARING.] Unless otherwise already provided for by local law, notice of the hearing must be given 14 days before the hearing by publishing notice of it once in a newspaper of general circulation in the area being served by the franchise. The notice must contain the date, time, and place of the hearing and must briefly state the substance of the action to be considered by the franchising authority.

Subd. 4. [APPROVAL OR DENIAL OF SALE OR TRANSFER REQUEST.] Within 30 days after the public hearing, the franchising authority shall approve or deny in writing the sale or transfer request. The approval must not be unreasonably withheld.

Subd. 5. [SALE OR TRANSFER OF FRANCHISE WITHOUT SYSTEM.] The parties to the sale or transfer of a franchise only, without the inclusion of a cable communications system in which at least substantial construction has commenced, shall establish that the sale or transfer of only the franchise will be in the public interest.

Subd. 6. [SALE OR TRANSFER OF STOCK.] Sale or transfer of stock in a corporation so as to create a new controlling interest in a cable communication system is subject to the requirements of this section.

The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.

Sec. 23. [238.084] [REQUIRED CONTENTS OF FRANCHISE ORDINANCE.]

Subdivision 1. [ALL SYSTEMS.] The following requirements apply to all classes A, B, and C systems unless provided otherwise:

(a) a provision that the franchise complies with the Minnesota franchise standards contained in this section;

(b) a provision requiring the franchisee and the franchising authority to conform to state laws and rules regarding cable communications not later than one year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective;

(c) a provision limiting the initial and renewal franchise term to not more than 15 years each;

(d) a provision specifying that the franchise is nonexclusive;

(e) a provision prohibiting sale or transfer of the franchise or sale or transfer of stock so as to create a new controlling interest under section 22, except at the approval of the franchising authority, which approval must not be unreasonably withheld, and that the sale or transfer is completed pursuant to section 22;

(f) a provision granting the franchising authority collecting a franchise fee the authority to audit the franchisee's accounting and financial records upon reasonable notice, and requiring that the franchisee file with the franchising authority annually reports of gross subscriber revenues and other informa-

tion as the franchising authority deems appropriate;

(g) provisions specifying:

(1) current subscriber charges or that the current charges are available for public inspection in the municipality;

(2) the length and terms of residential subscriber contracts, if they exist, or that the current length and terms of residential subscriber contracts are available for public inspection in the municipality; and

(3) the procedure by which subscriber charges are established, unless such a provision is contrary to state or federal law;

(h) a provision indicating by title the office or officer of the franchising authority that is responsible for the continuing administration of the franchise;

(i) a provision requiring the franchisee to indemnify and hold harmless the franchising authority during the term of the franchise, and to maintain throughout the term of the franchise, liability insurance in an amount as the franchising authority may require insuring both the franchising authority and the franchisee with regard to damages and penalties which they may legally be required to pay as a result of the exercise of the franchise;

(j) a provision that at the time the franchise becomes effective and thereafter until the franchisee has liquidated all of its obligation with the franchising authority, the franchisee shall furnish a performance bond, certificate of deposit, or other type of instrument approved by the franchising authority in an amount as the franchising authority deems to be adequate compensation for damages resulting from the franchisee's nonperformance. The franchising authority may, from year to year and in its sole discretion, reduce the amount of the performance bond or instrument;

(k) a provision that nothing contained in the franchise relieves a person from liability arising out of the failure to exercise reasonable care to avoid injuring the franchisee's facilities while performing work connected with grading, regrading, or changing the line of a street or public place or with the construction or reconstruction of a sewer or water system;

(l) a provision that the franchisee's technical ability, financial condition, and legal qualification were considered and approved by the franchising authority in a full public proceeding that afforded reasonable notice and a reasonable opportunity to be heard;

(m) a provision requiring the construction of a cable system with a channel capacity available for immediate or potential use, equal to a minimum of 72 MHz of bandwidth, the equivalent of 12 television broadcast channels. For purposes of this section, a cable system with a channel capacity, available for immediate or potential use, equal to a minimum of 72 MHz of bandwidth means: the provision of a distribution system designed and constructed so that a minimum of 72 MHz of bandwidth, the equivalent of 12 television broadcast channels, can be put into use with only the addition of the appropriate headend equipment;

(n) a provision in initial franchises that there be a full description of the system proposed for construction and a schedule showing:

(1) that for franchise areas which will be served by a system proposed to have fewer than 100 plant miles of cable:

(i) that within 90 days of the granting of the franchise, the franchisee shall apply for the necessary governmental permits, licenses, certificates, and authorizations;

(ii) that energized trunk cable must be extended substantially throughout the authorized area within one year after receipt of the necessary governmental permits, licenses, certificates, and authorizations and that persons along the route of the energized cable will have individual "drops" as desired during the same period of time; and

(iii) that the requirement of this section may be waived by the franchising authority only upon occurrence of unforeseen events or acts of God; or

(2) that for franchise areas which will be served by a system proposed to have 100 plant miles of cable or more, a provision:

(i) that within 90 days of the granting of the franchise, the franchisee shall apply for the necessary governmental permits, licenses, certificates, and authorizations;

(ii) that engineering and design must be completed within one year after the granting of the franchise and that a significant amount of construction must be completed within one year after the franchisee's receipt of the necessary governmental permits, licenses, certificates, and authorizations;

(iii) that energized trunk cable must be extended substantially throughout the authorized area within five years after commencement of construction and that persons along the route of the energized cable will have individual "drops" within the same period of time, if desired; and

(iv) that the requirement of this section be waived by the franchising authority only upon occurrence of unforeseen events or acts of God;

(o) unless otherwise already provided for by local law, a provision that the franchisee shall obtain a permit from the proper municipal authority before commencing construction of a cable communications system, including the opening or disturbance of a street, sidewalk, driveway, or public place. The provision must specify remedies available to the franchising authority in cases where the franchisee fails to meet the conditions of the permit;

(p) unless otherwise already provided for by local law, a provision that wires, conduits, cable, and other property and facilities of the franchisee be located, constructed, installed, and maintained in compliance with applicable codes. The provision must also specify that the franchisee keep and maintain its property so as not to unnecessarily interfere with the usual and customary trade, traffic, or travel upon the streets and public places of the franchise area or endanger the life or property of any person;

(q) unless otherwise already provided for by local law, a provision that the franchising authority and the franchisee shall establish a procedure in the franchise for the relocation or removal of the franchisee's wires, conduits, cables, and other property located in the street, right-of-way, or public place whenever the franchising authority undertakes public improvements which affect the cable equipment;

(r) a provision incorporating by reference as a minimum the technical standards promulgated by the Federal Communications Commission relating to cable communications systems contained in subpart K of part 76 of the Federal Communications Commission's rules and regulations relating to cable communications systems and found in Code of Federal Regulations, title 47, sections 76.601 to 76.617. The results of tests required by the Federal Communications Commission must be filed within ten days of the conduct of the tests with the franchising authority;

(s) a provision establishing how the franchising authority and the cable communications company shall determine who is to bear the costs of required special testing;

(t) a provision pertaining to the franchisee's construction and maintenance of a cable communications system having the technical capacity for nonvoice return communications which, for purposes of this section, means the provision of appropriate system design techniques with the installation of cable and amplifiers suitable for the subsequent insertion of necessary nonvoice communications electronic modules.

In cases where an initial franchise is granted, the franchisee shall provide a cable communications system having the technical capacity for nonvoice return communications.

When a franchise is renewed, sold, or transferred and is served by a system that does not have the technical capacity for nonvoice return communications, the franchising authority shall determine when and if the technical capacity for nonvoice return communications is needed after appropriate public proceedings at the municipal level giving reasonable notice and a reasonable opportunity to be heard;

(u) a provision stating that no signals of a class IV cable communications channel may be transmitted from a subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the subscriber. The request for permission must be contained in a separate document with a prominent statement that the subscriber is authorizing the permission in full knowledge of its provisions. The written permission must be for a limited period of time not to exceed one year which is renewable at the option of the subscriber. No penalty may be invoked for a subscriber's failure to provide or renew the authorization. The authorization is revocable at any time by the subscriber without penalty of any kind. The permission must be required for each type or classification of class IV cable communications activity planned for the purpose;

(1) No information or data obtained by monitoring transmission of a signal from a subscriber terminal, including but not limited to lists of the names and addresses of the subscribers or lists that identify the viewing habits of subscribers, may be sold or otherwise made available to any party other than to the company and its employees for internal business use, or to the subscriber who is the subject of that information, unless the company has received specific written authorization from the subscriber to make the data available;

(2) Written permission from the subscriber must not be required for the systems conducting systemwide or individually addressed electronic sweeps for the purpose of verifying system integrity or monitoring for the purpose of

billing. Confidentiality of this information is subject to clause (1);

(3) For purposes of this provision, a "class IV cable communications channel" means a signaling path provided by a cable communications system to transmit signals of any type from a subscriber terminal to another point in the communications system;

(v) a provision specifying the procedure for the investigation and resolution by the franchisee of complaints regarding quality of service, equipment malfunction, billing disputes, and other matters;

(w) a provision requiring that at least a toll-free or collect telephone number for the reception of complaints be provided to the subscriber and that the franchisee maintain a repair service capable of responding to subscriber complaints or requests for service within 24 hours after receipt of the complaint or request. The provision must also state who will bear the costs included in making these repairs, adjustments, or installations;

(x) a provision granting the franchising authority the right to terminate and cancel the franchise and the rights and privileges of the franchise if the franchisee substantially violates a provision of the franchise ordinance, attempts to evade the provisions of the franchise ordinance, or practices fraud or deceit upon the franchising authority.

The municipality shall provide the franchisee with a written notice of the cause for termination and its intention to terminate the franchise and shall allow the franchisee a minimum of 30 days after service of the notice in which to correct the violation.

The franchisee must be provided with an opportunity to be heard at a public hearing before the governing body of the municipality before the termination of the franchise;

(y) a provision that no cable communications company, notwithstanding any provision in a franchise, may abandon a cable communications service or a portion of it without having given three months prior written notice to the franchising authority. No cable communications company may abandon a cable communications service or a portion of it without compensating the franchising authority for damages resulting to it from the abandonment;

(z) a provision requiring that upon termination or forfeiture of a franchise, the franchisee remove its cable, wires, and appliances from the streets, alleys, and other public places within the franchise area if the franchising authority so requests, and a procedure to be followed in the event the franchisee fails to remove its cable, wires, and appliances from the streets, alleys, and other public places within the franchise area;

(aa) a provision that when a franchise or cable system is offered for sale, the franchising authority shall have the right to purchase the system;

(bb) a provision establishing the minimum number of access channels that the franchisee shall make available. This provision must require that the franchisee shall provide to each of its subscribers who receive some or all of the services offered on the system, reception on at least one specially designated access channel. The specially designated access channel may be used by local educational authorities and local government on a first-come, first-served, nondiscriminatory basis. During those hours that the specially des-

ignated access channel is not being used by the local educational authorities or local government, the franchisee shall lease time to commercial or non-commercial users on a first-come, first-served, nondiscriminatory basis if the demand for that time arises. The franchisee may also use this specially designated access channel for local origination during those hours when the channel is not in use by local educational authorities, local government, or commercial or noncommercial users who have leased time. The VHF spectrum must be used for the specially designated access channel required in this paragraph.

The provision must also require that the franchisee shall establish rules for the administration of the specially designated access channel.

Franchisees providing only alarm services or only data transmission services for computer-operated functions do not need to provide access channel reception to alarm and data service subscribers.

Subd. 2. [REQUIRED PROVISIONS FOR CLASS B SYSTEM.] Franchisees for class B cable systems must contain statements and provisions consistent with subdivision 1, unless hereafter provided otherwise, and statements and provisions consistent with the following requirements:

(a) a provision establishing the minimum number of access channels that the franchisee shall make available. Franchisees subject to this provision are not subject to subdivision 1, paragraph (bb).

(1) The provision must require that the franchisee provide to each of its subscribers who receive all or a part of the total services offered on the system, reception on at least one specially designated access channel available for use by the general public on a first-come, first-served, nondiscriminatory basis. Channel time and playback of prerecorded programming on this specially designated access channel must be provided without charge to the general public, except that personnel, equipment, and production costs may be assessed for live studio presentations exceeding five minutes in length. Charges for production costs must be consistent with the goal of affording the public a low-cost means of television access. The specially designated access channel may be used by local education authorities and local government on a first-come, first-served, nondiscriminatory basis during those hours when the channel is not in use by the general public. During those hours that the specially designated access channel is not being used by the general public, local educational authorities, or local government, the franchisee shall lease time to commercial or noncommercial users on a first-come, first-served, nondiscriminatory basis if the demand for that time arises. The franchisee may also use this specially designated access channel for local origination during those hours when the channel is not in use by the general public, local educational authorities, local government, or commercial or noncommercial users who have leased time. The VHF spectrum must be used for the specially designated access channel required in this paragraph.

(2) The provision must also require that the franchisee establish rules for the administration of the specially designated access channel.

(3) The provision must require that whenever the specially designated access channel required in clause (1) is in use during 80 percent of the

weekdays, Monday to Friday, for 80 percent of the time during a consecutive three-hour period for six weeks running, and there is a demand for use of an additional channel for the same purpose, the franchisee has six months in which to provide a new specially designated access channel for the same purpose, provided that provision of the additional channel or channels does not require the cable system to install converters. Nothing in this section precludes the installation of converters by the system on a voluntary basis, as a result of an agreement arrived at through negotiation between the parties to a franchise, or by a potential access user who wishes to install converters in order to make use of an additional channel or channels.

(4) Franchisees providing only alarm services or only data transmission services for computer-operated functions do not need to provide access channel reception to alarm and data service subscribers.

(b) A provision establishing the minimum equipment that the franchisee shall make available for public use. The provision shall require that the franchisee make readily available for public use upon need being shown, at least the minimal equipment necessary to perform good quality playback of prerecorded programming, and to make it possible to record programs at remote locations with battery-operated portable equipment. Need within the meaning of this section must be determined by subscriber petition. The petition must contain the signatures of at least ten percent of the subscribers of the system, but in no case more than 350 nor fewer than 100 signatures.

Subd. 3. [REQUIRED PROVISIONS FOR CLASS C SYSTEM.] Franchises for class C cable systems must contain statements and provisions consistent with subdivision 1, unless this section provides otherwise, and statements and provisions consistent with the following requirements:

(a) a provision establishing the minimum number of public, educational, governmental, and leased access channels that the franchisee shall make available. Franchisees subject to this provision are not subject to subdivision 1, paragraph (bb).

(1) The provision must require that the franchisee shall, to the extent of the system's available channel capacity, provide to each of its subscribers who receives some or all of the services offered on the system, reception on at least one specially designated noncommercial public access channel available for use by the general public on a first-come, first-served, nondiscriminatory basis; at least one specially designated access channel for use by local educational authorities; at least one specially designated access channel available for local government use; and at least one specially designated access channel available for lease on a first-come, first-served, nondiscriminatory basis by commercial and noncommercial users. The VHF spectrum must be used for at least one of the specially designated noncommercial public access channels required in this paragraph. The provision must require that no charges may be made for channel time or playback of prerecorded programming on at least one of the specially designated noncommercial public access channels required by this paragraph. Personnel, equipment, and production costs may be assessed, however, for live studio presentations exceeding five minutes in length. Charges for those production costs and fees for use of other public access channels must be consistent with the goal of affording the public a low-cost means of television access.

(2) The provision must require that whenever the specially designated noncommercial public access channel, the specially designated education access channel, the specially designated local government access channel, or the specially designated leased access channel required in clause (1) is in use during 80 percent of the weekdays, Monday to Friday, for 80 percent of the time during any consecutive three-hour period for six weeks running, and there is demand for use of an additional channel for the same purpose, the franchisee shall then have six months in which to provide a new specially designated access channel for the same purpose, provided that provision of the additional channel or channels must not require the cable system to install converters. However, nothing in this section precludes the installation of converters by the system on a voluntary basis, or as a result of an agreement arrived at through negotiation between the parties to a franchise, or by a potential access user who wishes to install converters in order to make use of an additional channel or channels.

(3) The provision must also require that the franchisee establish rules pertaining to the administration of the specially designated noncommercial public access channel, the specially designated educational access channel, and the specially designated leased access channel required in this section.

(4) Those systems which offer subscribers the option of receiving programs on one or more special service channels without also receiving the regular subscriber services may comply with this section by providing the subscribers who receive the special service only, at least one specially designated composite access channel composed of the programming on the specially designated noncommercial public access channel, the specially designated education access channel, and the specially designated local government access channel required in this section.

(5) On those systems without sufficient available channel capacity to allow for activation of all specially designated access channels required in this section, or when demand for use of the channels does not warrant activation of all specially designated access channels required in this section, public, educational, governmental, and leased access channel programming may be combined on one or more cable channels. To the extent time is available, access channels may also be used for other broadcast and nonbroadcast services, provided that these services are subject to immediate displacement if there is demand to use the channel for its specially designated purpose. The system shall, in any case, provide at least one full channel on the VHF spectrum for shared access programming.

(6) Franchisees providing only alarm services or only data transmission services for computer-operated functions do not need to provide access channel reception to alarm and data service subscribers.

(b) a provision establishing the minimum equipment that the franchisee shall make available for public use. The provision shall require that the franchisee shall make readily available for public use at least the minimal equipment necessary for the production of programming and playback of prerecorded programs for the specially designated noncommercial public access channel required by paragraph (a), clause (1). The franchisee shall also make readily available, upon need being shown, the minimum equipment necessary to make it possible to record programs at remote locations

with battery-operated portable equipment. Need within the meaning of this section must be determined by subscriber petition. The petition must contain the signatures of at least ten percent of the subscribers of the system, but in no case more than 500 nor fewer than 100 signatures.

(c) a provision establishing the minimum systemwide channel capacity that the franchisee shall make available. Franchisees subject to the requirement of this provision are not subject to the requirements of subdivision 1, paragraph (bb).

(1) The provision must require the construction of a cable system with a channel capacity, available for immediate or potential use, equal to a minimum of 120 MHz of bandwidth, the equivalent of 20 television broadcast channels.

(2) Systems that are already constructed pursuant to a preexisting franchise requiring fewer than 120 MHz of bandwidth, the equivalent of fewer than 20 television broadcast channels, shall have until June 21, 1986, to increase the system's channel capacity to a minimum of 120 MHz of bandwidth. However, nothing in this section precludes the parties to a franchise from negotiating an agreement calling for an increase to a minimum of 120 MHz of bandwidth before June 21, 1986.

(3) For purposes of this section, a cable system with a channel capacity, available for immediate or potential use, equal to a minimum of 120 MHz of bandwidth means: the provision of a distribution system designed and constructed so that a minimum of 120 MHz of bandwidth, the equivalent of 20 television broadcast channels, can be put into use with only the addition of the appropriate headend and subscriber terminal equipment.

(d) In Twin Cities metropolitan area franchises, a provision designating the standard VHF channel 6 for uniform regional channel usage as required in section 43.

Subd. 4. [ADDITIONAL TERMS AND CONDITIONS PERMITTED.] A franchise may contain additional terms and conditions as the municipality and the franchisee deem appropriate, provided the additional terms and conditions are consistent with federal and state law.

Subd. 5. [RECLASSIFICATION OF SYSTEMS.] A franchise must be amended by the franchising authority when the number of subscribers served by the cable communications system in the franchise area changes so as to result in reclassification of the system under this section. Amendments must include provisions consistent with the requirements of that class of cable communications systems.

Sec. 24. [238.085] [COMMISSIONER OF COMMERCE.]

Subdivision 1. [DOCUMENTATION TO THE COMMISSIONER OF COMMERCE.] Upon the granting of a franchise, the extension of a franchise for a term, the renewal of a franchise, or the sale or transfer of a franchise, the franchising authority and the franchisee shall submit documentation to the commissioner of commerce certifying that the franchise and the process followed conform to this chapter, to the extent that these sections are not inconsistent with federal law.

Subd. 2. [ACTIONS BY COMMISSIONER.] (a) Within 30 days of re-

ceipt of the certificate, the commissioner of commerce shall:

(1) approve the certificate;

(2) disapprove the certificate, indicating in writing to the applicants why the franchise or the process does not conform to this chapter; or

(3) request that the applicants provide additional information within 30 days of the receipt of the request.

(b) If the commissioner of commerce fails to act within 30 days of receiving a certificate or the requested additional documentation, the certificate is approved. If the commissioner of commerce fails to issue a final approval or disapproval within 180 days of the initial receipt of a certificate, the certificate is approved.

Subd. 3. [WHEN CERTIFICATE DISAPPROVED.] If the certificate is disapproved, the applicants may either (1) take the steps as may be necessary to bring the franchise or the process into conformance and reapply to the commissioner of commerce, or (2) within 30 days of receiving the disapproval appeal the decision to the Minnesota court of appeals.

Subd. 4. [OPERATION CONTINUES DURING REVIEW OR APPEAL.] While the commissioner of commerce is reviewing a certificate concerning a franchise extension or renewal and during an appeal of the commissioner of commerce's decision, the franchisee must be allowed to continue the operation of the affected cable system.

Subd. 5. [RIGHTS UNDER OTHER LAW.] Nothing in this section prohibits a franchisee from exercising its legal rights under federal or state law upon the denial by a franchising authority of an extension, renewal, transfer, or sale of a franchise.

Sec. 25. Minnesota Statutes 1984, section 238.11, subdivision 2, is amended to read:

Subd. 2. No cable communications company may prohibit or limit a program or class or type of program presented over a leased channel or a channel made available for public access, governmental or educational purposes. Neither the cable communications company nor the officers, directors, or employees of the cable communications system is not liable for any penalties or damages arising from programming content not originating from or produced by the cable communications company and shown on any public access channel, education access channel, government access channel, leased access channel, or regional channel.

Sec. 26. Minnesota Statutes 1984, section 238.15, is amended to read:

238.15 [FINANCIAL INTEREST OF MEMBERS.]

No member of the board or person appointed pursuant to section 238.04, subdivision 7 shall be employed by, or shall knowingly have any financial interest in any cable communications company or its subsidiaries, major equipment or programming suppliers, or in any broadcasting company holding an operating license issued by the federal communications commission or its subsidiaries. Members of any elected body granting franchises and employees of any franchising body who would be directly involved in the granting or administration of franchises for cable communications and who

are employed by or who knowingly have any financial interest in any cable communications company, bidding on such franchise, or the cable communications company granted the franchise, or their subsidiaries, major equipment or program suppliers shall abstain from participation in the franchising of a cable communications company or the administration of such franchise.

Sec. 27. Minnesota Statutes 1984, section 238.16, subdivision 2, is amended to read:

Subd. 2. Any person violating the provisions of ~~sections 238.01 to 238.17 or any rules or regulations made pursuant thereto,~~ *this chapter* is guilty of a gross misdemeanor. Any term of imprisonment imposed for any violation by a corporation shall be served by the senior resident officer of the corporation.

Sec. 28. Minnesota Statutes 1984, section 238.17, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS FOR EXTENSIONS.] Notwithstanding the provisions of ~~section 238.09 or any other law to the contrary,~~ a cable communications system may extend *or provide* service outside the boundaries of a core service unit if: (1) ~~the extension area is not within the seven county metropolitan area, as defined in section 473.121, subdivision 4;~~ (2) ~~the board first approves, in accordance with procedures set forth in the board's rules, the inclusion of the extension area in the same cable service territory which contains the core service unit;~~ and (3) the cable communications system obtains and files with the board an extension permit issued by the municipality or municipalities which have jurisdiction over the extension area.

Sec. 29. Minnesota Statutes 1984, section 238.17, subdivision 5, is amended to read:

Subd. 5. [EXCESS EXTENSION PERMITS.] Nothing in this section shall be construed to prevent a municipality having jurisdiction over an extension area from prescribing extension permit requirements which are in excess of those required by this section, unless such requirements are inconsistent with this chapter ~~or with any rule of the board.~~

Sec. 30. Minnesota Statutes 1984, section 238.22, is amended by adding a subdivision to read:

Subd. 7. [ALTERNATIVE PROVIDERS.] "Alternative providers" means other providers of television programming or cable communications services.

Sec. 31. Minnesota Statutes 1984, section 238.22, is amended by adding a subdivision to read:

Subd. 8. [ASSOCIATION MEMBER.] "Association member" means an individual owner of a cooperatively owned multiple dwelling complex.

Sec. 32. Minnesota Statutes 1984, section 238.22, is amended by adding a subdivision to read:

Subd. 9. [OTHER PROVIDERS OF TELEVISION PROGRAMMING OR CABLE COMMUNICATIONS SERVICES.] "Other providers of television programming or cable communications services" means operators of master antenna television systems (MATV), satellite master antenna tele-

vision systems (SMATV), multipoint distributions systems (MDS), and direct broadcast satellite systems (DBS).

Sec. 33. Minnesota Statutes 1984, section 238.24, subdivision 10, is amended to read:

Subd. 10. [CHANNEL CAPACITY.] (a) A property owner must provide access by a franchised cable communications company, as required under section 238.23, only if that cable company installs equipment with channel capacity sufficient to provide access to other providers of television programming or cable communications services so that residents or association members have a choice of alternative providers of those services. If the equipment is installed, the cable communications company shall allow alternative providers to use the equipment. If some of the residents or association members choose to subscribe to the services of an alternative provider, the cable company that installed the equipment shall be reimbursed by the other providers for the cost of equipment and installation on the property on a pro rata basis which reflects the number of subscribers of each provider on that property to the total number of subscribers on that property. In determining the pro rata amount of reimbursement by any alternative provider, the cost of equipment and installation shall be reduced to the extent of cumulative depreciation of that equipment at the time the alternative provider begins providing service.

(b) If equipment is already installed as of June 15, 1983 with channel capacity sufficient to allow access to alternative providers, the access and pro rata reimbursement provisions of paragraph (a) apply.

~~(c) The board shall promulgate rules by January 1, 1984 to implement the provisions of this subdivision.~~

~~(d) Paragraphs (a) and (b) come into effect after rules have been promulgated and adopted in accordance with paragraph (c).~~

Sec. 34. [238.241] [CONDITIONS FOR ACCESS BY ALTERNATIVE PROVIDERS.]

Subdivision 1. [CHANNEL CAPACITY.] Cable companies granted access to a multiple dwelling complex under section 238.25 shall provide equipment with sufficient channel capacity to be used by alternative providers of television programming or cable communications services.

Subd. 2. [TECHNICAL PLAN APPROVAL.] The cable communications company shall determine the technical plan best suited for providing the necessary channel capacity sufficient to allow access to other providers. The plan must be submitted to the property owner for approval. The owner's approval may not be unreasonably withheld. No additional compensation for evaluation of the plan may be paid or given to the property owner over and above that permitted under section 238.24, subdivision 8.

Subd. 3. [DUPLICATE CONNECTIONS.] The cable communications company is not required to provide equipment for connecting more than one television receiver in one dwelling unit within the multiple dwelling complex. However, the company may provide duplicate connections at its discretion.

Sec. 35. [238.242] [REIMBURSEMENT.]

Subdivision 1. [PROVIDING ALTERNATIVE SERVICE.] Other pro-

viders of television programming or cable communications services shall notify the cable communications company when a resident or association member occupying a dwelling unit in a multiple dwelling complex requests the services provided for by this section or section 34. After reaching agreement with the alternative service provider for reimbursement to be paid for use of the equipment, the cable communications company shall make available the equipment necessary to provide the alternative service without unreasonable delay.

Subd. 2. [REIMBURSEMENT DETERMINATION.] The amount to be reimbursed must be determined under section 238.24, subdivision 10. The reimbursed amount must be paid in one installment for each instance of requested use. The payment may not be refunded upon subscriber cancellation of the alternative service.

Subd. 3. [FINANCIAL RECORDS MADE AVAILABLE.] The cable communications company, upon written request, shall make available to the alternative provider financial records supporting the reimbursement cost requested.

Sec. 36. [238.36] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 36 to 42, the following terms have the meanings given them unless a different meaning clearly appears in the text.

Subd. 2. [CABLE COMMUNICATIONS COMPANY'S EQUIPMENT.] "Cable communications company's equipment" means aerial wires, cables, amplifiers, associated power supply equipment, and other transmission apparatus necessary for the proper operation of the cable communications system in a franchised area.

Subd. 3. [CONDUIT SYSTEM.] "Conduit system" means a reinforced passage or opening in, on, under, or through the ground capable of containing communications facilities and includes the following: main conduit; underground dips and short sections of conduit under roadways, driveways, parking lots, and similar conduit installations; laterals to poles and into buildings; ducts; and manholes.

Subd. 4. [PUBLIC UTILITY COMPANY POLES.] "Public utility company poles" means poles owned by the public utility and poles owned by others on which the public utility has the right to permit others to attach in the communications space on the pole.

Sec. 37. [238.37] [SCOPE.]

Sections 36 to 42 only apply to pole, duct, and conduit agreements entered into or renewed between public utilities and cable communications companies on or after January 1, 1976, and have no application to those agreements executed before January 1, 1976, until those agreements are either renewed or substantially renegotiated. If a public utility company and a cable communications company enter into an agreement regarding only pole attachments, sections 36 to 42 relating to conduit systems are applicable to that agreement and if a public utility company and a cable communications company enter into an agreement regarding only use of a conduit system, sections 36 to 42 relating to pole attachments are not applicable to that

agreement.

Sec. 38. [238.38] [PERMITS.]

Every pole, duct, and conduit agreement must contain a provision that before attaching to the public utility company's poles or occupying any part of the public utility's conduit system, the cable communications company shall apply and receive a permit for that purpose on a form provided by the public utility company. If the cable communications company accepts the permit, it may attach its equipment to the poles covered by the permit or occupy the conduit system of the public utility to the extent authorized by the permit, subject to sections 36 to 42 and the terms of the agreement between the contracting parties. In granting or denying a permit, the public utility has the right to determine whether a grant of a permit would adversely affect its public services, duties, and obligations or have an adverse effect on the economy, safety, and future needs of the public utility.

Sec. 39. [238.39] [LEGAL AUTHORITY.]

Every pole, duct, and conduit agreement must contain a provision that the cable communications company shall submit to the public utility company evidence of the cable communications company's lawful authority to place, maintain, and operate its facilities within public streets, highways, and other thoroughfares and shall secure the legally necessary permits and consents from federal, state, county, and municipal authorities to construct, maintain, and operate facilities at the locations of poles or conduit systems of the public utility company which it uses. The parties to the agreement shall at all times observe and comply with, and the provisions of a pole, duct, and conduit agreement are subject to, the laws, ordinances, and rules which in any manner affect the rights and obligations of the parties to the agreement, so long as the laws, ordinances, or rules remain in effect.

Sec. 40. [238.40] [LIABILITY.]

Every pole, duct, and conduit agreement must contain a provision that the cable communications company shall defend, indemnify, protect, and save harmless the public utility from and against any and all claims and demands for damages to property and injury or death to persons, including payments made under any worker's compensation law or under any plan for employees' disability and death benefits, which may arise out of or be caused by the erection, maintenance, presence, use, or removal of the cable communications company's cable, equipment, and facilities or by the proximity of the cables, equipment, and facilities of the parties to the agreement, or by any act of the cable communications company on or in the vicinity of the public utility company's poles and conduit system, in the performance of the agreement. Nothing contained in this section relieves the public utility company from liability for the negligence of the public utility company or anyone acting under its direction and control. The cable communications company shall also indemnify, protect, and save harmless the public utility from any and all claims and demands which arise directly or indirectly from the operation of the cable communications company's facilities including taxes, special charges by others, claims, and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use of television broadcast programs, and for unauthorized use of other program material, and from and against all claims and demands for infringement of

patents with respect to the manufacture, use, and operation of the cable communications equipment in combination with the public utility company's poles, conduit system, or otherwise. Nothing contained in this section relieves the public utility company from liability for the negligence of the public utility company or anyone acting under its direction and control.

Sec. 41. [238.41] [INSURANCE.]

The cable communications company shall carry insurance to protect the parties to the agreement from and against any and all claims, demands, actions, judgments, costs, expenses, and liabilities which may arise or result, directly or indirectly, from or by reason of the loss, injury, claim, or damage. The amount of the insurance must be agreed to by the parties to this agreement. The cable communications company shall also carry insurance to protect it from all claims under worker's compensation laws in effect that may be applicable to it. Insurance required must remain in effect for the entire term of the agreement.

Sec. 42. [238.42] [ADDITIONAL TERMS.]

Nothing contained in sections 36 to 42 in any way prohibits a public utility company from including in its pole, duct, and conduit agreements with cable communications companies additional terms which do not conflict with sections 36 to 42.

Sec. 43. [238.43] [REGIONAL CHANNEL.]

Subdivision 1. [DEFINITION.] For the purposes of this section "regional channel entity" means an independent, nonprofit corporation to govern the operation of the regional channel.

Subd. 2. [LEGISLATIVE PURPOSE.] The purpose of this section is to facilitate the activation of a metropolitan area interconnected regional channel, to be uniformly carried on VHF channel 6 on cable communications systems operating in the metropolitan area in order to provide a broad range of informational, educational, and public service programs and materials to metropolitan area cable subscribers.

Subd. 3. [VHF CHANNEL 6.] Franchises for cable communications systems franchised in whole or in part within the metropolitan area shall contain a provision designating the standard VHF channel 6 for uniform regional channel usage; provided, however, that until the regional channel becomes operational, the designated VHF channel 6 may be utilized by the cable communications company as it deems appropriate. The designated regional channel may be combined with the government access channel until such time as the video programming usage of the government access channel expands to such point as it is in use during 80 percent of the time between 8:00 a.m. and 10:00 p.m. during any consecutive six-week period. Use of time on the regional channel must be made available without charge.

Subd. 4. [USE.] The regional channel will provide a broad range of informational, educational, and public service programs and materials to metropolitan area cable subscribers.

Subd. 5. [REGIONAL CHANNEL ENTITY.] The cable communications board may designate a regional channel entity prior to July 1, 1985. If the cable communications board does not designate an entity by June 30, 1985,

the metropolitan council shall appoint the governing body of the regional channel entity which must consist of 15 members appointed to three-year terms. In making the initial appointments the metropolitan council shall designate one-third of the appointees to serve one-year terms, one-third to serve two-year terms, and one-third to serve three-year terms. In the case of a vacancy the council shall appoint a person to fill the vacancy for the remainder of the unexpired term. The metropolitan council shall name three appointees from the recommendations received from the association of metropolitan municipalities and three from the recommendations received from the cable communications companies operating in the metropolitan area.

Subd. 6. [REGIONAL CHANNEL OPERATOR.] The regional channel entity may operate the regional channel or designate the operator of the regional channel. In the event the regional channel entity designates the operator of the regional channel, the designation must be for an initial period not exceeding three years. Before the expiration of the three-year period, the regional channel entity shall review its designation and consider renewal for a term not exceeding three years. Nothing in this section creates any right to renewal for the operator designated by the regional channel entity.

Sec. 44. Minnesota Statutes 1984, section 250.05, is amended to read:

Subdivision 1. There is hereby established as a public corporation in the executive branch of state government the Gillette children's hospital board. The purpose of the board shall be to govern the operation of Gillette children's hospital in conjunction with the Ramsey county hospital in such manner as to obtain a maximum of efficiency and economy in the performance of and training in medical and surgical care of crippled children with handicaps or disabilities.

Subd. 2. The Gillette children's hospital shall be governed by a board of directors consisting of ~~nine~~ up to 19 members. Not more than ~~four~~ nine of those appointed by the governor shall be residents of Ramsey county. The commissioner of health and the commissioner of economic security shall each designate a senior employee of their respective departments to represent them as voting members of the board. The designee of the commissioner of economic security shall be the person having authority over the administration of federally recognized vocational rehabilitation programs. Notwithstanding the provisions of subdivision 2a, the term of office of a designee shall be coterminous with the term of office of the designating commissioner. Of the ~~seven~~ remaining members, at least four shall be consumers as defined in section 145.833, and one member shall be a member of the medical staff, to be recommended elected by the medical staff of the hospital. Members other than the designees shall be appointed elected by the governor other members. No member of the board shall be an employee of or have any direct or immediate family financial interest in a business entity that provides goods or services to the hospital. No member of the board may be an employee of the hospital or employed by have any direct or immediate family financial interest in a business entity that provides goods or services to the hospital within the past five years.

Subd. 2a. The membership terms, compensation, and removal of members, filling of vacancies on the board shall be as provided in section 15.0575.

Subd. 3. The board shall organize by electing a ~~chairman~~ *chairperson* and other officers as may be required. The Gillette *children's* hospital board shall employ an administrator and other professional, technical, and clerical personnel as may be required. The administrator shall serve at the pleasure of the board. The Gillette *children's* hospital board ~~may~~ shall employ a certified public accountant to annually audit and examine its financial records. The report of an examination or audit by a certified public accountant shall be submitted *on request* to the legislative auditor who shall review the audit report and accept it or make additional examinations as he deems to be in the public interest. The working papers of the certified public accountant relating to the Gillette *children's* hospital board shall be made available to the legislative auditor upon request.

The Gillette *children's* hospital board may contract for the services of individuals who perform medical, technical, or other services of a professional nature, and may contract for the purchase of necessary supplies, services, and equipment. Except as it determines, the Gillette *children's* hospital board shall not be subject to the provisions of chapter 16, concerning budgeting, payroll, and the purchase of goods or services. Any department of state government is authorized, within the limits of its functions and appropriations, to assist the Gillette *children's* hospital board upon request.

Subd. 3a. All employees of the Gillette children's hospital who are in the classified service of the state on March 28, 1974 shall be continued as employees of the Gillette *children's* hospital board without loss of status, seniority, or benefits. The departments of administration and personnel shall endeavor to assist in the transfer elsewhere within state service of any classified employee who desires such assistance. Classified personnel may, with their individual approval and the approval of the Gillette *children's* hospital board, enter the unclassified service. Employees who remain in the classified service of the state under the provisions of this section, may do so as long as they continue to occupy the position occupied on March 28, 1974. If such an employee at a subsequent date is appointed, transferred, promoted, or demoted to a different position under the Gillette *children's* hospital board, that position and employee shall be in the unclassified service. All other employees of the Gillette *children's* hospital board shall be in the unclassified service. The Gillette *children's* hospital board may prescribe all terms and conditions of employment of unclassified employees, including but not limited to the fixing of classification and compensation, without regard to the provisions of chapter 15A. Full time employees of the Gillette *children's* hospital board ~~shall~~ may be members of the Minnesota state retirement system for classified employees, to which the Gillette *children's* hospital board shall make employer's contributions.

Subd. 4. The Gillette *children's* hospital board, acting through its board of directors, may contract with the governing body and the owners of the *St. Paul Ramsey county hospital medical center* and of any other hospital or institution, for the joint maintenance and operation of the Gillette children's hospital in conjunction with existing or contemplated facilities at the *Ramsey county hospital*. Contracts may include agreements for the joint employment and utilization of personnel, the joint purchase of supplies and equipment, and joint construction, acquisition, or leasing of space for offices, outpatient facilities, operating rooms, and other medical facilities for use in training in

the care and treatment of ~~crippled~~ disabled and handicapped children, the operation of a ~~brace shop~~ an orthotic/prosthetic laboratory, and the conduct of patient education programs. No contract shall, however, provide for the expenditure of funds for additional patient-bed capacity.

Subd. 5. The Gillette children's hospital board shall have the power to accept gifts and grants, to sue and be sued, and to establish a schedule of charges for ~~medical, hospital, and rehabilitative~~ all services furnished. All funds received by the Gillette children's hospital board from any source are hereby annually appropriated to the Gillette children's hospital board, which shall be responsible for their management and control. An annual report shall be submitted to the legislature by the Gillette children's hospital board not later than November 15 of each year. The report shall summarize the activities of the board and the hospital over the preceding fiscal year, shall evaluate whether the statutory structure for the board results in effective administration of the hospital and whether statutory changes are necessary. The report shall be submitted together with the audit report required by subdivision 3.

Subd. 6. The Gillette children's hospital shall seek reimbursement for costs of care and treatment provided, from parents to the extent of their ability to pay, from insurance policies covering care and treatment, and from other sources, including any federally financed medical aids for which the child is eligible. To the extent of appropriations available therefor, the department of human services shall continue to provide financial assistance to the Gillette children's hospital board to pay for costs of care otherwise unmet which are beyond the ability of parents to provide. Children from other states who can benefit from the services of the hospital may be accepted upon the referral of a medical doctor. Reimbursement for full costs for care provided non-resident patients shall be obtained from parents, from insurance policies covering care and treatment, or from any sources other than the state of Minnesota which may be available to the child and his family.

Sec. 45. Minnesota Statutes 1984, section 254A.04, is amended to read:

254A.04 [CITIZENS ADVISORY COUNCIL.]

There is hereby created an alcohol and other drug abuse advisory council to advise the department of human services concerning the problems of alcohol and other drug dependency and abuse, composed of ~~11~~ ten members appointed by the governor. At least Five members shall be individuals whose interests or training are in the field of alcohol dependency and abuse; and at least five members whose interests or training are in the field of dependency and abuse of drugs other than alcohol. The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059. The commissioner of human services shall appoint members whose terms end in even-numbered years. The commissioner of health shall appoint members whose terms end in odd-numbered years.

Sec. 46. Minnesota Statutes 1984, section 270.41, is amended to read:

270.41 [BOARD OF ASSESSORS.]

A board of assessors is hereby created. The board shall be for the purpose of establishing, conducting, reviewing, supervising, coordinating or approving courses in assessment practices, and establishing criteria for determining assessor's qualifications. The board shall also have authority and

responsibility to consider other matters relating to assessment administration brought before it by the commissioner of revenue. The board shall consist of nine members, who shall be appointed by the ~~governor~~ *commissioner of revenue*, in the manner provided herein.

1. Two from the department of revenue,
2. Two county assessors,
3. Two assessors who are not county assessors, one of whom shall be a township assessor, and
4. One from the private appraisal field holding a professional appraisal designation,
5. Two public members as defined by section 214.02.

The appointment provided in ~~1, 2 and 3,~~ may be made from a *list two lists* of not less than three names *each, one* submitted to the ~~governor~~ by the commissioner of revenue ~~containing recommendations for appointees described in 1,~~ by the Minnesota Association of Assessing Officers or its successor organization containing recommendations for the appointment of appointees described in 2, and *one* by the Minnesota Association of Assessors, Inc. or its successor organization containing recommendations for the appointees described in ~~3.~~ *The lists must be submitted* 30 days before the commencement of the term. In the case of a vacancy, a new list shall be furnished to the ~~governor~~ *commissioner* by the respective organization immediately. In the event any member of the board shall no longer be engaged in the capacity listed above, he shall automatically be disqualified from membership in the board.

The board shall annually elect a chairman and a secretary of the board.

Sec. 47. Minnesota Statutes 1984, section 343.01, subdivision 3, is amended to read:

Subd. 3. The society must be governed by a board of directors consisting of seven persons appointed by the governor. The governor, the commissioner of education, and the attorney general, or their designees shall serve as ex officio, nonvoting members of the board. The membership terms, compensation, removal, and filling of vacancies of board members other than ex officio members shall be as provided in section 15.0575; provided that the terms of two initial members shall expire in each of 1979, 1980, and 1981, and the term of the seventh initial member shall expire in 1982. The members of the board shall annually elect a chairman and other officers as deemed necessary. Meetings must be called by the chairman or at least two other members. The ~~governor~~ board shall appoint an executive director who shall serve in the unclassified civil service at the ~~governor's board's~~ *governor's* pleasure ~~for a term coterminous with that of the governor.~~ The executive director may employ other staff who shall serve in the unclassified civil service. The commissioner of administration upon request of the executive director shall supply the board with necessary office space and administrative services, and the board shall reimburse the commissioner for the cost.

Sec. 48. Minnesota Statutes 1984, section 473.129, subdivision 6, is amended to read:

Subd. 6. [PARTICIPATION IN SPECIAL DISTRICT ACTIVITY MET-

ROPOLITAN AREA COMMISSIONS AND BOARDS.] (a) The metropolitan council shall appoint from its membership a member to serve with the metropolitan airports commission, a member to serve with the mosquito control commission, a member to serve on the Minneapolis-St. Paul sanitary district or any successor thereof, and may appoint a member to serve on any metropolitan area commission or board authorized by law. Each member of the metropolitan council so appointed on each of such commissions shall serve without a vote.

(b) *The metropolitan council shall also appoint individuals to the governing body of the cable communications metropolitan interconnected regional channel entity under section 43, subdivision 5.*

Sec. 49. Minnesota Statutes 1984, section 611.215, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MEMBERSHIP.] There is created a state board of public defense as a part of, but not subject to the administrative control of, the judicial branch of government. The state board of public defense shall consist of seven members appointed by the ~~governor~~ *supreme court* including:

(a) A district, county or county municipal court trial judge;

(b) Four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not publicly employed as a prosecutor or defense counsel; and

(c) Two public members.

All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. In making the four appointments of attorneys at law, the ~~governor~~ *supreme court* shall first consider a list of at least three nominees for each position submitted to the ~~governor~~ *supreme court* by the state bar association. The terms, compensation and removal of members shall be as provided in section 15.0575. The chairman shall be elected by the members from among the membership for a term of two years.

Sec. 50. Laws 1984, chapter 654, article 2, section 151, subdivision 2, is amended to read:

Subd. 2. [CREATION OF COUNCIL.] There is created the Minnesota Manufacturing Growth Council whose purpose is to address manufacturing concerns in Minnesota. The council shall consist of 21 members ~~appointed by the governor~~. The ~~governor~~ *commissioner of energy and economic development* shall serve as chairperson of the council. ~~The governor and~~ shall appoint seven members who represent manufacturing labor; seven members who represent manufacturing management; ~~the commissioners of economic security, energy and economic development, and labor and industry;~~ one economist; and two members of the public-at-large. ~~The governor and the commissioners of economic security and labor and industry shall also be members of the council.~~ The ~~governor~~ *commissioner of energy and economic development* shall seek to appoint at least one member representing manufacturing businesses owned or managed by women.

Sec. 51. [MOTION PICTURE AND TELEVISION ADVISORY

COUNCIL; APPOINTING AUTHORITY TRANSFERRED.]

Notwithstanding Laws 1983, chapter 301, section 28, the commissioner of energy and economic development shall appoint the members of the motion picture and television advisory council and designate one appointee as chairperson and liaison to the commissioner.

Sec. 52. [TERMS OF TELECOMMUNICATIONS COUNCIL MEMBERS.]

Notwithstanding Minnesota Statutes, section 15.059 or 16C.01, the terms of all present members of the telecommunications council shall expire on July 31, 1985.

Sec. 53. [GILLETE CHILDREN'S HOSPITAL BOARD TRANSITION.]

Members of the Gillete children's hospital board on July 31, 1985, carry over as members of the board as restructured by this act and shall elect additional members other than designees.

Sec. 54. [REPEALER.]

Minnesota Statutes 1984, sections 3.29, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 16C.01; 238.02, subdivision 4; 238.04; 238.05; 238.06; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; 238.13; 238.14; 238.16, subdivision 1; and 238.17, subdivisions 6, 7, and 8 are repealed.

Sec. 55. [EFFECTIVE DATE.]

Sections 3, 10 to 43, and 48 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and transferring certain functions to the commissioner of commerce; abolishing the telecommunications council; amending Minnesota Statutes 1984, sections 4.31, subdivision 5; 14.02, subdivision 4; 15.0591, subdivision 2; 16B.20, subdivision 2; 16B.33, subdivision 2; 115.74, subdivision 1; 116C.41, subdivision 2; 121.83; 161.1419, subdivision 2; 238.01; 238.02, subdivision 14, and by adding subdivisions; 238.03; 238.08, subdivisions 2, 3, and 4; 238.11, subdivision 2; 238.15; 238.16, subdivision 2; 238.17, subdivisions 1 and 5; 238.22, by adding subdivisions; 238.24, subdivision 10; 250.05; 254A.04; 270.41; 343.01, subdivision 3; 473.129, subdivision 6; and 611.215, subdivision 1; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 238; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.02, subdivision 4; 238.04 to 238.06; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; 238.13; 238.14; 238.16, subdivision 1; and 238.17, subdivisions 6, 7, and 8."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Gil Gutknecht, Elton R. Redalen, Joel Jacobs

Senate Conferees: (Signed) Lawrence J. Pogemiller, Donald A. Storm,

Neil Dieterich

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 786 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Knaak moved that the recommendations and Conference Committee Report on H.F. No. 786 be rejected, and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

Mr. Pogemiller moved that H.F. No. 786 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Frank moved that the following members be excused for a Conference Committee on H.F. No. 847:

Messrs. Frank, Chmielewski and Langseth. The motion prevailed.

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. 276: A bill for an act relating to notaries; providing procedures for various notarial acts; enacting the uniform law on notarial acts; providing that matters to be verified by oath or affirmation may be declared under penalty of perjury; imposing a penalty; amending Minnesota Statutes 1984, sections 358.15; and 609.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 358; repealing Minnesota Statutes 1984, sections 358.32 to 358.40.

Senate File No. 276 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. Moe, R.D. moved that S.F. No. 276 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. 401: A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; authorizing the court to allow the respondent in a replevin action to retain or regain possession without posting a bond; authorizing the court to stay an action to recover possession for up to six months; extending the effective period of a garnishee summons; amending Minnesota Statutes 1984, sections 550.37, subdivisions 5, 7, 13, 14, and 24; 565.25, subdivision 2; 571.41, subdivi-

sions 6 and 7; 571.42; 571.495, subdivision 3; and 571.55, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 565.

Senate File No. 401 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. DeCramer moved that the Senate do not concur in the amendments by the House to S.F. No. 401, 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. 615: A bill for an act relating to Lake of the Woods county; authorizing the issuance of bonds for the construction of jetties and related public improvements; and authorizing the levy of special assessments.

Senate File No. 615 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 615, 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.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Reichgott moved that the following members be excused for a Conference Committee on S.F. No. 196 at 12:00 noon:

Ms. Reichgott, Messrs. Pogemiller and Knaak. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 828 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.
828	1246				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 828 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 828 and insert the language after the enacting clause of S.F. No. 1246, the first engrossment; further, delete the title of H.F. No. 828 and insert the title of S.F. No. 1246, the first engrossment.

And when so amended H.F. No. 828 will be identical to S.F. No. 1246, and further recommends that H.F. No. 828 be given its second reading and substituted for S.F. No. 1246, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1243 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.
1243	1002				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1243 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1243 and insert the language after the enacting clause of S.F. No. 1002, the second engrossment; further, delete the title of H.F. No. 1243 and insert the title of S.F. No. 1002, the second engrossment.

And when so amended H.F. No. 1243 will be identical to S.F. No. 1002, and further recommends that H.F. No. 1243 be given its second reading and substituted for S.F. No. 1002, 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. 828 and 1243 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that S.F. No. 230 be taken from the table. The motion prevailed.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the proceedings on S.F.

No. 230. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 230: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing that certain violations do not impair obligations of a contract; providing penalties; providing for certain dollar adjustments; amending Minnesota Statutes 1984, sections 48.151; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1 and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 230 and that the bill be placed on its repassage as amended.

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 230, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Petty.

Mr. Wegscheid moved that those not voting be excused from voting. The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 26 and nays 33, as follows:

Those who voted in the affirmative were:

Berglin	Frank	Lantry	Peterson, C.C.	Vega
Dahl	Freeman	Luther	Peterson, D.C.	Willet
Davis	Hughes	Merriam	Peterson, R.W.	
DeCramer	Johnson, D.J.	Moe, D.M.	Petty	
Diessner	Kroening	Moe, R.D.	Pogemiller	
Dieterich	Langseth	Novak	Stumpf	

Those who voted in the negative were:

Adkins	Chmielewski	Kamrath	Olson	Sieloff
Anderson	Frederick	Knaak	Pehler	Solon
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Storm
Benson	Gustafson	Laidig	Purfeerst	Taylor
Bernhagen	Isackson	Lessard	Ramstad	Wegscheid
Bertram	Johnson, D.E.	McQuaid	Renneke	
Brataas	Jude	Mehrkens	Schmitz	

The motion did not prevail.

The question recurred on the motion of Mr. Wegscheid.

The roll was called, and there were yeas 28 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Kamrath	Mehrkens	Schmitz
Belanger	Frederick	Knaak	Olson	Solon
Benson	Gustafson	Kronebusch	Pehler	Stumpf
Bernhagen	Isackson	Laidig	Peterson, D.L.	Wegscheid
Bertram	Johnson, D.E.	Lessard	Ramstad	
Brataas	Jude	McQuaid	Renneke	

Those who voted in the negative were:

Berg	Frank	Moe, D.M.	Peterson, R.W.	Storm
Davis	Freeman	Novak	Petty	Vega
DeCramer	Luther	Peterson, C.C.	Pogemiller	
Diessner	Merriam	Peterson, D.C.	Reichgott	

The motion prevailed.

S.F. No. 230: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; authorizing the FDIC to act as receiver or liquidator of closed financial institution and providing a right of subrogation; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing an inflation adjustment for amounts exempt from creditors; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 49.05, by adding subdivisions; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; and 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, 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.

Mr. Freeman moved that those not voting be excused from voting. The motion did not prevail.

Mr. Wegscheid moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 33 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Knutson	Olson	Solon
Belanger	Frederickson	Kronebusch	Pehler	Storm
Benson	Gustafson	Laidig	Peterson, D.L.	Stumpf
Bernhagen	Johnson, D.E.	Langseth	Ramstad	Taylor
Bertram	Jude	Lessard	Renneke	Wegscheid
Brataas	Kamrath	McQuaid	Schmitz	
Chmielewski	Knaak	Mehrkens	Sieloff	

Those who voted in the negative were:

Anderson	Diessner	Kroening	Nelson	Pogemiller
Berg	Dieterich	Lantry	Novak	Purfeerst
Berglin	Frank	Luther	Peterson, C.C.	Reichgott
Dahl	Freeman	Merriam	Peterson, D.C.	Samuelson
Davis	Isackson	Moe, D.M.	Peterson, R.W.	Vega
DeCramer	Johnson, D.J.	Moe, R.D.	Petty	Willet

So the bill, as amended, failed to pass.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Wegscheid introduced—

S.F. No. 1562: A bill for an act relating to licenses; requiring operators of campgrounds and mobile home parks to procure a license; amending Minnesota Statutes 1984, section 157.03.

Referred to the Committee on Economic Development and Commerce.

Mr. Dicklich introduced—

S.F. No. 1563: A bill for an act relating to insurance; accident and health; preserving insurability after waiving group health insurance coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health and Human Services.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Luther, for Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the following bill a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 957: A bill for an act relating to agriculture; providing that local governments may enter agreements; providing for soil conservation; imposing a penalty; amending Minnesota Statutes 1984, sections 40.19, subdivisions 1, 2, 5, 6, 7, 8, 9, 11, 13, and by adding subdivisions; 40.20; 40.21; 40.22, subdivisions 1 and 2; 40.23; 40.25; 40.26; 40.28; proposing coding for new law in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, section 40.19, subdivisions 3, 4, 10, 12, 14, and 15.

Mr. Davis moved that the amendment made to H.F. No. 957 by the Committee on Rules and Administration in the report adopted May 17, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Davis moved to amend H.F. No. 957 as follows:

Page 12, line 14, after "15," insert "*and section 40.24*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Davis then moved to amend H.F. No. 957 as follows:

Page 12, after line 11, insert:

"Sec. 23. Laws 1979, chapter 315, section 1, is amended to read:

Section 1. [PURPOSES; OBJECTIVES.] The legislature hereby declares it to be the policy of the state to assure that Minnesota lands that are well suited for the production of agricultural products be used and managed primarily for that purpose by:

- (a) Maintaining optimum agricultural production;
- (b) Permanently preserving certain parcels of prime agricultural and open space land from conversion to other uses;
- (c) Attempting to guide growth and development to utilize land, resources, and capital most effectively; ~~and~~
- (d) Providing relief from escalating property taxes and special assessments in agricultural areas subject to development pressures; *and*
- (e) *Preventing excessive soil and water erosion.*

The legislature further finds that the public purposes to be served by this policy will be best met by:

- (a) Defining and locating lands well suited for the production of agricultural products;
- (b) Assuring that state agencies conduct their activities in a manner that considers and seeks to minimize negative impacts on agricultural activities, in accordance with other social, economic and environmental considerations;
- (c) Assuring that public agencies employ and promote the use of management procedures which maintain or enhance the natural productivity of lands well suited to the production of agricultural products; ~~and~~

(d) Providing units of local government with tools and incentives to prevent the unplanned and unscheduled conversion of agricultural and open space lands to other uses; and

(e) *Providing state agencies and units of local government with adequate support to prevent excessive soil erosions through soil and water conservation.*

Sec. 24. Laws 1979, chapter 315, section 2, as amended by Laws 1981, chapter 78, section 1; Laws 1982, chapter 512, section 10; and Laws 1984, chapter 569, section 12, is amended to read:

Sec. 2. [JOINT LEGISLATIVE COMMITTEE.]

A joint legislative committee on agricultural land preservation and *soil and water* conservation shall be established by July 1, 1979, and shall expire by June 30, 1994, unless extended by legislative action. The committee shall be composed of eight members of the house of representatives from the transportation, agriculture, environment and natural resources, local and urban affairs, and tax committees appointed by the speaker and the chairman of the committee on rules and legislative administration; and eight members of the senate from the transportation, agriculture and natural resources, local government, tax, and governmental operations committees appointed by the subcommittee on committees. The committee shall elect a chairman from among its members. The expenses of and per diem payments to committee members shall be paid from the legislative expense fund of their respective body upon approval of the chairman of the joint committee. Other expenses of the committee shall be evenly divided between the house of representatives and the senate.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after “soil” insert “and water”

Page 1, line 8, before “proposing” insert “Laws 1979, chapter 315, sections 1; and 2, as amended;”

The motion prevailed. So the amendment was adopted.

H.F. No. 957 was then progressed.

RECESS

Mr. Luther moved that the Senate do now recess until 12:30 p.m. The motion prevailed.

The hour of 12:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1639 at 10:30 a.m.:

Mr. Langseth, Mrs. Lantry, Messrs. Purfeerst, Schmitz and Mehrkens. The motion prevailed.

The question recurred on H.F. No. 957.

SPECIAL ORDER

H.F. No. 957: A bill for an act relating to agriculture; providing that local governments may enter agreements; providing for soil conservation; imposing a penalty; amending Minnesota Statutes 1984, sections 40.19, subdivisions 1, 2, 5, 6, 7, 8, 9, 11, 13, and by adding subdivisions; 40.20; 40.21; 40.22, subdivisions 1 and 2; 40.23; 40.25; 40.26; 40.28; proposing coding for new law in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, section 40.19, subdivisions 3, 4, 10, 12, 14, and 15.

Mr. Bernhagen moved to amend H.F. No. 957 as follows:

Page 4, line 16, before "Each" insert "*Subdivision 1.*"

Page 4, after line 30, insert:

"Subd. 2. [EFFECTIVE DATE AND REFERENDUM.] An ordinance adopted under this section is not effective until 60 days after adoption. If within 60 days after adoption of an ordinance, a petition signed by voters equal to or greater than ten percent of the votes cast in the county, statutory or home rule charter city, or town in the last general election requesting a referendum on the proposed ordinance is filed with the clerk, the ordinance is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the ordinance are in the affirmative."

CALL OF THE SENATE

Mr. Davis imposed a call of the Senate for the balance of the proceedings on H.F. No. 957. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Johnson, D.E.	Olson	Storm
Anderson	Bertram	Kamrath	Peterson, D.L.	Stumpf
Belanger	Brataas	Knutson	Ramstad	
Benson	Frederick	Kronebusch	Renneke	
Berg	Isackson	McQuaid	Sieloff	

Those who voted in the negative were:

Berglin	Dicklich	Kroening	Merriam	Peterson, D.C.
Chmielewski	Diessner	Langseth	Moe, R.D.	Peterson, R.W.
Dahl	Dieterich	Lantry	Nelson	Petty
Davis	Frank	Lessard	Pehler	Vega
DeCramer	Freeman	Luther	Peterson, C.C.	

The motion did not prevail. So the amendment was not adopted.

Mr. Renneke moved to amend H.F. No. 957 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [40.037] [ENCOURAGEMENT OF PARTICIPATION IN CONTRACTS AND VOLUNTARY EFFORTS.]

Subdivision 1. [FAILURE TO COMPLY WITH MINIMUM EROSION RATES.] In those districts where cost-sharing programs for erosion control and water management are being implemented pursuant to section 40.036, the district board shall use all methods available in section 40.036 to encourage participation with cost-sharing contracts and other voluntary efforts. If a district exhausts all of those methods and a land occupier permits average annual soil loss in excess of 15 tons per acre, or a lower rate established by the district board, the district board may issue an official warning to the owner of the land.

Subd. 2. [OFFICIAL WARNING; CONTENTS; EFFECT; PENALTIES.] An official warning issued to a land owner pursuant to section 1 must refer the owner to this section and must detail the time during which the owner must reduce soil loss to acceptable levels and the penalties for failure to do so. After one year from the official warning, if the owner has not reduced soil loss to acceptable levels, a civil penalty of up to \$500 may be imposed. If the land owner is approved for cost-sharing assistance and has not reduced soil loss to acceptable levels within one year of issuance of the warning, the state's share of the cost-sharing contract is reduced by one-third.

Subd. 3. [OTHER REMEDIES.] In addition to other remedies available in section 40.036 and this section, the district board may institute appropriate actions or proceedings to prevent, restrain, correct, or abate conditions causing average annual soil loss in excess of acceptable levels.

Sec. 2. [REPEALER.]

Minnesota Statutes 1984, sections 40.19; 40.20; 40.21; 40.22; 40.23; 40.24; 40.25; 40.26; 40.27; and 40.28 are repealed.”

Delete the title and insert:

“A bill for an act relating to soil and water conservation; providing additional methods to state and local boards for the encouragement of participation in erosion control projects; imposing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, sections 40.19; 40.20; 40.21; 40.22; 40.23; 40.24; 40.25; 40.26; 40.27; and 40.28.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 35, as follows:

Those who voted in the affirmative were:

Berglin	DeCramer	McQuaid	Merriam	Renneke
Brataas	Gustafson	Mehrrens		

Those who voted in the negative were:

Adkins	Chmielewski	Isackson	Lantry	Peterson, R.W.
Anderson	Dahl	Johnson, D.E.	Lessard	Petty
Belanger	Davis	Jude	Luther	Ramstad
Benson	Diessner	Kamrath	Nelson	Sieloff
Berg	Dieterich	Kronebusch	Pehler	Storm
Bernhagen	Frank	Laidig	Peterson, C.C.	Stumpf
Bertram	Frederick	Langseth	Peterson, D.C.	Vega

The motion did not prevail. So the amendment was not adopted.

H.F. No. 957 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Merriam	Petty
Anderson	Diessner	Kronebusch	Nelson	Purfeerst
Belanger	Dieterich	Laidig	Novak	Ramstad
Berg	Frank	Langseth	Olson	Schmitz
Berglin	Freeman	Lantry	Pehler	Sieloff
Brataas	Gustafson	Lessard	Peterson, C.C.	Storm
Chmielewski	Hughes	Luther	Peterson, D.C.	Stumpf
Dahl	Isackson	McQuaid	Peterson, D.L.	Vega
Davis	Johnson, D.E.	Mehrkens	Peterson, R.W.	

Those who voted in the negative were:

Benson	Bertram	Frederick	Kamrath	Renneke
Bernhagen				

So the bill, as amended, passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Luther, for Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 1458: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Mr. Dahl moved to amend H.F. No. 1458 as follows:

Delete the amendments recommended by the Committee on Finance, adopted by the Senate May 14, 1985

Page 2, line 25, delete "\$230,000" and insert "\$160,500"

The motion prevailed. So the amendment was adopted.

H.F. No. 1458 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 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Nelson	Renneke
Anderson	Diessner	Knutson	Novak	Schmitz
Belanger	Dieterich	Kronebusch	Olson	Sieloff
Berg	Frank	Lantry	Pehler	Storm
Berglin	Frederick	Lessard	Peterson, C.C.	Stumpf
Bernhagen	Freeman	Luther	Peterson, D.C.	Taylor
Bertram	Gustafson	McQuaid	Peterson, D.L.	Vega
Chmielewski	Hughes	Mehrrens	Peterson, R.W.	
Dahl	Isackson	Merriam	Petty	
Davis	Jude	Moe, R.D.	Ramstad	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 856: A bill for an act relating to taxation; imposing an additional tax on certain interest earned on state or municipal obligations; providing an income tax credit for certain interest paid on those obligations; amending Minnesota Statutes 1984, section 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Pursuant to Rule 22, Mr. Jude moved that he be excused from voting on all questions on H.F. No. 856. The motion prevailed.

Mr. Nelson moved to amend H.F. No. 856, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 854.)

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

(1) Agency means the Minnesota pollution control agency created by this chapter;

(2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifica-

tions, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state *independent grant and matching grant* purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314, et seq.

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, *the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or subdivision 1a, that are in existence on January 1, 1985*, and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include ~~the provision of collector sewers as defined in agency rules~~, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

Sec. 2. [116.162] [STATE GRANT PROGRAM FOR COMBINED SEWER OVERFLOW.]

Subdivision 1. [DEFINITIONS.] (a) Except as otherwise provided in this section, the terms used in this section have the meanings given in section 116.16, subdivision 2.

(b) "Combined sewer" means a sewer that is designed and intended to serve as a sanitary sewer and a storm sewer, or as an industrial sewer and a storm sewer.

(c) "Combined sewer overflow" means a discharge of a combination of storm and sanitary wastewater or storm and industrial wastewater directly or indirectly into the waters of the state, occurring when the volume of wastewater flow exceeds the conveyance or storage capacity of a combined sewer system.

Subd. 2. [PROGRAM PURPOSE.] The agency shall administer a state grant program to assist eligible recipients to abate combined sewer overflow to the Mississippi river from its confluence with the Rum river to its confluence with the St. Croix river.

Subd. 3. [ELIGIBLE RECIPIENTS.] A statutory or home rule charter city is eligible for grants under the program if the city has a permit, stipulation agreement, consent decree, or order issued by the agency requiring construction to abate combined sewer overflow and if the city adopts an approved plan to abate combined sewer overflow.

Subd. 4. [ELIGIBLE COSTS.] The eligible costs under this section include the costs listed in section 116.16, subdivision 2, paragraph (6), as determined by the agency, using as guidelines the regulations promulgated

by the United States environmental protection agency under the Federal Water Pollution Control Act, United States Code, title 33, sections 1314 to 1328, except that the eligible costs include easements necessary for implementing the combined sewer overflow abatement plan and do not include:

- (1) the preparation of combined sewer overflow abatement plans;
- (2) acquisition of interests in real property other than easements;
- (3) storm water treatment facilities;
- (4) costs for a program to disconnect any structures or devices, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer;
- (5) costs incurred before the effective date of this section; and
- (6) costs incurred after the effective date of this section but without prior written approval of the agency.

Subd. 5. [GRANT PROGRAM.] The agency shall annually award grants to eligible recipients in that year for combined sewer overflow projects. The agency shall determine eligible costs for each eligible recipient and compare those individual costs to the total eligible cost required to abate combined sewer overflows. This comparison determines each eligible recipient's proportionate share of the costs, and the appropriation for the program must be distributed among eligible recipients according to their proportionate share.

Subd. 6. [GRANT CONDITIONS; ADMINISTRATION.] (a) A recipient of a grant under this section shall construct the combined sewer overflow abatement facilities in accordance with the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency. The agency shall require that the construction schedule to abate combined sewer overflow be completed within ten years. As a condition of receiving a grant, the recipient shall implement a program approved by the agency to disconnect any structures or devices, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer. The deadlines for submittal of facilities plans, plans and specifications, and other documents to the agency for a grant are governed by the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency requiring combined sewer overflow abatement construction.

(b) A recipient of a grant under this section is not eligible to receive a grant to abate combined sewer overflow under the state independent grants program.

Subd. 7. [RULES.] The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of the grant program established by this section. The rules must contain as a minimum:

- (1) procedures for application;
- (2) criteria for eligibility of combined sewer overflow abatement projects;
- (3) conditions for use of the grants;

(4) procedures for the administration of grants; and

(5) other matters that the agency finds necessary for the proper administration of the program.

Sec. 3. Minnesota Statutes 1984, section 116.18, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION FROM THE FUND.] The sum of \$167,000,000, or so much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 and ending June 30, 1985, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in accordance with the rules, priorities, and criteria therein described.

Sec. 4. Minnesota Statutes 1984, section 116.18, subdivision 2a, is amended to read:

Subd. 2a. [STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1984.] For projects tendered, on or after October 1, 1984, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for up to ~~45~~ 30 percent of the eligible cost of construction for municipalities for which the construction would otherwise impose significant financial hardship; provided, that not less than ~~25~~ ten percent of the eligible cost must be paid by the municipality or agency constructing the project. If a municipality is tendered federal and state grants in a percentage cumulatively exceeding ~~75~~ 90 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to ensure that not less than ~~25~~ ten percent of the eligible cost will be paid by the municipality. The amounts of the matching grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation.

Sec. 5. Minnesota Statutes 1984, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The agency may award independent grants for projects for 50 percent or, if the agency requires advanced treatment, 65 percent of the eligible cost of construction. The agency may award independent grants for up to an additional ~~45~~ 30 percent or, if the agency requires advanced treatment, up to an additional ~~ten~~ 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. ~~Not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded for projects for the control of combined sewer overflow as defined by federal regulation.~~ Until December 31, 1990, not more than 20

percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development at the beginning of each fiscal year, and the commissioner shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the agency to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and ~~apply to be reimbursed in the~~ a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated ~~under subdivision 1~~ to the state grants programs for that year.

Sec. 6. [116.19] [MUNICIPAL POWERS.]

Subdivision 1. [PURPOSE.] Notwithstanding a statute or home rule charter to the contrary, a recipient of a grant from the agency may exercise the authority provided in this section to abate combined sewer overflow or provide money to pay all or part of the costs of the abatement and of making improvements to any utility required to effect the abatement.

Subd. 2. [GENERAL.] A recipient may acquire real or personal property by purchase, including installment purchase, lease, including a financing lease, condemnation, gift, or grant, or may sell real or personal property at its fair market value determined by the recipient and simultaneously enter into an installment purchase or lease, including a financing lease, for purposes of reacquiring real or personal property. A recipient may construct, enlarge, improve, replace, repair, maintain, and operate a public sewer system, including storm sewers, sanitary sewers, and facilities for separating storm sewers from combined storm and sanitary sewers, or any other public utilities combined with the public sewer system as provided in this section. To accomplish these purposes, a recipient may exercise the powers granted a municipality by chapters 115, 117, 412, 429, 435, 444, 471, and 475, and may combine the public sewer system, for purposes of operation or revenue collection or both or for other purposes the city council determines, with one or more other public utilities. Charges for the services provided by a combined utility may be determined in any reasonable manner.

Subd. 3. [DEBT.] A recipient may incur indebtedness and may issue and sell bonds or other obligations, including notes, an installment purchase contract, or obligations to make payments under a financing lease, and pledge the full faith and credit of the city to its payment for storm and sanitary sewers and systems without submitting the question of issuing the bonds, or otherwise incurring the obligations, to the electors. The bonds or other obligations may be issued in one or more series, may bear interest at the rate or rates, including floating rates, and may be sold at public or private sale and

at the price the recipient determines. A recipient may, in addition to or in substitution for the pledge of its full faith and credit, pledge the revenues or net revenues of its public sewer system or a combined utility or a part of it, or mortgage the assets of the system or combined utility. A recipient may vest in a trustee or trustees, located within or outside the state, the right to enforce any covenants made to secure or to pay the bonds or other obligations, and may determine the powers and duties of the trustee or trustees. Except as provided in this section, the bonds or other obligations must be issued and sold according to chapter 475.

Subd. 4. [PROPERTY TAX.] In addition and supplemental to the grants of authority in subdivisions 2 and 3, the governing body may establish a special taxing district or districts within the corporate limits of the city that include some or all of the real or personal property served by a combined sewer separated after the effective date of this section, and may levy and collect ad valorem taxes in the district or districts for the purposes of this section. The taxes must be collected by the county and paid over to the city as are other taxes. The taxes are not restricted by any other tax levy limitations imposed upon the city by any other law or charter provision.

Subd. 5. [ASSESSMENTS.] The governing body of the city may divide the city into drainage districts or areas, and may levy and collect assessments based on benefit to property, whether the benefit be direct or indirect, and the assessments so levied may be based upon the existing or highest and best land usage, square footage, front footage or area. The assessments may be levied in accordance with the procedures set forth in the city's home rule charter, if any, or chapter 429, as the council determines. The assessments may be levied and collected from all property whether public or private, and in the case of public property the agency of government responsible for the property must provide the necessary money in its budget request.

Subd. 6. [PRIVATE FINANCE.] To secure financing for the purposes of this section, the governing body of the city may use private financing methods, such as private ownership and construction by any means available to the owner of new facilities to benefit the city under a lease, financing lease, installment purchase agreement or service contract, or the sale or mortgaging of all or part of the city's existing public sewer system, combined utility including the public sewer system, or water utility, to benefit the city under a lease, financing lease, installment purchase agreement or service contract. The private financing methods are not subject to any limitations imposed by a home rule charter, if any, or by chapter 475. Any property benefiting the city under the private financing methods is exempt from taxation and the payment of amounts in lieu of taxes to the same extent as property owned by the city.

Sec. 7. [116.46] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 7 to 9 and section 15.

Subd. 2. [AGENCY.] "Agency" means the pollution control agency.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 4. [ELEVATED BLOOD LEAD LEVEL.] "Elevated blood lead level" means a confirmed concentration of 25 micrograms or more of lead in

each deciliter of whole blood.

Subd. 5. [RESPONSE ACTION.] 'Response action' means action to limit exposure to lead contaminated soil sites, including fencing, covering sites with vegetation, removal and replacement of contaminated soil, and other appropriate measures.

Sec. 8. [116.47] [IDENTIFICATION OF LEAD CONTAMINATED SOIL SITES.]

Subdivision 1. [PRELIMINARY SCREENING.] By January 1, 1986, the agency must identify and develop a preliminary list of sites in the state where significant concentrations of lead in soil are likely and where the probability exists for children's contact with the soil. In identifying these sites the agency must consider:

(1) both stationary and mobile lead emission sources;

(2) dispersion and depositional patterns of lead emissions; and

(3) the presence of populations susceptible to lead exposure or lead absorption, including children at day care centers, schools, parks, and playgrounds, children who have elevated levels of lead in their blood, and children whose socioeconomic status has given them a higher exposure to lead or increased lead absorption.

Subd. 2. [SOIL TESTING.] By January 1, 1987, the agency must sample sites on the preliminary list to determine the concentration of lead in the soil. The agency must refer sites to the commissioner where lead in the soil exceeds the interim standard for lead in the soil of 1,000 parts per million. After adoption of the rules under section 9, subdivision 1, the agency shall refer to the commissioner all sites with concentrations above the standard for lead in soil.

Subd. 3. [ACCESS TO PROPERTY.] The agency or a person authorized by the agency may, upon presentation of credentials, enter public or private property to conduct surveys or investigations.

Subd. 4. [HEALTH SCREENING.] For each site referred by the agency, the commissioner must review the existing health data on the resident population or collect data on the level of lead in the blood if the present data are inadequate. If the level of lead in the blood is elevated in a population at a site, the commissioner shall examine the site for all sources of lead exposure and report to the agency findings and recommendations to reduce the level of lead in the blood.

Sec. 9. [116.48] [RULES.]

Subdivision 1. [STANDARD FOR LEAD IN SOIL.] By January 1, 1988, the agency shall adopt rules that establish a standard of lead contamination in the soil that threatens the health or welfare of susceptible populations.

Subd. 2. [PRIORITIES FOR RESPONSE ACTION.] By January 1, 1988, the agency must adopt rules establishing the priority for response actions. The rules must consider the potential for children's contact with the soil and the existing level of lead in the soil and may consider the relative risk to the public health, the size of the population at risk, and blood lead levels of resident populations.

Sec. 10. [REPORT ON LEAD CONTAMINATION IN THE SOIL.]

By January 1, 1987, the pollution control agency shall submit a report to the senate and house committees on health and human services describing the extent of lead contamination in the soil, the lead levels in the blood of populations at contaminated sites, the size of the population at risk from exposure to lead in the soil, and an estimate of the cost of response actions required to prevent exposure to soil contaminated by lead.

Sec. 11. [124.252] [SMOKING PREVENTION PROGRAMS.]

Subdivision 1. [ELIGIBILITY AND PURPOSE.] Each school board that institutes a smoking prevention program that meets the criteria in subdivision 2 and submits the proposed program to the commissioner of education is eligible for state aid for the following purposes:

- (1) inservice training for public and nonpublic school staff;
- (2) smoking prevention curriculums including materials;
- (3) community and parent awareness programs; and
- (4) evaluation of curriculum and programs for smoking prevention.

Subd. 2. [CRITERIA.] A smoking prevention curriculum must include at least the following components:

- (1) inservice training of teachers and staff;
- (2) evaluation of programs and curriculum results;
- (3) a kindergarten through grade 12 continuum of educational intervention related to smoking; and
- (4) targeted intervention on smoking onset for students who are 12 to 14 years old based on evaluated curriculums that have been shown to reduce smoking onset rates.

Subd. 3. [DISTRICT AID.] An eligible district must receive 52 cents in fiscal year 1986 and 54 cents in fiscal year 1987 and thereafter for each pupil, in average daily membership, enrolled in a public elementary, secondary, or area vocational technical institute or nonpublic elementary or secondary school. Aid for nonpublic school pupils must be paid to the district upon request by or on behalf of the pupils. A school district must not receive less than \$1,000 in fiscal year 1986 and \$1,040 in fiscal year 1987.

Subd. 4. [APPLICATIONS.] A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on a form supplied by the commissioner.

Subd. 5. [ASSISTANCE TO DISTRICTS.] The commissioner of education, with the consultation and assistance of the commissioner of health, shall:

- (1) provide technical assistance to districts for the development, implementation, and evaluation of smoking prevention curriculum and programs;
- (2) provide to districts information about evaluation results of various curriculums as reported in the scientific literature and elsewhere; and
- (3) collect information from districts about prevention programs and

evaluation results.

Sec. 12. [144.391] [PUBLIC POLICY.]

The legislature finds that:

- (1) smoking causes premature death, disability, and chronic disease, including cancer and heart disease, and lung disease;*
- (2) smoking related diseases result in excess medical care costs; and*
- (3) smoking initiation occurs primarily in adolescence.*

The legislature desires to prevent young people from starting to smoke, to encourage and assist smokers to quit, and to promote clean indoor air.

Sec. 13. [144.392] [DUTIES OF THE COMMISSIONER.]

The commissioner of health shall:

- (1) provide assistance to workplaces to develop policies that promote nonsmoking and are consistent with the Minnesota clean indoor air act;*
- (2) provide technical assistance, including design and evaluation methods, materials, and training to local health departments, communities, and other organizations that undertake community programs for the promotion of nonsmoking;*
- (3) collect and disseminate information and materials for smoking prevention;*
- (4) evaluate new and existing nonsmoking programs on a statewide and regional basis using scientific evaluation methods;*
- (5) conduct surveys in school-based populations regarding the epidemiology of smoking behavior, knowledge, and attitudes related to smoking, and the penetration of statewide smoking control programs; and*
- (6) report to the legislature each biennium on activities undertaken, smoking rates in the population and subgroups of the total population, evaluation activities and results of those activities, and recommendations for further action.*

Sec. 14. [144.393] [PUBLIC COMMUNICATIONS PROGRAM.]

The commissioner may conduct a long-term coordinated public information program that includes public service announcements, public education forums, mass media, and written materials. The program must promote nonsmoking and include background survey research and evaluation. The program must be designed to run over at least five years, subject to the availability of money.

Sec. 15. [144.491] [COMMISSIONER'S DUTIES RELATING TO LEAD ABSORPTION.]

The commissioner of health shall:

- (1) provide coordination and advice to community programs that test children for lead in their blood to assure that these testing services are conducted in a safe and appropriate manner, are targeted to children throughout the state at risk to lead contamination or absorption, and generate data*

that may be analyzed on a statewide basis;

(2) provide coordination and advice of local lead absorption testing programs, to assure adequate skill and efficiency, to the laboratories within the state that conduct Erythrocyte Protoporphyrin testing, confirmatory blood lead testing, and testing of paint chips and other environmental lead sources;

(3) provide public and professional education concerning lead contamination or absorption and its health effects on children;

(4) review state and local housing codes and advise the governing bodies and administrative departments adopting or administering the codes to insure that the hazard of absorption and contamination from leaded paint is adequately addressed and considered, and provide technical support for enforcement of the codes by local health departments and local building inspection departments; and

(5) study and determine the extent of exposure to lead in drinking water caused by plumbing and develop recommendations and techniques for reducing this exposure.

Sec. 16. Minnesota Statutes 1984, section 144.70, is amended to read:

144.70 [ANNUAL BIENNIAL REPORT.]

Subdivision 1. [CONTENT.] The commissioner of health shall prepare and prior to each legislative session a report every two years concerning the status and operations of the health care markets in Minnesota. The commissioner of health shall transmit the reports to the governor and to the members of the legislature ~~an annual~~. The first report ~~of~~ must be submitted on January 15, 1987, and succeeding reports on January 15 every two years thereafter. Each report must contain information, analysis, and appropriate recommendations concerning the following issues associated with Minnesota health care markets:

(1) the overall status of the health care cost problem, including the costs faced by employers and individuals, and prospects for the problem's improving or getting worse;

(2) the status of competitive forces in the market for health services and the market for health plans, and the effect of the forces on the health care cost problem;

(3) the feasibility and cost-effectiveness of facilitating development of strengthened competitive forces through state initiatives;

(4) the feasibility of limiting health care costs by means other than competitive forces, including direct forms of government intervention such as price regulation; the commissioner of health may exclude this issue from the report if the report concludes that the overall status of the health care cost problem is improving, or that competitive forces are contributing significantly to health care cost containment;

(5) the overall status of access to adequate health services by citizens of Minnesota, the scope of financial and geographic barriers to access, the effect of competitive forces on access, and prospects for access improving or getting worse;

(6) the feasibility and cost-effectiveness of enhancing access to adequate

health services by citizens of Minnesota through state initiatives; and

(7) the commissioner of health's operations and activities for the preceding ~~fiscal year~~ *two years* as they relate to the duties imposed on the commissioner of health by sections 144.695 to 144.703. ~~This report shall include a compilation of all summaries and reports required by sections 144.695 to 144.703 together with any findings and recommendations of the commissioner of health.~~

Subd. 2. [INTERAGENCY COOPERATION.] In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; the department of labor and industry, in its regulation of health service costs under workers' compensation; and the state planning agency, in its planning for the state's health service needs.

Sec. 17. [MANDATED BENEFITS COMMISSION.]

If the governor, during fiscal year 1986, establishes a special commission to study and make recommendations on the appropriate content of the mandated or minimum benefits to be required of health plans in Minnesota, representation on the commission must include:

(1) one member from the state planning agency, who shall chair the commission;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(4) one member from the Minnesota department of commerce;

(5) one member from the Minnesota department of health;

(6) one member representing Minnesota counties;

(7) one member representing Minnesota employers;

(8) one member representing health insurance companies, one member representing health maintenance organizations, and one member representing nonprofit health service plans;

(9) two members representing the providers of health services;

(10) one member representing labor; and

(11) one member representing low income consumers.

Sec. 18. [144.95] [MOSQUITO RESEARCH PROGRAM.]

Subdivision 1. [RESEARCH PROGRAM.] The commissioner of health

shall establish and maintain a long-range program of research to study:

(1) the basic biology, distribution, population ecology, and biosystematics of Minnesota mosquitoes;

(2) the impact of mosquitoes on human and animal health and the economy, including such areas as recreation, tourism, and livestock production;

(3) the baseline population and environmental status of organisms other than mosquitoes that may be affected by mosquito management;

(4) the effects of mosquito management strategies on animals and plants that may result in changes in ecology of specific areas;

(5) the development of mosquito management strategies that are effective, practical, and environmentally safe;

(6) the costs and benefits of development of local and regional management and educational programs.

Subd. 2. [RESEARCH FACILITY AND FIELD STATIONS.] (a) The commissioner of health shall establish and maintain mosquito management research and development facilities, including but not limited to field research stations in the major mosquito ecologic regions and a center for basic mosquito management research and development. The commissioner shall, to the extent possible, contract with the University of Minnesota in establishing, maintaining, and staffing the research facilities.

(b) The commissioner of health shall establish and implement a program of contractual research grants with public and private agencies and individuals in order to:

(1) undertake supplemental research studies on basic mosquito biology, physiology, and life cycle history beyond those described in subdivision 1;

(2) undertake research into the effects of mosquitoes on human health, including vector-borne diseases, and on animal health, including agricultural and wildlife effects;

(3) undertake studies of other economic factors including tourism and recreation;

(4) collect and analyze baseline data on the ecology and distribution of organisms other than mosquitoes that may be affected as a result of mosquito management strategies;

(5) develop new, effective, practical, and biologically compatible control methods and materials;

(6) conduct additional monitoring of the environmental effects of mosquito control methods and materials;

(7) undertake demonstration, training, and education programs for development of local and regional mosquito management programs.

Subd. 3. [CONDUCT RESEARCH TRIALS.] The commissioner of health may develop and conduct research trials of mosquito management methods and materials. Trials may be conducted, with the agreement of the public or private landholder, wherever and whenever the commissioner considers necessary to provide accurate data for determining the efficacy of

a method or material in controlling mosquitoes.

Subd. 4. [RESEARCH TRIALS.] Research trials of mosquito management methods and materials are subject to the following laws and rules unless a specific written exemption, license, or waiver is granted; sections 97.48, 97.488, 98.48, 105.38, 105.41, and 105.463; and Minnesota Rules, chapters 1505, 6115, 6120, 6134, and 6140.

Subd. 5. [GENERAL AUTHORITY.] (a) To carry out subdivisions 1 to 4, the commissioner of health may:

- (1) accept money, property, or services from any source;*
- (2) receive and hold lands;*
- (3) accept gifts;*
- (4) cooperate with city, state, federal, or private agencies whose research on mosquito control or on other environmental matters may be affected by the commissioner's mosquito management and research activities; and*
- (5) enter into contracts with any public or private entity.*

(b) The contracts must specify the duties performed, services provided, and the amount and method of reimbursement for them. Money collected by the commissioner under contracts made under this subdivision is appropriated to the commissioner for the purposes specified in the contracts. Contractual agreements must be processed under section 16B.17.

Subd. 6. [AUTHORITY TO ENTER PROPERTY.] The commissioner of health, officers, employees, or agents may, with express permission of the owner, enter upon any property at reasonable times to:

- (1) determine whether mosquito breeding exists;*
- (2) examine, count, study, or collect laboratory samples to determine the property's geographic, geologic, and biologic characteristics; or*
- (3) study and collect laboratory samples to determine the effect on animals and vegetation of an insecticide, herbicide, or other method used to control mosquitoes.*

Subd. 7. [RESEARCH PLOTS.] The commissioner of health may lease and maintain experimental plots of land for mosquito research. The commissioner of health shall determine the locations of the experimental plots and may enter into agreements with any public or private agency or individual to lease the land. The commissioners of agriculture, natural resources, transportation, iron range resources and rehabilitation, and energy and economic development shall cooperate with the commissioner of health.

Subd. 8. [EMERGENCIES.] The commissioner may suspend or revoke a contract, agreement, or delegated authority granted in this section at any time and without prior notice if an emergency, accident, or hazard threatens the public health.

Subd. 9. [COMMISSIONER REQUIRED TO REPORT.] Each year, the commissioner shall report to the legislature on basic mosquito research findings and progress toward cost-effective, environmentally sound mosquito management methods and materials. The report must recommend fu-

ture research and management activities.

Sec. 19. Minnesota Statutes 1984, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

Subdivision 1. [CONTINUATION OF 1983 PROJECTS.] (a) Notwithstanding subdivisions 2 and 3, recipients of maternal and child health grants for special projects in state fiscal year 1983 shall continue to be funded at the same level as in state fiscal year 1983 until September 30, 1985 December 31, 1987 if they comply with the provisions of sections 145.881, and 145.882 to 145.888. Beginning January 1, 1988, recipients of maternal and child health special project grants awarded in state fiscal year 1983 must receive:

(1) for calendar year 1988, no less than 80 percent of the amount awarded in state fiscal year 1983; and

(2) for calendar year 1989, no less than 70 percent of the amount awarded in state fiscal year 1983.

(b) The amount of grants awarded under this subdivision must be deducted from the allocation under subdivisions 3 and 4 for the community health services area within which the grantee is located. In order to receive money under this subdivision, recipients must continue to comply with sections 145.881 and 145.882 to 145.888. These recipients are also eligible to apply for state grants under sections 145.883 to 145.888 subdivisions 2, 3, and 4. Any decrease in the amount of federal funding to the state for the maternal and child health block grant shall be apportioned to reflect a proportional decrease for each recipient until September 30, 1985. Any increase in the amount of federal funding to the state shall be distributed for services to children with handicaps and to special projects as provided in sections 145.883 to 145.888, except that an amount not to exceed ten percent may be retained by the commissioner of health to address cost of living increases and increases in supplies and services under subdivisions 3 and 4 of this section.

After September 30, 1985, (c) The advisory task force shall review and recommend the proportion of maternal and child health block grant funds to be expended for indirect costs, direct services and special projects. The proportion of funds expended in direct services through special projects shall be maintained at not less than the level expended in state fiscal year 1984.

Subd. 2. [ALLOCATION TO THE COMMISSIONER OF HEALTH.] Beginning January 1, 1986, up to one-third of the total maternal and child health block grant money may be retained by the commissioner of health for administrative and technical assistance services, projects of regional or statewide significance, direct services to children with handicaps, and other activities of the commissioner.

Subd. 3. [ALLOCATION TO COMMUNITY HEALTH SERVICES AREAS.] The maternal and child health block grant money remaining after distributions made under subdivisions 1 and 2 must be allocated according to the formula in subdivision 4 to community health services areas for distribution by local boards of health to qualified programs that provide essential services within the community health services area.

Subd. 4. [DISTRIBUTION FORMULA.] The amount available for each

community health services area is determined according to the following formula:

(a) Each community health services area is allocated an amount based on the following three variables:

(1) the proportion of resident mothers within the city, county, or counties who are under 20 years of age or over 35 years of age, as determined by averaging the data available for the three most current years;

(2) the proportion of resident infants within the city, county, or counties whose weight at birth is less than 2,500 grams, as determined by averaging the data available for the three most current years; and

(3) the proportion of resident children within the city, county, or counties under the age of 19 who are on general assistance or medical assistance and the proportion of resident women within the city, county, or counties aged 19 to 49 who are on general assistance or medical assistance, as determined by using the data available for the most current year.

(b) Each variable is expressed as a city or county score consisting of the city or county frequency of each variable divided by the statewide frequency of the variable.

(c) A total score for each city or county jurisdiction is computed by totalling the scores of the three factors and dividing the total by three.

(d) Each community health services area is allocated an amount equal to the total score obtained above for the city, county, or counties in its area multiplied by the amount of money available for special projects of local significance.

Subd. 5. [NONPARTICIPANTS IN THE COMMUNITY HEALTH SERVICES SUBSIDY PROGRAM.] A city or county that is not participating in the community health services subsidy program must be allocated money under subdivisions 3 and 4, and for this limited purpose the city or county is a "community health services area." For these areas, the commissioner shall convene a meeting of public and private nonprofit agencies in the city or county that have expressed an intent to submit an application for funding, in order to attempt to develop a single coordinated grant application for the city or county. Applications, whether consolidated into a single application or submitted as individual applications, must be submitted according to section 145.885. Grants for qualified programs providing essential services in these areas are awarded and distributed by the commissioner.

Subd. 6. [REALLOCATION.] If no approvable applications are received for a community health services area, the commissioner must reallocate the money available for that area to other community health service areas for which approvable applications have been received.

Subd. 7. [USE OF BLOCK GRANT MONEY.] (a) Maternal and child health block grant money allocated to a local board of health or community health services area under this section must be used for qualified programs for high risk and low income individuals. Block grant money must be used for programs that:

(1) specifically address the highest risk populations, particularly low in-

come and minority groups with a high rate of infant mortality and children with low birth weight, by providing services calculated to produce measurable decreases in infant mortality rates, instances of children with low birth weight, and medical complications associated with pregnancy and childbirth;

(2) specifically target pregnant women whose age, medical condition, or maternal history substantially increases the likelihood of complications associated with pregnancy and childbirth or the birth of a child with an illness, disability, or special medical needs;

(3) specifically address the health needs of young children who have or are likely to have a chronic disease or disability or special medical needs; or

(4) provide family planning and preventive medical care for specifically identified target populations, such as minority and low income teenagers, in a manner calculated to decrease the occurrence of inappropriate pregnancy and minimize the risk of complications associated with pregnancy and childbirth.

(b) Maternal and child health block grant money may be used for purposes other than the purposes listed in this subdivision only if the local board of health or community health services area can demonstrate that existing programs fully address the needs of the highest risk target populations described in this subdivision.

Subd. 8. [REPORT.] The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds money, including the amounts to be expended for indirect costs, direct services, and special projects local grants. The report shall also identify the statewide needs of low income and high risk populations and the department of health's plans and local board plans for meeting their needs. The legislature must receive the report no later than January of each year.

Sec. 20. Minnesota Statutes 1984, section 145.883, subdivision 8, is amended to read:

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from state fiscal year 1985, and succeeding years, only sufficient funds money for qualified programs approved through the federal fiscal year award period.

Sec. 21. Minnesota Statutes 1984, section 145.883, is amended by adding a subdivision to read:

Subd. 9. [COMMUNITY HEALTH SERVICES AREA.] "Community health services area" means a city, county, or multi-county area that is organized as a local board of health under section 145.913 and for which a state subsidy is received under sections 145.911 to 145.922.

Sec. 22. Minnesota Statutes 1984, section 145.884, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The commissioner shall, in the name of the state

and within the limit of the federal maternal and child health block grant appropriation, make grants to ~~public and private nonprofit agencies administering under sections 145.881 to 145.888~~ for qualified programs of maternal and child health care services. The commissioner shall promulgate rules for the administration of grants ~~authorized by this subdivision~~. The rules shall establish and contain as a minimum:

- (a) procedures for grant applications;
- (b) conditions and procedures for the administration of grants;
- (c) criteria of eligibility for grants; and
- (d) other matters the commissioner finds necessary for the proper administration of the grant program.

Sec. 23. Minnesota Statutes 1984, section 145.885, is amended to read:

145.885 [APPLICATION FOR A GRANT.]

Subdivision 1. [REQUIREMENTS FOR ALL APPLICATIONS.] An application for a grant shall be submitted to the commissioner at a time and in a form and manner as the commissioner prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:

~~(a)~~ (1) a complete description of the program and the manner in which the applicant intends to conduct the program;

~~(b)~~ (2) a description of the manner in which the program responds to needs and priorities for services identified by the maternal and child health task force under section 145.881, subdivision 2, and rules adopted by the commissioner; differences must be explained in detail;

(3) a budget and justification for the amount of grant funds requested;

~~(c)~~ (4) a description of the target population served by the qualified program and estimates of the number of low income or high risk patients the program is expected to serve;

~~(d)~~ (5) the name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

~~(e)~~ (6) the reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Subd. 2. [ADDITIONAL REQUIREMENTS FOR LOCAL BOARDS.] Applications by local boards under section 19, subdivision 3, must also contain a summary of the process used to develop the local program, including evidence that the local board notified local public and private providers of the availability of funding through the local board for maternal and child health services; a list of all public and private agency requests for grants submitted to the local board indicating which requests were included in the grant application; and an explanation of how priorities were established for selecting the requests to be included in the grant application. The local board shall include, with the grant application, a written statement of the criteria to be applied to public and private agency requests for funding.

Sec. 24. Minnesota Statutes 1984, section 145.886, is amended to read:

145.886 [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel must be professionals with expertise in maternal and child health care. No member of the panel may be an employee of a public or private nonprofit agency receiving or applying for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner the advisory task force. The commissioner shall award grants under section 145.885 and this section only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.

Sec. 25. [145.923] [NONSMOKING AND HEALTH GRANTS.]

The commissioner of health may award special grants to local boards of health to conduct community-wide pilot programs for the promotion of nonsmoking or to local boards of health or nonprofit corporations to conduct statewide programs for the promotion of nonsmoking.

Sec. 26. [145.924] [SALE OF CANDY CIGARETTES PROHIBITED.]

A person shall not sell candy cigarettes in this state.

Sec. 27. Minnesota Statutes 1984, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~nine~~ 20.5 mills minus the tax, not more than eight mills, imposed by United States Code, title 26, section 5701, as amended, on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~18~~ 41.8 mills minus the tax, not more than 16.8 mills, imposed by United States Code, title 26, section 5701, as amended, on each such cigarette.

Sec. 28. Minnesota Statutes 1984, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] (a) Except as provided in paragraph (b), the commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~2-50~~ two percent from the face amount of the stamps for the first ~~\$500,000~~ \$1,000,000 of such stamps purchased in any fiscal year; and at a discount of ~~two~~ 1.25 percent on the ~~next~~ \$500,000 remainder of such stamps purchased in any fiscal year; and at a discount of ~~1-50~~ percent for all additional stamps purchased in any fiscal year. He shall not sell stamps to any other person.

(b) If the tax exceeds 12.5 mills a cigarette, the discount is 1.5 percent from the face amount of the stamps for the first \$1,000,000 of the stamps

purchased in a fiscal year and one percent for additional stamps purchased during the fiscal year.

Sec. 29. Minnesota Statutes 1984, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT ACCOUNT.] ~~Notwithstanding any other provisions of law, five and one-half percent of the Revenues received from taxes, penalties and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in the general fund and credited to a special account to be known as the "natural resources account," which is hereby created. Expenditures shall be made from said account only as may be authorized by law to carry out the provisions of this act and in conformance with the provisions of chapter 16. Five and one-half percent shall be deposited in the general fund and credited to the "natural resources acceleration" account for the purposes provided in Laws 1969, Chapter 879, Section 4: state treasury and credited as follows:~~

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a Minnesota resources fund for purposes of natural resources acceleration as provided in chapter 86;

(2) the revenue produced by three mills of the tax on cigarettes weighing not more than three pounds a thousand and six mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16;

(3) the revenue produced by one-half mill of the tax on cigarettes weighing not more than three pounds a thousand and one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund; if the tax imposed by United States Code, title 26, section 5701, is reduced, the increased revenue to the state must also be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner in the general fund and credited to the general fund.

Sec. 30. Minnesota Statutes 1984, section 297.22, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon the use or storage by consumers of cigarettes in this state, and upon such consumers, at the following rates:

(1) On cigarettes weighing not more than three pounds per thousand, nine mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 18 mills on each such cigarette specified in section 297.02.

Sec. 31. Minnesota Statutes 1984, section 297.32, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of ~~20~~ 27.5 percent of the wholesale sales price of such tobacco products except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes ~~in section 297.02, subdivision 1, clause (1)~~; weighing not more than three pounds per thousand subject to the discount provided in section 297.35, subdivision 1. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 32. Minnesota Statutes 1984, section 297.32, subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of 20 percent of the cost of such tobacco products, except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes ~~in section 297.22, subdivision 1, clause (1)~~ weighing not more than three pounds per thousand.

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. Not more than 50 cigars;
2. Not more than 10 oz. snuff or snuff powder;
3. Not more than 1 lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 33. Minnesota Statutes 1984, section 297.32, is amended by adding a subdivision to read:

Subd. 9. Revenue derived from the taxes imposed by this section must be deposited by the commissioner in the state treasury and credited as follows:

(1) the revenue produced by the tax on six and one-half percent of the wholesale sales price or cost of the tobacco products except little cigars must be credited to the Minnesota state water pollution control fund created in section 116.16;

(2) the revenue produced by the tax on one percent of the wholesale sales price or cost of the tobacco products except little cigars must be credited to the public health fund; and

(3) the balance of the revenue must be credited to the general fund.

Sec. 34. Minnesota Statutes 1984, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the eighteenth day of each calendar month every distributor with a place of business in this state shall file a return with

the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less $\frac{1}{2}$ two percent of such liability as compensation to reimburse the distributor for his expenses incurred in the administration of sections 297.31 to 297.39.

Sec. 35. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES AND LITTLE CIGARS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of cigarettes on cigarettes and little cigars in the person's possession or under the person's control at 12:01 a.m. on July 1, 1985, at the following rates, subject to the discount provided in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand, three and one-half mills on each cigarette;

(2) on cigarettes weighing more than three pounds a thousand, seven mills on each cigarette.

Each distributor, by July 20, 1985, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1985, and the amount of tax due on them. The tax imposed by this section less the discount provided in section 297.03, subdivision 5, is due and payable by August 20, 1985, and thereafter bears interest at the rate of one percent a month.

Subd. 2. [TOBACCO PRODUCTS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of tobacco products, at the rate of seven and one-half percent of the wholesale sales price of each tobacco product in the person's possession or under the person's control at 12:01 a.m. on July 1, 1985. Each distributor, by July 20, 1985, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1985, and the amount of tax due on them. The tax imposed by this section less the discount provided in Minnesota Statutes, section 297.35, subdivision 1, is due and payable by August 20, 1985, and thereafter bears interest at the rate of one percent a month.

Sec. 36. [325E.0951] [MOTOR VEHICLE POLLUTION CONTROL SYSTEMS; RESTRICTED FILL PIPES.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) [MOTOR VEHICLE.] "Motor vehicle" means a self-propelled vehicle manufactured after 1978 on which a pollution control system or a restricted gasoline fill pipe is required by state or federal law.

(b) [PERSON.] "Person" means an individual, firm, partnership, incorporated and unincorporated association, or any other legal or commercial entity.

Subd. 2. [PROHIBITED ACTS.] (a) A person may not knowingly tamper with, adjust, alter, change, or disconnect a pollution control system or a restricted gasoline fill pipe on a motor vehicle.

(b) A person may not advertise for sale, sell, use, or install a device that causes the pollution control system or the restricted gasoline fill pipe to be nonfunctional.

(c) A person may not sell or offer for sale a motor vehicle with knowledge that the pollution control system or restricted gasoline fill pipe is nonfunctional.

Subd. 3. [REPAIRS.] This section does not prevent the service, repair, or replacement of the pollution control system or restricted gasoline fill pipe for a motor vehicle if the pollution control system or restricted gasoline fill pipe remains functional.

Subd. 4. [PENALTY.] A person who violates this section is guilty of a misdemeanor.

Sec. 37. [REVISOR'S INSTRUCTION.]

In Minnesota Statutes 1986, the revisor shall replace the reference to "sections 62D.01 to 62D.29" wherever it occurs with "sections 62D.01 to 62D.24." The revisor shall delete references to "62E.17" from sections 62E.01; 62E.02, subdivision 1; 62E.05; 62E.09; 62E.13, subdivisions 6 and 8; 62E.14, subdivision 2; and 62E.15, subdivision 2.

Sec. 38. [APPROPRIATIONS.]

Subdivision 1. \$64,963,600 is appropriated to the agencies and for the purposes shown in this section. The appropriations are from the public health fund, except as otherwise indicated. Appropriations from the public health fund are available for the fiscal years ending June 30 in the years indicated. Appropriations from the water pollution control fund are available until expended.

1986. 1987

Subd. 2. POLLUTION CONTROL AGENCY

(a) Wastewater treatment grants \$19,850,000 \$21,750,000
This appropriation is from the water pollution control fund.
Any shortfall in receipts to the water pollution control fund must be borne entirely by this appropriation and not by the appropriation for combined sewer overflow.

(b) Combined sewer overflow 6,750,000 6,750,000
This appropriation is from the water pollution control fund.

<i>(c) Analysis and abatement of lead contamination in the soil</i>	206,800	197,200
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(d) The approved complement of the pollution control agency is increased by five positions from the public health fund and 15 positions from the water pollution control fund.

Subd. 3. EDUCATION

<i>Smoking prevention programs The approved complement of the department of education is increased by one position.</i>	611,200	712,000
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Subd. 4. HEALTH

<i>(a) Smoking prevention programs</i>	1,057,600	1,600,300
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<i>(b) Programs to prevent lead contamination and absorption</i>	193,300	202,700
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<i>(c) Study of health care markets</i>	151,100	151,400
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<i>(d) Mosquito research This appropriation is only available if the federal tax on cigarettes is reduced.</i>	800,000	1,500,000
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<i>(e) Maternal and child health block grant program \$900,000 of the appropriation for the second year must be used for health department programs affected by reductions in federal block grant money available to the department under section 19. In addition to this appropriation and the money available under section 19, subdivision 2, \$1,400,000 of unobligated federal maternal and child health block grant money may be used for department programs affected by the reductions under section 19. \$700,000 of the appropriation for the first year and \$250,000 of the appropriation for the second year must be added to the money available for distribution under section 19, subdivisions 3 and 4. \$150,000 of the appropriation for the first year and \$300,000 of the appropriation for the second year must be distributed on a competitive basis</i>	850,000	1,450,000
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to special projects that satisfy the criteria in section 19, subdivision 8, in community health services areas that are not allocated money for grants under section 19, subdivisions 3 and 4, because of distributions made under subdivision 1 and the corresponding reduction in the allocation for that area.

(f) The approved complement of the department of health is increased by ten positions.

Subd. 5. EMPLOYEE RELATIONS

Develop cost containment initiatives in the state employee health benefit program

30,000 30,000

The approved complement of the department of employee relations is increased by one position.

Subd. 6. COMMERCE

Monitoring the health care market and health insurer's cost containment activities

32,200 29,800

The approved complement of the department of commerce is increased by one position.

Subd. 7. STATE PLANNING AGENCY

Support the mandated benefits commission

58,000 -0-

The approved complement of the state planning agency is increased by two positions.

Sec. 39. [REPEALER.]

Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 116.18, subdivision 2; 145.884, subdivision 2; and 297.03, subdivision 10, are repealed. Minnesota Rules 1983, parts 4685.3500 to 4685.5600, are repealed.

Sec. 40. [EFFECTIVE DATE.]

The taxes imposed by this act apply to cigarettes, tobacco products, and little cigars in the possession of distributors, as defined in Minnesota Statutes, section 297.01, subdivision 7, on July 1, 1985."

Delete the title and insert:

"A bill for an act relating to public health; providing grants to abate combined sewer overflow; increasing the state share of independent grants to municipalities facing financial hardship; requiring action to determine and decrease the health risks attributable to exposure to or absorption of lead; establishing programs to promote nonsmoking; requiring a biennial report on

health care markets; providing for membership on a mandated benefits commission; authorizing statewide mosquito research; providing for the distribution of maternal and child health block grants; prohibiting the sale of candy cigarettes; increasing the taxes on cigarettes and on tobacco products; repealing authority to permit free distribution of cigarettes without affixing tax stamps; creating a Minnesota resources fund and a public health fund; protecting motor vehicle pollution control systems and restricted gasoline fill pipes; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 2; 116.18, subdivisions 1, 2a, and 3a; 144.70; 145.882; 145.883, subdivision 8, and by adding a subdivision; 145.884, subdivision 1; 145.885; 145.886; 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1 and 2, and by adding a subdivision; 297.35, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116; 124; 144; 145; and 325E; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 116.18, subdivision 2; 145.884, subdivision 2; and 297.03, subdivision 10; and Minnesota Rules 1983, parts 4685.3500 to 4685.5600."

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 8, line 32, delete "whether"

Page 8, line 33, delete everything before "and"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Pehler moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 7, after line 6, insert:

"Sec. 6. [116.185] [SEWER SEPARATION LOAN PROGRAM.]

Subdivision 1. [AUTHORITY.] The agency must allocate at least ten percent of the money available each year for state grants for waste treatment under section 116.18 for the loan program under this section until July 1, 1990. The agency may allocate up to 20 percent of the money available each year for waste treatment grants for the loan program under this section. A statutory or home rule charter city or town that is not eligible for a grant under section 2, is eligible for a loan for sewer separation. The city or town must apply to the director and include a schedule of current and projected sewer separation costs.

Subd. 2. [LOAN AMOUNT.] The agency shall make loans for sewer separation project costs of each city or town that applies in any year. If the appropriation available for sewer separation loans is insufficient the loans shall be made on a basis determined by the agency.

Subd. 3. [LOAN REPAYMENT.] After the sewer separation project is completed, the loan shall be repaid in 20 equal annual installments. The repaid amounts shall be deposited in the water pollution control fund.

Subd. 4. [RULES.] The agency shall adopt rules to implement the sewer separation loan program by September 1, 1985."

Renumber the sections in sequence

Amend the title accordingly

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Berg moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 7, after line 6, insert:

"Sec. 6. Minnesota Statutes 1984, section 116.18, is amended by adding a subdivision to read:

Subd. 7. [MUNICIPAL FUNDING AND ENFORCEMENT.] Notwithstanding the other provisions of this section, or chapter 115, the agency shall not enforce any law against a municipality, if (1) compliance with the law would require construction of any part of a disposal system; (2) the municipality has applied for state and federal funding for the disposal system construction; and (3) the cost of constructing the required disposal system would result in the municipality charging a residential fee to use the required disposal system that is more than two times the average residential fee in the metropolitan area, as defined in section 473.02, subdivision 5."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Benson moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 26, delete section 26

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 29 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Isackson	McQuaid	Samuelson
Anderson	Brataas	Kamrath	Olson	Sieloff
Belanger	Dieterich	Knaak	Peterson, D.L.	Solon
Benson	Frank	Kronebusch	Peterson, R.W.	Storm
Berg	Frederick	Laidig	Ramstad	Wegscheid
Bernhagen	Gustafson	Lessard	Renneke	

Those who voted in the negative were:

Berglin	Freeman	Merriam	Pehler	Schmitz
Chmielewski	Hughes	Moe, D.M.	Peterson, D.C.	Stumpf
Davis	Johnson, D.E.	Nelson	Petty	Vega
Diessner	Luther	Novak	Pogemiller	

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Benson then moved to amend the Nelson amendment to H.F. No. 856, as follows:

Page 4, line 29, delete "*and may promulgate emergency rules*"

Page 7, delete subdivision 1

Renumber the remaining subdivisions

Page 8, line 20, delete "*2 and 3*" and insert "*1 and 2*"

Page 9, line 23, delete "*15*" and insert "*14*"

Pages 12 and 13, delete section 12

Renumber the sections in sequence and correct the internal references

CALL OF THE SENATE

Mr. Nelson imposed a call of the Senate for the balance of the proceedings on H.F. No. 856. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Benson requested division of his amendment as follows:

First portion:

Page 4, line 29, delete "*and may promulgate emergency rules*"

Second portion:

Page 7, delete subdivision 1

Renumber the remaining subdivisions

Page 8, line 20, delete "*2 and 3*" and insert "*1 and 2*"

Third portion:

Page 9, line 23, delete "*15*" and insert "*14*"

Pages 12 and 13, delete section 12

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the first portion of the Benson amendment to the Nelson amendment.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Johnson, D.E.	Mehrkens	Storm
Anderson	Brataas	Kamrath	Olson	Stumpf
Belanger	Frank	Knaak	Peterson, D.L.	Taylor
Benson	Frederick	Kronebusch	Ramstad	
Berg	Frederickson	Laidig	Renneke	
Bernhagen	Isackson	McQuaid	Sieloff	

Those who voted in the negative were:

Berglin	Dieterich	Merriam	Peterson, D.C.	Schmitz
Chmielewski	Freeman	Moe, D.M.	Peterson, R.W.	Solon
Dahl	Hughes	Moe, R.D.	Petty	Vega
Davis	Kroening	Nelson	Pogemiller	Waldorf
DeCramer	Lantry	Novak	Purfeerst	Wegscheid
Dicklich	Lessard	Pehler	Reichgott	Willet
Diessner	Luther	Peterson, C.C.	Samuelson	

The motion did not prevail. So the first portion of the amendment to the

amendment was not adopted.

Mr. Benson withdrew the second portion of his amendment to the amendment.

The question was taken on the third portion of the Benson amendment to the amendment.

The motion did not prevail. So the third portion of the amendment to the amendment was not adopted.

Mr. Renneke moved to amend the Nelson amendment to H.F. No. 856, as follows:

Page 28, delete lines 3 to 14

Page 28, line 15, delete "(4)" and insert "(2)"

Page 29, line 35, delete "as follows:"

Page 29, delete line 36

Page 30, delete lines 1 to 6

Page 30, line 7, delete everything before "to"

Page 32, line 26, delete everything after "the" and insert "general fund."

Page 32, line 27, delete "from the public health fund"

Page 32, line 28, before the period insert "except that the appropriations contained in subdivision 2, paragraphs (a) and (b) are available until expended."

Page 32, delete lines 29 and 30

Page 32, delete lines 35 to 36

Page 33, delete lines 1 to 5

Page 33, delete lines 7 and 8

Page 33, delete lines 13 to 15 and insert "by 20 positions."

Amend the title accordingly

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 19 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Kamrath	Mehrkens	Ramstad
Benson	Frederick	Kronebusch	Olson	Renneke
Berg	Gustafson	Lessard	Peterson, D.L.	Storm
Bernhagen	Isackson	McQuaid	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Petty	Solon
Belanger	Diessner	Lantry	Pogemiller	Stumpf
Berglin	Dieterich	Merriam	Purfeerst	Vega
Bertram	Frank	Moe, D.M.	Reichgott	Waldorf
Brataas	Hughes	Nelson	Samuelson	Wegscheid
Chmielewski	Johnson, D.E.	Novak	Schmitz	
DeCramer	Knaak	Peterson, D.C.	Sieloff	

The motion did not prevail. So the amendment to the amendment was not

adopted.

H.F. No. 856 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 36 and nays 28, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Mehrkens	Peterson, D.C.	Vega
Bernhagen	Knaak	Merriam	Petty	Waldorf
Dahl	Knutson	Moe, D.M.	Pogemiller	Wegscheid
Dicklich	Laidig	Moe, R.D.	Purfeerst	Willet
Diessner	Langseth	Nelson	Samuelson	
Dieterich	Lantry	Novak	Schmitz	
Frederickson	Lessard	Pehler	Sieloff	
Freeman	Luther	Peterson, C.C.	Storm	

Those who voted in the negative were:

Adkins	Brataas	Gustafson	McQuaid	Renneke
Anderson	Chmielewski	Isackson	Olson	Solon
Belanger	Davis	Johnson, D.E.	Peterson, D.L.	Stumpf
Benson	DeCramer	Kamrath	Peterson, R.W.	Taylor
Berg	Frank	Kroening	Ramstad	
Bertram	Frederick	Kronebusch	Reichgott	

So the bill, as amended, passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 10:30 a.m.:

Ms. Berglin, Messrs. Samuelson, Knutson and Solon. The motion prevailed.

RECONSIDERATION

Mr. Merriam moved that the vote whereby S.F. No. 230 failed to pass the Senate on May 18, 1985, be now reconsidered.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the proceedings on S.F. No. 230. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Merriam.

The roll was called, and there were yeas 32 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Pehler	Stumpf
Belanger	Frederick	Knutson	Ramstad	Taylor
Benson	Gustafson	Kronebusch	Renneke	Waldorf
Bernhagen	Hughes	Laidig	Schmitz	Wegscheid
Bertram	Isackson	Lessard	Sieloff	
Brataas	Jude	McQuaid	Solon	
Chmielewski	Kamrath	Olson	Storm	

Those who voted in the negative were:

Anderson	Dicklich	Luther	Peterson, D.C.	Reichgott
Berg	Dieterich	Merriam	Peterson, D.L.	Vega
Berglin	Frank	Moe, R.D.	Peterson, R.W.	
Davis	Freeman	Nelson	Petty	
DeCramer	Johnson, D.E.	Novak	Pogemiller	

The motion prevailed.

RECONSIDERATION

Mr. Pehler moved that the vote to concur in the amendments by the House to S.F. No. 230 and place it on its final passage on May 18, 1985, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Moe, R.D.	Ramstad
Anderson	Dieterich	Kroening	Nelson	Reichgott
Belanger	Frank	Kronebusch	Olson	Renneke
Berg	Frederick	Langseth	Pehler	Schmitz
Berglin	Frederickson	Lantry	Peterson, C.C.	Sieloff
Bernhagen	Freeman	Lessard	Peterson, D.C.	Solon
Bertram	Gustafson	Luther	Peterson, D.L.	Taylor
Chmielewski	Hughes	McQuaid	Peterson, R.W.	Vega
Davis	Isackson	Mehrkens	Petty	Waldorf
DeCramer	Johnson, D.E.	Merriam	Pogemiller	Wegscheid
Dicklich	Jude	Moe, D.M.	Purfeerst	Willet

Those who voted in the negative were:

Benson	Dahl	Knutson	Storm	Stumpf
Brataas	Kamrath	Laidig		

The motion prevailed.

Mr. Wegscheid moved that the Senate do not concur in the amendments by the House to S.F. No. 230, 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.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 401: Messrs. DeCramer; Peterson, R.W. and Sieloff.

S.F. No. 615: Mr. Stumpf, Mrs. Lantry and Mr. Langseth.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Spear was excused from the Session of today. Mr. Johnson, D.J. was excused from the Session of today from 9:00 to 10:00 a.m. and from 12:00 noon to 3:15 p.m. Ms. Berglin was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Moe, R.D. was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Mehrkens was excused from the Session of today from 9:00 to 10:30 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, May 20, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FIFTH DAY

St. Paul, Minnesota, Monday, May 20, 1985

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Peterson, R.W. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. James Patrick Needham.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. DeCramer moved that the following members be excused for a Conference Committee on S.F. No. 43 at 12:00 noon:

Messrs. Schmitz, Mehrkens, Langseth, DeCramer and Purfeerst. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 10, 1985

The Honorable David Jennings

Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
335		100	May 10	May 10
450		101	May 10	May 10
1087		102	May 10	May 10
1208		103	May 10	May 10
1214		104	May 10	May 10
1291		105	May 10	May 10
1411		106	May 10	May 10
	273	107	May 10	May 10
	446	108	May 10	May 10
	516	109	May 10	May 10
	645	110	May 10	May 10
	782	111	May 10	May 10
	882	112	May 10	May 10
	1193	113	May 10	May 10
	1216	114	May 10	May 10
	1388	Res. No. 5	May 10	May 10

Sincerely,
Joan Anderson Growe
Secretary of State

May 14, 1985

The Honorable David Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
1308		115	May 14	May 14
	399	116	May 14	May 14
	603	117	May 14	May 14
	649	118	May 14	May 14
	657	119	May 14	May 14
	1113	120	May 14	May 14
	1150	121	May 14	May 14

Sincerely,

Joan Anderson Growe
Secretary of State

May 15, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 563.

Sincerely,
Rudy Perpich, Governor

May 15, 1985

The Honorable David Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
563		122	May 15	May 15
	683	123	May 15	May 15
	1152	124	May 15	May 15
	1382	125	May 15	May 15

Sincerely,
Joan Anderson Growe
Secretary of State

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 352, 1254, 661, 219, 1458, 1485 and 901.

Sincerely,
Rudy Perpich, Governor

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. 1398, and

repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1398: A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66, subdivision 1; and 475.76, subdivision 1.

Senate File No. 1398 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 268:

H.F. No. 268: A bill for an act relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous activity; stating effect of removing certain provisions; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Swiggum; Olsen, S., and Neuenschwander have been appointed as such committee on the part of the House.

House File No. 268 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 268, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 587 and 765.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 587: A bill for an act relating to agriculture; providing income tax incentives to landowners who sell or lease agricultural land to beginning farmers; appropriating money; amending Minnesota Statutes 1984, section 290.01, subdivisions 20a and 20b; Laws 1985, chapter 4, section 10; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 765: A bill for an act relating to human services; restricting and subsequently abolishing the state share of Title IV-E foster care maintenance payments; repealing transfer of funds; restricting and subsequently abolishing the dependent or neglected state ward appropriation; creating permanency planning grants to counties; amending Minnesota Statutes 1984, sections 256.82, subdivision 2; and 260.38; proposing coding for new law as Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 1984, section 259.405.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Ms. Reichgott introduced—

Senate Resolution No. 92: A Senate resolution congratulating chess teams from Hosterman, Plymouth, and Sandburg Junior High Schools and Robbinsdale Cooper High School for their victories in the state chess tournament.

Referred to the Committee on Rules and Administration.

Mr. Purfeerst moved that S.F. No. 1249 be taken from the table. The motion prevailed.

S.F. No. 1249: A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; appropriating money; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.14, subdivision 1; 240.15, subdivisions 5 and 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.24; 240.25, subdivisions 1 and 4; 240.29; 541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02.

Mr. Purfeerst moved that the Senate do not concur in the amendments by the House to S.F. No. 1249, 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. Spear moved that S.F. No. 276 be taken from the table. The motion prevailed.

S.F. No. 276: A bill for an act relating to notaries; providing procedures for various notarial acts; enacting the uniform law on notarial acts; providing that matters to be verified by oath or affirmation may be declared under penalty of perjury; imposing a penalty; amending Minnesota Statutes 1984, sections

358.15; and 609.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 358; repealing Minnesota Statutes 1984, sections 358.32 to 358.40.

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 276 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 276: A bill for an act relating to notaries; providing procedures for various notarial acts; enacting the uniform law on notarial acts; amending Minnesota Statutes 1984, sections 358.15; proposing coding for new law in Minnesota Statutes, chapter 358; repealing Minnesota Statutes 1984, sections 358.32 to 358.40.

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:

Adkins	Dicklich	Kamrath	Novak	Sieloff
Anderson	Diessner	Knaak	Olson	Solon
Belanger	Dieterich	Knutson	Pehler	Spear
Benson	Frank	Kroening	Peterson, D.C.	Storm
Berg	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berglin	Frederickson	Laidig	Peterson, R.W.	Taylor
Bernhagen	Freeman	Lantry	Petty	Vega
Bertram	Gustafson	Lessard	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Ramstad	Wegscheid
Chmielewski	Isackson	Merriam	Reichgott	Willet
Dahl	Johnson, D.E.	Moe, D.M.	Renneke	
Davis	Jude	Moe, R.D.	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

H.F. No. 828: A bill for an act relating to economic security; clarifying the community action program financial assistance requirements; amending Minnesota Statutes 1984, sections 268.52, subdivisions 1 and 2; and 268.53, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Sieloff
Anderson	Diessner	Knaak	Olson	Solon
Belanger	Dieterich	Knutson	Pehler	Spear
Benson	Frank	Kroening	Peterson, D.C.	Storm
Berg	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berglin	Frederickson	Laidig	Peterson, R.W.	Taylor
Bernhagen	Freeman	Lantry	Petty	Vega
Bertram	Gustafson	Lessard	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Ramstad	Wegscheid
Chmielewski	Isackson	Merriam	Reichgott	Willet
Dahl	Johnson, D.E.	Moe, D.M.	Renneke	
Davis	Jude	Moe, R.D.	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1070: A bill for an act relating to occupations and professions; requiring the commissioner of corrections to establish a program to prevent sexual exploitation by psychotherapists; extending the sexual exploitation task force; establishing a legislative study commission on the regulation of psychotherapists; appropriating money; amending Minnesota Statutes 1984, section 241.021, by adding a subdivision; and Laws 1984, chapter 631, section 1, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 241.

Was read the third time 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:

Adkins	Dieterich	Knutson	Olson	Sieloff
Anderson	Frank	Kroening	Peterson, C.C.	Spear
Belanger	Frederick	Kronebusch	Peterson, D.C.	Storm
Benson	Frederickson	Laidig	Peterson, D.L.	Stumpf
Berg	Freeman	Lantry	Peterson, R.W.	Taylor
Berglin	Gustafson	Lessard	Petty	Vega
Bernhagen	Hughes	Luther	Pogemiller	Wegscheid
Bertram	Isackson	McQuaid	Ramstad	Willet
Brataas	Johnson, D.E.	Merriam	Reichgott	
Chmielewski	Jude	Moe, D.M.	Renneke	
Dahl	Kamrath	Nelson	Samuelson	
Diessner	Knaak	Novak	Schmitz	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641 at 1:00 p.m.:

Messrs. Luther, Kroening, Willet, Dahl and Frederickson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be

excused for a Conference Committee on S.F. No. 952 at 1:00 p.m.:

Messrs. Waldorf, Wegscheid and Mrs. Brataas. The motion prevailed.

SPECIAL ORDER

H.F. No. 1227: A bill for an act relating to crimes; providing that a psychotherapist who engages in sexual contact or penetration with a patient under certain circumstances is guilty of criminal sexual conduct; limiting admissibility of a patient's personal or medical history; amending Minnesota Statutes 1984, sections 609.341, by adding subdivisions; 609.344; 609.345; and 609.347, by adding a subdivision:

Mr. Petty moved to amend H.F. No. 1227, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1003.)

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1984, section 593.01, subdivision 2, is amended to read:

Subd. 2. The provisions of subdivision 1, as to the number of jurors does not apply to a criminal action where the offense charged is a ~~gross misdemeanor~~ or a felony. In that event the petit jury is a body of 12 persons, unless the defendant consents to a jury of six."

Page 5, after line 11, insert:

"Sec. 10. Minnesota Statutes 1984, section 611.033, is amended to read:

611.033 [COPY OF CONFESSION OR ADMISSION.]

A statement, confession, or admission in writing shall not be received in evidence in any criminal proceeding against any defendant unless within a reasonable time of the taking thereof the defendant is furnished with a copy thereof and which statement, confession, or admission shall have endorsed thereon or attached thereto the receipt of the accused or certification of a peace officer which shall state that a copy thereof has been received by or made available to the accused. *Nothing in this section shall require that a videotape, audiotape, or transcript thereof, be given to the defendant at the time the statement, confession, or admission is made, or within a reasonable time thereafter, provided the videotape or audiotape is available to the defendant in discovery pursuant to the rules of criminal procedure.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "authorizing six person juries for misdemeanor prosecutions; clarifying receipt of a copy of a confession or admission;"

Page 1, line 7, after "sections" insert "593.01, subdivision 2;"

Page 1, line 8, delete "and"

Page 1, line 9, before the period, insert "and 611.033"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Ms. Peterson, D.C. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1227. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Sieloff moved to amend H.F. No. 1227, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1003.)

Page 1, line 20, after "*worker*" insert "*or*"

Page 1, line 20, delete "*, or other person, whether or not*"

Page 1, line 24, after "*the*" insert "*professional*"

Mr. Moe, D.M. requested division of the amendment as follows:

First portion:

Page 1, line 20, after "*worker*" insert "*or*"

Page 1, line 20, delete "*, or other person, whether or not*"

Second portion:

Page 1, line 24, after "*the*" insert "*professional*"

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 11 and nays 47, as follows:

Those who voted in the affirmative were:

Benson	Kamrath	Knutson	Renneke	Stumpf
Frederick	Knaak	Laidig	Sieloff	Taylor
Isackson				

Those who voted in the negative were:

Adkins	Diessner	Langseth	Olson	Schmitz
Anderson	Dieterich	Lantry	Pehler	Spear
Belanger	Frank	Lessard	Peterson, D.C.	Storm
Berglin	Frederickson	Luther	Peterson, D.L.	Vega
Bernhagen	Freeman	McQuaid	Peterson, R.W.	Waldorf
Bertram	Hughes	Merriam	Petty	Wegscheid
Brataas	Johnson, D.E.	Moe, D.M.	Pogemiller	Willet
Dahl	Jude	Moe, R.D.	Ramstad	
Davis	Kroening	Nelson	Reichgott	
Dicklich	Kronebusch	Novak	Samuelson	

The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the adoption of the second portion of the amendment.

The motion prevailed. So the second portion of the amendment was adopted.

H.F. No. 1227 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kroening	Novak	Sieloff
Anderson	Frank	Kronebusch	Olson	Spear
Belanger	Frederick	Laidig	Pehler	Storm
Benson	Frederickson	Langseth	Peterson, D.C.	Stumpf
Berg	Freeman	Lantry	Peterson, D.L.	Taylor
Berglin	Gustafson	Lessard	Peterson, R.W.	Vega
Bernhagen	Hughes	Luther	Petty	Waldorf
Bertram	Isackson	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	Willet
Dahl	Jude	Merriam	Reichgott	
Davis	Kamrath	Moe, D.M.	Renneke	
Dicklich	Knaak	Moe, R.D.	Samuelson	
Diessner	Knutson	Nelson	Schmitz	

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 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. 401: A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; authorizing the court to allow the respondent in a replevin action to retain or regain possession without posting a bond; authorizing the court to stay an action to recover possession for up to six months; extending the effective period of a garnishee summons; amending Minnesota Statutes 1984, sections 550.37, subdivisions 5, 7, 13, 14, and 24; 565.25, subdivision 2; 571.41, subdivisions 6 and 7; 571.42; 571.495, subdivision 3; and 571.55, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 565.

There has been appointed as such committee on the part of the House:

Dempsey, McDonald and Cohen.

Senate File No. 401 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 615: A bill for an act relating to Lake of the Woods county;

authorizing the issuance of bonds for the construction of jetties and related public improvements; and authorizing the levy of special assessments.

There has been appointed as such committee on the part of the House:

Tunheim, McPherson and Clausnitzer.

Senate File No. 615 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 650: A bill for an act relating to crimes; increasing the penalty for an offense committed against a transit provider or operator when violence or a threat of violence is not involved; amending Minnesota Statutes 1984, section 609.855, subdivisions 3 and 4.

There has been appointed as such committee on the part of the House:

Valento, Schafer and Marsh.

Senate File No. 650 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 863: A bill for an act relating to commerce; modifying the definition of credit card to include other types of instruments; prescribing criminal penalties for financial transaction card fraud; amending Minnesota Statutes 1984, sections 325G.02, subdivisions 2 and 4; 325G.03; 325G.04; 325G.041; 325G.05; 609.52, subdivisions 1 and 2; and 609.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

There has been appointed as such committee on the part of the House:

Seaberg, Marsh and Jacobs.

Senate File No. 863 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 856:

H.F. No. 856: A bill for an act relating to taxation; imposing an additional tax on certain interest earned on state or municipal obligations; providing an income tax credit for certain interest paid on those obligations; amending Minnesota Statutes 1984, section 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Pauly, Valento, Quinn, Boerboom and Vanasek have been appointed as such committee on the part of the House.

House File No. 856 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Mr. Dahl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 856, 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 that the House refuses to concur in the Senate amendments to House File No. 702:

H.F. No. 702: A bill for an act relating to human services; requiring notice to the designated agency in certain proceedings pertaining to persons committed as mentally ill and dangerous; authorizing the commissioner to transfer persons committed as mentally ill and dangerous between regional centers under certain circumstances; amending Minnesota Statutes 1984, sections 253B.14; 253B.18, subdivisions 4b, 5, and 6; and 253B.23, subdivision 7.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Clausnitzer; Anderson, R.; Forsythe; Zaffke and Jennings, L. have been appointed as such committee on the part of the House.

House File No. 702 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Mr. Diessner moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 702, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on S.F. No. 401 from 1:30 to 2:40 p.m.:

Messrs. Peterson, R.W.; Sieloff and DeCramer. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dieterich moved that the following members be excused for a Conference Committee on S.F. No. 1183 at 2:45 p.m.:

Messrs. Dieterich, Gustafson and Novak. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Chmielewski moved that the following members be excused for a Conference Committee on H.F. No. 847 at 3:00 p.m.:

Messrs. Langseth, Frank and Chmielewski. The motion prevailed.

SPECIAL ORDER

H.F. No. 1233: A bill for an act relating to intoxicating liquor; permitting counties to issue off-sale licenses and combination licenses in towns; amending Minnesota Statutes 1984, section 340.11, subdivision 10a; repealing Minnesota Statutes 1984, section 340.11, subdivision 10b.

Mr. Dieterich moved to amend H.F. No. 1233, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1103.)

Page 2, line 19, before "with" insert "*except cities of the first class or within Pine or Kanabec counties within three miles of a statutory or home rule city*"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1233, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1103.)

Page 1, lines 18 and 24, after the second "county" insert "*outside the seven-county metropolitan area as defined under section 473.121, subdivision 2*"

Page 2, delete section 2, and insert:

"Sec. 2. Minnesota Statutes 1984, section 340.11, subdivision 10b, is amended to read:

Subd. 10b. [OFF-SALE LICENSES; TOWNS.] The town board of any town exercising powers pursuant to section 368.01, subdivision 1, *within the seven-county metropolitan area as defined under section 473.121, subdivision 2*, may issue off-sale licenses for the sale of intoxicating liquor to exclusive liquor stores with the approval of the commissioner of public safety. Licenses issued under this subdivision shall be governed by the appropriate provisions of the intoxicating liquor act except as provided otherwise by this subdivision. The fee for a license shall be fixed by the board in an amount not to exceed \$500."

Amend the title as follows:

Page 1, line 2, after "counties" insert "and certain towns"

Page 1, line 5, delete "subdivision" and insert "subdivisions" and delete the semicolon and insert "and 10b." and delete "repealing Minnesota Statutes"

Page 1, delete line 6

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak then moved to amend H.F. No. 1233, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1103.)

Page 1, lines 18 and 24, after the second "county" insert "except Ramsey county"

Page 2, delete section 2, and insert:

"Sec. 2. Minnesota Statutes 1984, section 340.11, subdivision 10b, is amended to read:

Subd. 10b. [OFF-SALE LICENSES; TOWNS.] The town board of any town exercising powers pursuant to section 368.01, subdivision 1, *within Ramsey county*, may issue off-sale licenses for the sale of intoxicating liquor to exclusive liquor stores with the approval of the commissioner of public safety. Licenses issued under this subdivision shall be governed by the appropriate provisions of the intoxicating liquor act except as provided otherwise by this subdivision. The fee for a license shall be fixed by the board in an amount not to exceed \$500."

Amend the title as follows:

Page 1, line 2, after "counties" insert "and certain towns"

Page 1, line 5, delete "subdivision" and insert "subdivisions" and delete the semicolon and insert "and 10b." and delete "repealing Minnesota Statutes"

Page 1, delete line 6

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Dieterich imposed a call of the Senate for the balance of the proceedings on H.F. No. 1233. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1233 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 43 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Langseth	Olson	Reichgott
Belanger	Frederickson	Lantry	Pehler	Sieloff
Berglin	Gustafson	Lessard	Peterson, D.C.	Spear
Bertram	Hughes	Luther	Peterson, D.L.	Stumpf
Chmielewski	Johnson, D.E.	McQuaid	Peterson, R.W.	Taylor
Dahl	Johnson, D.J.	Mehrkens	Petty	Vega
DeCramer	Jude	Moe, D.M.	Pogemiller	Willet
Dicklich	Knaak	Moe, R.D.	Purfeerst	
Diessner	Kronebusch	Nelson	Ramstad	

Those who voted in the negative were:

Anderson	Davis	Kroening	Peterson, C.C.	Waldorf
Benson	Frank	Laidig	Renneke	Wegscheid
Berg	Frederick	Merriam	Samuelson	
Bernhagen	Kamrath	Novak	Schmitz	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 35: A bill for an act relating to agriculture; making certain changes in the family farm security program; amending Minnesota Statutes 1984, sections 16A.80, subdivision 2a; 41.56, subdivisions 3, 4, and 4a; 41.57, subdivisions 2 and 3; 41.59, subdivision 1; and 41.61, subdivision 1.

Mr. Wegscheid moved to amend H.F. No. 35 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 16A.80, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPT AGENCIES.] This section does not apply to:

- (1) the housing finance agency;
- (2) the state board of investment;
- (3) the iron range resources and rehabilitation board;
- (4) the higher education coordinating board;
- (5) the higher education facilities authority; and
- (6) the department of agriculture family farm security program; and
- (7) the energy and economic development authority.

Sec. 2. Minnesota Statutes 1984, section 41.56, subdivision 3, is amended to read:

Subd. 3. [DEFAULT, FILING CLAIM.] Within 90 days of a default on a guaranteed family farm security loan, the lender shall send notice to the applicant participant stating that the commissioner must be notified if the default continues for 180 days, and the consequences of that default. The lender and the applicant participant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

If a participant cannot meet scheduled loan payments because of unique or temporary circumstances and the participant proves sufficiently to the commissioner that the necessary cash flow can be generated in the future, the commissioner may use money in the special account in section 41.61, subdivision 1, to meet the participant's loan obligation for up to two consecutive

years. This money must be paid back within eight years with interest at a rate four percent below the prevailing Federal Land Bank rate.

A contract for deed participant may enter into an agreement with the commissioner whereby the outstanding principal balance of the loan is reduced by a minimum of ten percent, the loan is re-amortized for the years remaining, and the commissioner agrees that the state shall pay the lender 100 percent of the sum due and payable if a default occurs during the remaining term of the re-amortized loan.

After 180 days from the initial default, if the applicant participant has not made arrangements to meet his obligation, the lender shall file a claim with the commissioner, identifying the loan and the nature of the default, and assigning to the state all of the lender's security and interest in the loan in exchange for payment according to the terms of the family farm security loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the commissioner all sums owed the commissioner by the applicant participant and retain title to the property in lieu of payment by the commissioner under the terms of the loan guarantee. If the commissioner determines that the terms of the family farm security loan guarantee have been met, he shall authorize payment of state funds to the lender, and shall notify the defaulting party. The state of Minnesota shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. The commissioner may, on behalf of the state, commence foreclosure or termination proceedings in the manner provided by law.

Sec. 3. Minnesota Statutes 1984, section 41.56, subdivision 4, is amended to read:

Subd. 4. [SALE OF DEFAULTED PROPERTY.] In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall, ~~within 15 days of the expiration of the period of redemption,~~ undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which he is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within ~~two~~ three years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

Sec. 4. Minnesota Statutes 1984, section 41.56, subdivision 4a, is amended to read:

Subd. 4a. [SALE FOR CASH.] When the commissioner sells any farm property for cash, he shall follow the procedures provided in this subdivision. ~~If the sale will be completed more than 15 days after the last published notice of sale as provided in subdivision 4, the commissioner shall publish another notice as provided in that subdivision.~~ The commissioner shall ~~publish another~~ *may* sell the property to the highest bidder by taking sealed bids ~~or~~, by bids at public auction, ~~or through negotiation.~~ The commissioner may refuse to accept any or all bids. ~~If a bid is accepted, the successful bidder shall be selected within 15 days of the date of the last published notice of sale.~~ The successful bidder shall submit bid security in the form of a certified check ~~or bid bond, money order, or bank draft~~ in the amount of ~~two~~ *five* percent of the bid price on the day of selection and shall remit the balance of the purchase price within 90 days of the date of sale. Upon remittance by the purchaser of the balance within 90 days of the date of sale, the commissioner shall transfer title to the property, including any acquired mineral rights, to the purchaser by quit-claim deed. In the event that the purchaser fails to remit all of the balance within 90 days of the date of sale, the purchaser forfeits all rights to the property and any money paid for the property and the commissioner shall recommence the sale process specified in this subdivision.

Sec. 5. Minnesota Statutes 1984, section 41.57, subdivision 2, is amended to read:

Subd. 2. [PAYMENT ADJUSTMENT.] To be eligible for payment adjustment a family farm security loan shall have a maximum term of 20 years and shall provide for payments at least annually so that the loan shall be amortized over its term with equal annual payments of principal and interest, adjusted for variable interest rates, except that a loan to be amortized over a term of ten years or less need not provide for equal annual payments of principal and interest. During the first ten years of a family farm security loan, the commissioner shall annually pay to the lender four percent of the outstanding balance due at the beginning of that year and the ~~applicant~~ *applicant participant* shall pay the remainder of the payment due. After the tenth year, the ~~applicant~~ *applicant participant* shall make payments according to the stated interest rate. The ~~applicant~~ *applicant participant* may petition the commissioner for one ten year renewal of the payment adjustment. If a renewal is granted, in the 21st year the ~~applicant~~ *applicant participant* shall reimburse the commissioner for the sums paid on the ~~applicant's participant's~~ *applicant's participant's* behalf under this subdivision. If no renewal is granted, the ~~applicant~~ *applicant participant* shall reimburse the commissioner in the 11th year for the sums paid on the ~~applicant's participant's~~ *applicant's participant's* behalf under this subdivision. The obligation to repay the payment adjustment is a lien against the property. If the ~~applicant~~ *applicant participant* does not reimburse the state within the required time period, the commissioner may charge interest at the rate of two percent above the prevailing rate charged by the Federal Land Bank of St. Paul on the net amount owed for the period of delinquency. To recover the adjustment payment due in delinquency cases, the commissioner may proceed to foreclose by advertisement on the lien as if it were a real estate mortgage following the procedures in chapter 580.

Sec. 6. Minnesota Statutes 1984, section 41.57, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REVIEW OF NET WORTH.] The *applicant participant*, his dependents and spouse shall annually submit to the commissioner a statement of their net worth. If their net worth in any year exceeds the sum of \$135,000, the *applicant participant* shall be ineligible for a payment adjustment in that year.

Sec. 7. Minnesota Statutes 1984, section 41.59, subdivision 1, is amended to read:

Subdivision 1. [IMMEDIATE REPAYMENT OF LOAN.] Any *applicant participant* who sells or conveys the property for which a family farm security loan was issued shall immediately retire the entire indebtedness still owed to the lender and the commissioner. The new owner may negotiate a family farm security loan in his own right, but under no circumstances may the original loan be assumed by the new owner. If the new owner is granted a family farm security loan, the new owner may agree to assume the original *applicant's participant's* responsibility to reimburse the commissioner for a payment adjustment received, as a portion of the total purchase price. That portion of the purchase price may not be included under the guarantee or considered when calculating the payment adjustment for the new owner. This subdivision is not intended to prohibit the *applicant participant* from granting a security interest in the property for the purposes of securing an additional loan.

Any *applicant participant* who fails to personally maintain the land covered by a family farm security loan in active agricultural production for a period of time longer than one year is in default. The default may be waived by the commissioner in the event of a physical disability or other extenuating circumstances.

Sec. 8. Minnesota Statutes 1984, section 41.61, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL ACCOUNT; STANDING APPROPRIATION.] There is created a special account in the state treasury for the purposes of financing the family farm security program.

The amount needed from time to time to pay lenders for defaulted loans and make other payments authorized by this chapter including insurance premiums and, taxes, repairs and maintenance costs, advertising, and other sales expenses on defaulted farms is appropriated from the special account to the commissioner. Money is also appropriated to the commissioner from the special account so that the commissioner may purchase the rights of first lienholders at mortgage foreclosure sales and satisfy certain fixture loans. The sum of all outstanding family farm security loans guaranteed by the commissioner at any time may not exceed \$100,000,000.

Sec. 9. [92.501] [LEASING OF PEAT LANDS FOR WILD RICE FARMING.]

Subdivision 1. [AUTHORITY TO LEASE.] *The commissioner of natural resources may, at a public or private lease sale and at the prices and under the terms and conditions the commissioner may prescribe, lease any state-owned lands under the commissioner's jurisdiction and control for the purpose of farming of wild rice. The term of a lease under this section shall be offered for a minimum of 20 years but may be for a shorter period at the option of the lessee. The lease rate shall be adjusted every five years to reflect market values. The money received from the leases under this section*

shall be credited to the account that receives the proceeds of a sale of the land.

Subd. 2. [WILD RICE LAND DESIGNATION AND DEVELOPMENT.] The commissioner of natural resources shall prepare a plan including an inventory of the number of acres of land appropriate and suitable for wild rice development and leasing in each county.

Subd. 3. [RULES.] The commissioner of natural resources may adopt rules to implement this section.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; making certain changes in the family farm security program; amending Minnesota Statutes 1984, sections 16A.80, subdivision 2a; 41.56, subdivisions 3, 4, and 4a; 41.57, subdivisions 2 and 3; 41.59, subdivision 1; and 41.61, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 92."

Mr. Merriam moved to amend the Wegscheid amendment to H.F. No. 35 as follows:

Page 1, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Wegscheid amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

Mr. Wegscheid moved to amend the Wegscheid amendment to H.F. No. 35 adopted by the Senate May 20, 1985, as follows:

Page 7, after line 2, insert:

"Sec. 10. Minnesota Statutes 1984, section 223A.01, as added by S.F. No. 919, section 6, if enacted by the 1985 regular session, is amended to read:

223A.01 [FARM PRODUCTS THAT ARE BOUGHT SUBJECT TO A SECURITY INTEREST.]

Subdivision 1. [REGISTERED BUYER TAKES FREE OF SECURITY INTEREST UNLESS NOTIFIED.] A buyer in the ordinary course of business who is a registered buyer in the county of the seller's residence under section 386.42, and who purchases farm products from a person engaged in farming operations takes free of a security interest created by the seller even though the security interest is perfected and the buyer knows of its existence, unless the buyer is notified of the security interest as provided in subdivision 4 3.

Subd. 2. [BUYERS THAT PURCHASE SUBJECT TO A SECURITY INTEREST.] A buyer in the ordinary course of business that is registered under section 386.42 in the seller's county of residence who is notified by a secured party as provided under subdivision 3, purchases farm products from

a person engaged in farming operations subject to the perfected security interest. A buyer who is not registered under section 386.42 in the seller's county of residence purchases farm products from a person engaged in farming operations subject to perfected security interests.

A buyer who purchases farm products subject to a security interest under this section *subdivision* shall include the name of the secured party as joint payee on any check or other instrument issued in payment for the farm products, unless the secured party gives the buyer written notice of waiver of this requirement. Issuance of joint payment as herein required relieves the buyer of any further liability to the secured party.

Subd. 3. [NOTIFICATION OF SECURITY INTEREST.] A secured party may, by certified mail or another method by which receipt can be verified, notify a buyer that a debtor has farm products subject to a security interest.

The notification is effective upon receipt until September 1 after the notification is made; or for a notification made after August 20 but before September 1, the notification is effective for one year beginning September 1. A buyer who receives notification from a secured party under this subdivision shall not publicly post or disseminate to any person, other than its agents and employees who reasonably require the information for purposes related to this *aet section*, any information contained in the notification.

A secured party that furnishes to a buyer a list of debtors who have farm products subject to a security interest is not liable to a debtor whose name is on the list for furnishing the list.

Subd. 4. [COMMISSION MERCHANT.] Notwithstanding section 336.1-201, subsection (9), a commission merchant or selling agent who sells farm products for another for a fee, that is a registered buyer under section 386.42, is a buyer in the ordinary course of business under this chapter and section 336.9-307, subsection (1), for transactions involving farm products.

Sec. 11. Minnesota Statutes 1984, section 336.9-307, as amended by S.F. No. 919, section 7, if enacted by the 1985 regular session, is amended to read:

336.9-307 [PROTECTION OF BUYERS OF GOODS.]

(1) A buyer in ordinary course of business (subsection (9) of section 336.1-201) takes free of a security interest created by his seller even though the security interest is perfected and even though the buyer knows of its existence, except that a buyer in the ordinary course of business who purchases farm products from a person engaged in farming operations is subject to section ~~386.42~~ 223A.01.

(2) In the case of consumer goods, a buyer takes free of a security interest even though perfected if he buys without knowledge of the security interest, for value and for his own personal, family or household purposes unless prior to the purchase the secured party has filed a financing statement covering such goods.

(3) A buyer other than a buyer in ordinary course of business (subsection (1) of this section) takes free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the purchase, or more than 45 days after the purchase, whichever first occurs, unless made pursuant to a commitment entered into without knowledge of the

purchase and before the expiration of the 45 day period.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Berg moved to amend the Wegscheid amendment to H.F. No. 35 as follows:

Page 1, line 31, delete “a” and insert “an annual percentage”

The motion prevailed. So the amendment to the amendment was adopted.

H.F. No. 35 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kronebusch	Olson	Schmitz
Anderson	Frederick	Laidig	Pehler	Sieloff
Belanger	Frederickson	Lessard	Peterson, C.C.	Spear
Benson	Hughes	Luther	Peterson, D.L.	Storm
Berg	Isackson	McQuaid	Peterson, R.W.	Stumpf
Bernhagen	Johnson, D.E.	Mehrrens	Petty	Taylor
Bertram	Jude	Merriam	Ramstad	Wegscheid
Brataas	Kamrath	Moe, D.M.	Renneke	Willet
Davis	Knutson	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Berglin	Freeman	Kroening	Peterson, D.C.	Vega
Dahl	Knaak	Lantry	Pogemiller	Waldorf
Frank				

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 265: A bill for an act relating to insurance; dramshop liability; authorizing annual aggregate policy limits; amending Minnesota Statutes 1984, section 340.11, subdivision 21.

Mr. Stumpf moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 11, line 28, strike “, or incurs”

Page 11, line 29, strike “other pecuniary loss”

Page 12, after line 15, insert:

“Subd. 3. [PRESUMED DAMAGES IN CASE OF DEATH.] *In the case of an individual who is deceased and where a person is found liable under this section for a person’s death, the individual or those claiming damages on the person’s behalf, shall be conclusively presumed collectively to be damaged in the amount of \$20,000; provided, however, that nothing herein shall prevent a claimant from recovering a greater amount of damages to the*

extent allowable and proven under this section."

CALL OF THE SENATE

Mr. Stumpf imposed a call of the Senate for the balance of the proceedings on H.F. No. 265. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	Lessard	Storm
Anderson	Davis	Kamrath	Mehrkens	Stumpf
Belanger	DeCramer	Knaak	Peterson, D.L.	Taylor
Benson	Frederick	Knutson	Renneke	Willet
Berg	Frederickson	Kronebusch	Samuelson	
Bernhagen	Isackson	Laidig	Sieloff	
Bertram	Johnson, D.E.	Langseth	Solon	

Those who voted in the negative were:

Berglin	Lantry	Moe, R.D.	Peterson, R.W.	Reichgott
Dahl	Luther	Nelson	Petty	Schmitz
Freeman	McQuaid	Novak	Pogemiller	Spear
Hughes	Merriam	Olson	Purfeerst	Waldorf
Kroening	Moe, D.M.	Peterson, D.C.	Ramstad	

The motion prevailed. So the amendment was adopted.

Mr. Stumpf then moved to amend the Stumpf amendment to H.F. No. 265, the unofficial engrossment, as follows:

Page 1, line 10 of the Stumpf amendment, before "*amount*" delete "*the*" and insert "*a minimum*"

Page 1, line 11 of the Stumpf amendment, delete "\$20,000" and insert "\$30,000"

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 49 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lantry	Peterson, D.C.	Solon
Belanger	Frederick	Lessard	Peterson, R.W.	Spear
Berg	Freeman	Luther	Petty	Storm
Bernhagen	Hughes	McQuaid	Pogemiller	Stumpf
Bertram	Isackson	Merriam	Purfeerst	Taylor
Dahl	Johnson, D.E.	Moe, R.D.	Ramstad	Vega
Davis	Jude	Nelson	Reichgott	Waldorf
DeCramer	Kamrath	Novak	Renneke	Wegscheid
Dicklich	Knaak	Olson	Schmitz	Willet
Diessner	Kroening	Pehler	Sieloff	

Those who voted in the negative were:

Anderson	Frederickson	Laidig	Mehrkens	Peterson, D.L.
Benson	Kronebusch			

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

“Section 1. [62A.26] [COVERAGE FOR PHENYLKETONURIA TREATMENT.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64A, and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or non-expense incurred basis, or policies that provide only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] Every policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1985, must provide coverage for special dietary treatment for phenylketonuria when recommended by a physician.

Sec. 2. Minnesota Statutes 1984, section 62E.06, subdivision 1, is amended to read:

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 for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(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 well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a 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.

(f) *Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.*

Page 4, after line 21, insert:

“Sec. 9. [144.126] [PHENYLKETONURIA TESTING PROGRAM.]

The commissioner shall provide on a statewide basis, without charge to the recipient, treatment control tests for which approved laboratory procedures are available for phenylketonuria and other metabolic diseases causing mental retardation.

Sec. 10. [144.128] [TREATMENT FOR POSITIVE DIAGNOSIS, REGISTRY OF CASES.]

The commissioner shall:

(1) *make arrangements for the necessary treatment for diagnosed cases where treatment is indicated and the family is uninsured and, because of a lack of available income, is unable to pay the cost of the treatment;*

(2) *maintain a registry of cases of phenylketonuria and other metabolic diseases for the purpose of follow-up services to prevent mental retardation; and*

(3) *adopt rules to carry out section 3 and this section.*

Sec. 11. Minnesota Statutes 1984, section 290.089, subdivision 2, is amended to read:

Subd. 2. [ITEMIZED DEDUCTIONS.] An amount equal to the amount determined pursuant to section 63(f) of the Internal Revenue Code is allowed with the following adjustments:

(a) Add the amount paid to others not to exceed \$650 for each dependent in grades K to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, “textbooks” includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elemen-

tary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(b) Add the amount of Minnesota and other states' estate or inheritance taxes which were allowed as a deduction under section 290.077, subdivision 4, on income in respect of a decedent;

(c) Add the amount by which the deduction for the taxable year allowed pursuant to subdivision 4 exceeds the amount determined pursuant to section 222 of the Internal Revenue Code;

(d) *Add the amount paid during the taxable year for the special dietary treatment recommended by a physician for phenylketonuria which is not reflected in other deductions;*

(e) Subtract income taxes paid or accrued within the taxable year under this chapter;

(f) Subtract income taxes paid to any other state or to any province or territory of Canada;

(g) If the deduction computed under section 164 of the Internal Revenue Code is not reduced by the amount of the credit or refund allowed under chapter 290A, subtract that amount;

(h) Subtract the amount of interest on investment indebtedness paid or accrued in a taxable year beginning before January 1, 1981, which has been carried forward and is allowed as a deduction in the taxable year under section 163(d) of the Internal Revenue Code;

(i) Subtract the amount of charitable contributions deducted under section 170 of the Internal Revenue Code that (i) exceeds the following limitations: (A) an overall limit of 30 percent of the taxpayer's Minnesota gross income which, for purposes of this paragraph, shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code; and (B) the aggregate of contributions to organizations described in section 290.21, subdivision 3, clause (c) shall not exceed 20 percent of the taxpayer's Minnesota gross income; or (ii) was deducted as a carryover under section 170(d) of the Internal Revenue Code."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Benson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Petty moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 2, line 2, before the period, insert "*and hit-and-run motor vehicles*"

Page 3, line 5, before "*limit*" insert "*liability*"

Page 3, line 11, delete everything after "(5)"

Page 3, line 17, delete "a named" and insert "an"

Page 3, line 19, delete "a named" and insert "otherwise"

Page 3, lines 24 and 30, delete "named"

Page 4, delete lines 6 to 12

The motion prevailed. So the amendment was adopted.

H.F. No. 265 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 43 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Novak	Schmitz
Anderson	DeCramer	Kamrath	Olson	Sieloff
Belanger	Dicklich	Knaak	Pehler	Solon
Benson	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berg	Frederickson	Laidig	Petty	Taylor
Bernhagen	Freeman	Lessard	Purfeerst	Waldorf
Bertram	Hughes	McQuaid	Ramstad	Willet
Brataas	Isackson	Moe, R.D.	Reichgott	
Dahl	Johnson, D.E.	Nelson	Renneke	

Those who voted in the negative were:

Kroening	Merriam	Peterson, D.C.	Pogemiller	Vega
Luther	Moe, D.M.	Peterson, R.W.	Spear	

So the bill, as amended, passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 230: Messrs. Wegscheid, Petty and Kroening.

H.F. No. 268: Messrs. Merriam; Peterson, C.C. and Knaak.

S.F. No. 1159: Messrs. Luther, Freeman, Pogemiller, Petty and Knaak.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1249: Messrs. Purfeerst, Dieterich and Sieloff.

H.F. No. 856: Messrs. Dahl, Nelson, Merriam, Ms. Berglin and Mr. Petty.

H.F. No. 702: Messrs. Diessner, Petty, Knutson, Mrs. Lantry and Ms. Berglin.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 4:00 p.m. The motion prevailed.

The hour of 4:00 p.m. having arrived, the President called the Senate to order.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on H.F. No. 702 at 3:15 p.m.:

Mr. Diessner, Ms. Berglin, Mrs. Lantry, Messrs. Petty and Knutson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 756 at 4:30 p.m.:

Messrs. Johnson, D.J.; Novak; Peterson, C.C.; Merriam and Petty. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 251 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 251

A bill for an act relating to nursing homes; establishing an educational program for resident and family advisory councils; authorizing a surcharge on license fees; requiring evaluation and a report to the legislature by the Minnesota board on aging; appropriating money; amending Minnesota Statutes 1984, sections 256B.421, subdivision 8; and 256B.431, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 144A.

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 251, report that we have

agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 251 be further amended as follows:

Page 2, line 6, delete "\$1" and insert "\$1.73"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Linda Berglin, Duane D. Benson, Marilyn M. Lantry

House Conferees: (Signed) Ben Boo, Dale A. Clausnitzer, Lee Greenfield

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 251 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. 251 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 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Olson	Renneke
Anderson	Davis	Kroening	Pehler	Schmitz
Belanger	DeCramer	Kronebusch	Peterson, D.C.	Sieloff
Benson	Dicklich	Laidig	Peterson, D.L.	Spear
Berglin	Diessner	Langseth	Peterson, R.W.	Storm
Bernhagen	Frank	Lessard	Pogemiller	Stumpf
Bertram	Frederick	Luther	Purfeerst	Waldorf
Brataas	Hughes	Moe, R.D.	Ramstad	Willet
Chmielewski	Isackson	Nelson	Reichgott	

Mr. Knaak voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 459 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 459

A bill for an act relating to probate; adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse's elective share, and omitted spouses and children; clarifying provisions relating to the award of costs in guardianship and conservatorship proceedings; providing for the payment of reasonable fees and expenses for certain guardians and conservators; amending Minnesota Statutes 1984, sections 257.34, subdivision 1; 525.13; 525.145; and 525.703; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1984, sections 525.16; 525.17; 525.171; 525.172; 525.173; 525.20;

525.201; 525.202; 525.212 to 525.216.

May 16, 1985

The Honorable Jerome M. Hughes
President of the Senate
The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 459, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 459 be further amended as follows:

Page 6, line 9, after the period, insert "*Nothing in this section shall cause any life insurance, accident insurance, joint annuity, or pension or profit sharing plan payable to a person other than the surviving spouse to be included in the augmented estate.*"

Page 6, line 25, delete everything after the comma

Page 6, delete lines 26 to 34

Page 6, line 35, delete "*by the decedent.*"

Page 7, line 5, after the period, insert "*The augmented estate does not include the proceeds of life insurance payable upon the death of the decedent, in lump sum or in the form of an annuity, accident insurance, joint annuity or pension or profit sharing plan, nor does it include premiums paid therefor by the decedent or any other person.*"

Page 7, line 13, delete everything after "*death*"

Page 7, line 14, delete "*spouse,*" and insert "*of the kind described in clause (2)(i) of this section*"

Page 7, line 16, after the period, insert "*All other property owned by the surviving spouse as of the decedent's death, or previously transferred by the surviving spouse, is presumed not to have been derived from the decedent except to the extent that an interested party establishes that it was derived from the decedent.*"

Page 7, delete lines 17 to 36

Page 8, delete lines 1 to 36

Page 9, delete line 1

Page 15, lines 21 and 22, delete "*(1) is not a relative of the ward or conservatee, and (2)*"

Page 15, line 25, after "*abuse*" delete the comma and insert "*or*" and delete "*, or exploitation*"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Allan H. Spear, Gene Merriam, Ron Sieloff

House Conferees: (Signed) Robert E. Vanasek, David T. Bishop, Arthur W. Seaberg

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on S.F. No. 459 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. 459 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Pehler	Storm
Anderson	Diessner	Kroening	Peterson, D.C.	Stumpf
Belanger	Dieterich	Kronebusch	Peterson, R.W.	Vega
Benson	Frank	Laidig	Pogemiller	Waldorf
Berg	Frederickson	Langseth	Purfeerst	Wegscheid
Bernhagen	Gustafson	Luther	Ramstad	Willet
Bertram	Hughes	McQuaid	Reichgott	
Dahl	Isackson	Mehrkens	Renneke	
Davis	Johnson, D.E.	Moe, R.D.	Schmitz	
DeCramer	Kamrath	Nelson	Spear	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 295 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 295

A bill for an act relating to counties; authorizing a special levy for county agricultural society and park and recreation purposes for Hubbard county; authorizing a special levy for support of the Clearwater county hospital; authorizing a special levy for tourism and agriculture promotion in Cass county; requiring a reverse referendum under certain circumstances; increasing the amount of loans available to certain counties for design and construction costs of district heating and qualified energy improvements; allowing municipalities to accelerate repayment of principal of energy loans; authorizing county regulation of pawnbrokers, second-hand, and junk dealers; designating Hubbard county as a fiscal agent; amending Minnesota Statutes 1984, section 116J.36, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 471.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 295, 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. 295 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [SPECIAL LEVY AUTHORITY.]

Hubbard county may levy a property tax in an amount not to exceed \$45,000 annually to construct, maintain, or operate public park or other recreational facilities or programs. The tax authorized by this section shall be disregarded in the calculation of any levy limitations under Minnesota Statutes, chapter 275.

Sec. 2. [REVERSE REFERENDUM.]

If the Hubbard county board intends to exercise the authority provided by section 1 in subsequent years, it shall pass a resolution stating the fact before January 1, 1986. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election prior to December 1, 1986.

Sec. 3. [APPROPRIATION.]

Hubbard county may levy a property tax not greater than \$20,000 annually and disburse its proceeds to operate county agricultural fairs and maintain buildings and grounds used for county agricultural fairs. This section supersedes any inconsistent provision of Minnesota Statutes, sections 38.17, 375.18, subdivision 8, or other law. The tax provided by this act shall be disregarded in the calculation of any other levy or limit on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law. The authority allowed by this section is provided at the request of the board of county commissioners of Hubbard county.

Sec. 4. [REVERSE REFERENDUM.]

If the Hubbard county board proposes to exercise the authority provided by section 3, it shall pass a resolution stating the fact before January 1, 1986. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not

less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the clerk, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election prior to October 1, 1986.

Sec. 5. [CLEARWATER COUNTY; SPECIAL LEVY FOR COUNTY HOSPITAL COSTS.]

Subdivision 1. Clearwater county may levy a property tax in an amount authorized by the county board, not to exceed a levy of three mills, in excess of any limitation imposed by Minnesota Statutes, sections 275.50 to 275.56, or any other law, for the purpose of funding the operation of the county hospital.

Subd. 2. [REVERSE REFERENDUM.] If the Clearwater county board proposes to increase the levy of the county pursuant to subdivision 1, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a referendum on the proposed resolution is filed with the county auditor the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1, 1985.

Sec. 6. [CASS COUNTY; TOURISM AND AGRICULTURE PROMOTION.]

Subdivision 1. The Cass county board may annually levy a tax of a total amount of not more than \$70,000 on taxable property in the county and disburse the proceeds of the levy to promote tourism and agriculture in the county. A levy under this section shall be disregarded in the calculation of any other levies or limits on levies provided by Minnesota Statutes, sections

275.50 to 275.56 or other law.

Subd. 2. [REVERSE REFERENDUM.] If the Cass county board proposes to increase the levy of the county pursuant to subdivision 1, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a referendum on the proposed resolution is filed with the county auditor the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1, 1985.

Sec. 7. [LOCAL APPROVAL.]

Sections 1, 2, 3, and 4 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Hubbard county board. Section 5 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Clearwater county board for taxes levied in 1985, 1986, 1987, and 1988. Section 6 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Cass county board.

Sec. 8. Minnesota Statutes 1984, section 116J.36, subdivision 6, is amended to read:

Subd. 6. [LOANS, DISTRICT HEATING AND QUALIFIED ENERGY IMPROVEMENTS.] Upon the recommendation of the authority pursuant to subdivision 8, the commissioner of finance shall make loans to municipalities on the following terms:

(a) In the case of loans for design costs, the maximum amount of the loan shall be limited by the provisions of this clause. For cities of the first class and counties containing a city of the first class, individually or through the exercise of joint powers agreements, the amount of the loan shall not exceed 40 percent of the design costs. *For counties containing one city of the first class not exceeding 100,000 inhabitants, the amount of the loan for that portion of the county excluding the city of the first class shall not exceed 80 percent of the design costs.* For cities of the second, third and fourth class, and other municipalities, the amount of the loan shall not exceed 90 percent of the design costs;

(b) In the case for loans for construction costs, a municipality must demonstrate that all design activities have been completed; that the project or

improvement is economically and technologically feasible; that the district heating system or qualified energy improvement will be constructed, and that it has made adequate provisions to assure proper and efficient operation and maintenance of the project or improvement. For cities of the first class and counties containing a city of the first class, individually or through the exercise of joint powers agreements, the amount of the loan shall be up to 50 percent of the construction costs. *For counties containing one city of the first class not exceeding 100,000 inhabitants, the amount of the loan for that portion of the county excluding the city of the first class shall not exceed 80 percent of the construction costs.* For cities of the second class, the amount of the loan shall be up to 80 percent of the construction costs. For cities of the third or fourth class, and other municipalities, the amount of the loan shall be up to 90 percent of the construction costs.

(c) A loan made pursuant to this section is repayable over a period of not more than 20 years from the date the loan is made. Interest shall accrue from the date of the loan at a rate of interest assigned at the date of loan commitment, but the first payment of interest shall not be due until one year after the loan was made. Principal payments shall begin ~~in the sixth year not more than five years~~ after the receipt of the loan on a ~~25 year~~ level payment schedule ~~with the~~. *The loan may be amortized in accordance with repayment schedules not exceeding 25 years in length. Any outstanding balance of the principal to be retired with the payment due 20 years after receipt of the loan at the end of the repayment period must be repaid along with the final scheduled payment.* Interest attributable to the first year of deferred payment shall be amortized in equal periodic payments over the remainder of the term of the loan. For each loan, the initial deposit to the state bond fund required by section 16A.65, subdivision 1, shall be made by the commissioner of finance, and no loan may be refused solely because the municipality does not provide the initial deposit.

(d) The authority may also pledge a segregated portion of the energy development fund to guarantee or insure bonds and notes, or the interest rate thereon, issued by the commissioner of finance on behalf of the state of Minnesota for purposes of section 116J.36 or 116J.37.

Sec. 9. [471.924] [COUNTY REGULATION OF PAWNBROKERS, SECOND-HAND AND JUNK DEALERS.]

Subdivision 1. [AUTHORITY.] For the purpose of promoting the health, safety, morals, and general welfare of its residents, any county in the state may regulate the activities of pawnbrokers, second-hand and junk dealers.

Subd. 2. [IMPLEMENTATION.] The purposes and objectives of the authority granted by this section shall be furthered by the adoption and passage of county-wide regulations or ordinance provisions.

Sec. 10. [471.925] [DEFINITIONS.]

For purposes of sections 9 to 14, the following terms have the meanings given them:

(1) "pawnbroker" means a person who loans money on deposit or pledge of personal property, or other valuable thing, or who deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price, or who loans money secured by chattel

mortgage or personal property, taking possession of the property or any part thereof so mortgaged; and

(2) "second-hand goods" or "junk dealer" means a person engaged in the business of buying second-hand goods of any kind, including but not limited to coins, gold, silver, jewelry, metals, guns, and wrecked or dismantled motor vehicles or motor vehicles intended to be wrecked or dismantled, but not including used goods and merchandise taken as part or full payment for new goods and merchandise.

Sec. 11. [471.926] [RELATION TO OTHER COUNTY AUTHORITY.]

Any ordinance adopted by a county pursuant to sections 9 to 14 shall complement and be in addition to any other authority granted to a county pursuant to state statute or rule.

Sec. 12. [471.927] [COOPERATION WITH MUNICIPALITIES.]

The governing body of any municipality may continue to exercise the authority to regulate pawnbrokers and second-hand or junk dealers as provided by law, but may contract with the county board of commissioners for administration and enforcement of county-wide regulations or ordinance provisions within the borders of the municipality.

Sec. 13. [471.928] [RECORDING.]

Any ordinance adopted pursuant to sections 9 to 14 must be filed with the county recorder. The county auditor shall file a certified copy of the ordinance for record.

Sec. 14. [471.929] [ENFORCEMENT.]

The duties of enforcing an ordinance adopted pursuant to this section shall be imposed by the county board upon the county sheriff's department.

Sec. 15. [HUBBARD COUNTY FISCAL AGENT.]

The Hubbard county board may serve as the fiscal agent to receive money from the state for the Viking Epic Drama Amphitheater economic development project. The Hubbard county board shall establish the procedures and payment schedules necessary to make any required repayments to the state.

Sec. 16. [STEARNS COUNTY AGGREGATE MATERIAL.]

The Stearns county board may by resolution exempt from the tax imposed pursuant to Minnesota Statutes, section 298.75, any crushed granite rock used only for railroad ballast purposes produced in Stearns county which is transported by railroad and which is not transported on or used on any roads, streets, or highways.

Sec. 17. [EFFECTIVE DATE.]

Section 16 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Stearns county board."

Amend the title as follows:

Page 1, line 15, after the semicolon insert "exempting certain aggregate material in Stearns county from the aggregate tax;"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gerald L. Willet, Ronald R. Dicklich, James C. Pehler

House Conferees: (Signed) Maurice J. Zaffke, Bernard J. Brinkman, Marcus Marsh

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on S.F. No. 295 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. 295 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 39 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Laidig	Nelson	Schmitz
Benson	Frank	Langseth	Pehler	Storm
Bertram	Frederickson	Lessard	Peterson, D.C.	Stumpf
Dahl	Freeman	Luther	Peterson, R.W.	Taylor
Davis	Gustafson	Mehrkens	Pogemiller	Vega
DeCramer	Hughes	Merriam	Purfeerst	Waldorf
Dicklich	Kroening	Moe, D.M.	Reichgott	Willet
Diessner	Kronebusch	Moe, R.D.	Renneke	

Mr. Sieloff voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 5 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 5

A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 5, report that we have agreed

upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 5 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and his ability to operate a motor vehicle with safety as may be required by the commissioner. The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application shall be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;*
- (2) the effect of mixing alcohol with drugs;*
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance;*
- (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.*

Sec. 2. Minnesota Statutes 1984, section 171.13, is amended by adding a subdivision to read:

Subd. 1b. [DRIVER'S MANUAL.] The commissioner shall include in each edition of the driver's manual published by the department a chapter relating to the effect of alcohol consumption on highway safety and on the ability of drivers to safely operate motor vehicles and a summary of the laws of Minnesota on operating a motor vehicle while under the influence of alcohol or a controlled substance.

Sec. 3. Minnesota Statutes 1984, section 171.29, subdivision 2, is amended to read:

Subd. 2. ~~Any~~ A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before his drivers license is reinstated. A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a ~~\$100~~ \$150 fee before his drivers license is reinstated; ~~75 percent~~. *This fee shall be divided as follows:*

- (a) \$75 of this fee shall be credited to the trunk highway fund and 25*

percent.

(b) \$25 shall be credited to the general fund.

(c) \$25 shall be credited to a special account to be known as the alcohol impaired driver education account. Money in the account is appropriated to the commissioner of education for grants to develop alcohol impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. The commissioner of education shall report to the legislature by January 15, 1987, on the expenditure of grant funds under this section.

(d) \$25 shall be credited to a separate account to be known as the county probation reimbursement account. Funds in this account are appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, in providing probation and parole services to wards of the commissioner of corrections. These funds are provided in addition to any funds which the counties currently receive under section 260.311, subdivision 5.

Sec. 4. Minnesota Statutes 1984, section 340.02, subdivision 8, is amended to read:

Subd. 8. [PERSONS ELIGIBLE.] Licenses hereunder shall be issued only to persons who are citizens of the United States or resident aliens, who are of good moral character and repute, who have attained the age of ~~19~~ 21 years and who are proprietors of the establishments for which the licenses are issued.

Sec. 5. Minnesota Statutes 1984, section 340.035, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any:

(1) licensee or his employee to permit any person under the age of ~~19~~ 21 years to consume nonintoxicating malt liquor on the licensed premises;

(2) person other than the parent or legal guardian to procure nonintoxicating malt liquor for any person under the age of ~~19~~ 21 years;

(3) person to induce a person under the age of ~~19~~ 21 years to purchase or procure nonintoxicating malt liquor.

Sec. 6. Minnesota Statutes 1984, section 340.119, subdivision 2, is amended to read:

Subd. 2. A bottle club may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. A bottle club or any unincorporated society which shall have more than 50 members and which shall have, for more than a year, owned, hired, or leased space in a building of such extent and character as may be suitable and adequate for reasonable and comfortable accommodations for its members, may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. Every bottle, container, or other receptacle containing intoxicating liquor stored by members shall have attached to it a label signed by the member of the club. All liquor on the premises of the club shall be labeled as herein required, and any not being actually used or consumed by the owner thereof shall be kept in a locker designated to the use

of such member. It shall be unlawful for any club member under ~~19~~ 21 years of age to be assigned a locker for the storage of intoxicating liquor, or to consume or display or be permitted to consume or display intoxicating liquor on any premises owned or controlled by such private club.

Sec. 7. Minnesota Statutes 1984, section 340.13, subdivision 12, is amended to read:

Subd. 12. [LICENSES; PERSONS ELIGIBLE.] No license shall be issued to a person other than a citizen of the United States or resident alien, ~~19~~ 21 years of age or over, who shall be of good moral character and repute; nor to any person who within five years prior to the application for the license has been convicted of any willful violation of any law of the United States or the state of Minnesota or of any local ordinance with regard to the manufacture, sale, distribution, or possession for sale or distribution of intoxicating liquor; nor to any person whose license under the Intoxicating Liquor Act is revoked for a willful violation of any of those laws or ordinances.

Sec. 8. Minnesota Statutes 1984, section 340.14, subdivision 1a, is amended to read:

Subd. 1a. [PERSONS DENIED ACCESS.] No intoxicating liquor shall be sold, furnished, or delivered for any purpose to any ~~minor~~ person under the age of 21 years or to any person obviously intoxicated or to any of the persons to whom sale is prohibited by statute.

Sec. 9. Minnesota Statutes 1984, section 340.15, is amended by adding a subdivision to read:

Subd. 1a. No manufacturer, wholesaler, or retailer of alcoholic beverages, whether holding a license in Minnesota or not, may conduct, sponsor, or contribute financially to events or activities which:

(a) are held on the campuses or other property of a post-secondary institution of learning, and

(b) involve as a part thereof the consumption or sale of alcoholic beverages.

This subdivision does not affect on-campus, licensed retailers of alcoholic beverages.

Sec. 10. Minnesota Statutes 1984, section 340.403, subdivision 3, is amended to read:

Subd. 3. [LICENSE GRANTED.] Upon the filing of an application, the approval of the bond, and the payment of the license fee, the commissioner shall grant the license unless it appears that the applicant: (1) is not a citizen of the United States or resident alien; or (2) is not ~~19~~ 21 years of age or over; or (3) has been convicted of a felony under the laws of this state; or (4) has had his license revoked within a period of one year prior to the filing of his application; or (5) has not been a resident of Minnesota or has not been qualified as a corporation to do business in Minnesota for more than 90 days prior to application. In the event the applicant is a corporation its managing officers must possess the qualifications stated in clauses (1), (2), (3), and (4).

No wholesale malt beverage license shall be granted to any person unless he has within the state of Minnesota warehouse space either owned or leased

by him and has adequate delivery facilities to perform the function of wholesaling malt beverages. However, the requirements of this subdivision as to residence and warehouse space shall not apply to any wholesaler in an adjoining state that permits Minnesota resident licensees to deliver malt beverages to retailers without warehousing in that state or to any wholesaler in an adjoining state delivering malt beverages manufactured in Minnesota.

Sec. 11. Minnesota Statutes 1984, section 340.73, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any intoxicating liquors or nonintoxicating malt liquors in any quantity, for any purpose, to any person under the age of 19 21 years, or to any obviously intoxicated person.

Sec. 12. Minnesota Statutes 1984, section 340.731, is amended to read:

340.731 [PERSONS UNDER 19 21 YEARS, FORBIDDEN ACTS OR STATEMENTS.]

It shall be unlawful for (1) a person under the age of 19 21 years to enter any premises licensed for the retail sale of alcoholic beverages or any municipal liquor store for the purpose of purchasing, or having served or delivered to him or her, any alcoholic beverage containing more than one-half of one percent of alcohol by volume; or

(2) a person under the age of 19 21 years to purchase, attempt to purchase or have another purchase for him or her any intoxicating liquor or nonintoxicating malt liquor; or

(3) any person to misrepresent or misstate his or her age, or the age of any other person for the purpose of inducing any licensee or any employee of any licensee, or any employee of any municipal liquor store, to sell, serve or deliver any alcoholic beverage to a person under the age of 19 21 years; or

(4) a person under the age of 19 21 years to have in his or her possession any intoxicating liquor or non-intoxicating malt liquor, with intent to consume same at a place other than the household of his or her parent or guardian. Possession of such intoxicating liquor or nonintoxicating malt liquor at a place other than the household of his or her parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his or her parent or guardian; or

(5) a person under the age of 19 21 years to consume any intoxicating liquor or nonintoxicating malt liquor unless in the household of his or her parent or guardian and with the consent of his or her parent or guardian.

Sec. 13. Minnesota Statutes 1984, section 340.80, is amended to read:

340.80 [INDUCING CERTAIN PERSONS TO ENTER LIQUOR ESTABLISHMENTS; PENALTY.]

Any person who shall assist, procure or induce any person under the age of 19 21 years or other person to whom the sale of liquor is by law forbidden, to enter or visit any saloon, bar, buffet or public drinking place for the purpose of obtaining intoxicating liquors, is guilty of a gross misdemeanor; and, upon conviction, punished therefor according to the laws of the state.

Sec. 14. [REPEALER.]

Minnesota Statutes 1984, section 340.79, is repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 9 are effective July 1, 1985. Sections 4 to 8, and 10 to 14 are effective September 30, 1986; except that these sections are not effective if, by September 30, 1986:

(a) any state bordering Minnesota has not established a minimum drinking age of 21 for intoxicating liquor; or

(b) United States Code, title 23, section 158 is repealed."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession, and furnishing; restricting certain promotion; establishing programs for the prevention of alcohol-impaired driving among young drivers and for education on avoidable health risks; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.06, subdivision 3; 171.13, by adding a subdivision; 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.119, subdivision 2; 340.13, subdivision 12; 340.14, subdivision 1a; 340.15, by adding a subdivision; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; and 340.80; repealing Minnesota Statutes 1984, section 340.79."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) A.W. "Bill" Diessner, Jim Ramstad, Clarence M. Purfeerst, Sam G. Solon, Dean E. Johnson

House Conferees: (Signed) Gary L. Schafer, Gil Gutknecht, Bert J. McKasy, Don Valento, Randy C. Kelly

Mr. Diessner moved that the foregoing recommendations and Conference Committee Report on S.F. No. 5 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. 5 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 12, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Mehrkens	Renneke
Anderson	DeCramer	Isackson	Merriam	Sieloff
Belanger	Diessner	Johnson, D.E.	Moe, D.M.	Spear
Benson	Dieterich	Jude	Olson	Storm
Berg	Frank	Knaak	Pehler	Stumpf
Bernhagen	Frederick	Kronebusch	Peterson, D.L.	Taylor
Brataas	Frederickson	Laidig	Purfeerst	Wegscheid
Chmielewski	Freeman	Luther	Ramstad	Willet
Dahl	Gustafson	McQuaid	Reichgott	

Those who voted in the negative were:

Bertram
Dicklich
Kamrath

Kroening
Lessard
Nelson

Peterson, D.C.
Peterson, R.W.

Pogemiller
Schmitz

Vega
Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1176 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1176

A bill for an act relating to children; requiring a new job classification in child protection; requiring continuing education; providing for a joint training program; requiring a report to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1176, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1176 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [626.559] [SPECIALIZED TRAINING AND EDUCATION REQUIRED.]

Subdivision 1. [JOB CLASSIFICATION; CONTINUING EDUCATION.] The commissioner of human services, for employees subject to the Minnesota merit system, and directors of county personnel systems, for counties not subject to the Minnesota merit system, shall establish a job classification consisting exclusively of persons with the specialized knowledge, skills, and experience required to satisfactorily perform child protection duties pursuant to section 626.556, subdivisions 10, 10a, and 10b.

All child protection workers or social services staff having responsibility for child protective duties under section 626.556, subdivisions 10, 10a, and 10b, shall receive 15 hours of continuing education or in-service training each year. The local social service agency shall submit an annual plan for the provision of these hours of education and training to the commissioner of human services for approval.

Subd. 2. [JOINT TRAINING.] The commissioners of human services and public safety shall cooperate in the development of a joint program for training child abuse services professionals in the appropriate techniques for child abuse assessment and investigation. The program shall include but need not be limited to the following areas:

(1) the public policy goals of the state as set forth in section 260.011 and the role of the assessment or investigation in meeting these goals;

(2) the special duties of child protection workers and law enforcement officers under section 626.556;

(3) the appropriate methods for directing and managing affiliated professionals who may be utilized in providing protective services and strengthening family ties;

(4) the appropriate methods for interviewing alleged victims of child abuse and other minors in the course of performing an assessment or an investigation;

(5) the dynamics of child abuse and neglect within family systems and the appropriate methods for interviewing parents in the course of the assessment or investigation;

(6) the legal, evidentiary considerations that may be relevant to the conduct of an assessment or an investigation;

(7) the circumstances under which it is appropriate to remove the alleged abuser or the alleged victim from the home;

(8) the protective social services that are available to protect alleged victims from further abuse, to prevent child abuse, and to preserve the family unit; and

(9) the methods by which child protection workers and law enforcement workers cooperate in conducting assessments and investigations in order to avoid duplication of efforts.

Subd. 3. [PRIORITY TRAINING.] The commissioners of human services and public safety shall provide the program courses described in subdivision 2 at convenient times and locations in the state. The commissioners shall give training priority in the program areas cited in subdivision 2 to persons currently performing assessments and investigations pursuant to section 626.556, subdivisions 10, 10a, and 10b.

Subd. 4. [REPORT.] By February 1, 1986, the commissioners of human services and public safety shall report to the legislature on the implementation of the joint training program established under subdivision 2. The report may include legislative recommendations on the establishment of a multidisciplinary training program for child abuse services professionals.

Sec. 2. [APPROPRIATIONS.]

Subdivision 1. [COMMISSIONER OF HUMAN SERVICES.] \$53,400 is appropriated from the general fund to the commissioner of human services for purposes of section 1 to be available for the fiscal year ending June 30, 1986.

Subd. 2. [COMMISSIONER OF PUBLIC SAFETY.] \$156,000 is appropriated from the general fund to the commissioner of public safety for purposes of section 1, \$78,000 to be available for the fiscal year ending June 30, 1986, and \$78,000 to be available for the fiscal year ending June 30, 1987.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1985."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gene Merriam, Eric D. Petty, William V. Belanger, Jr.

House Conferees: (Signed) Kathleen Blatz, Kathleen Vellenga, Ralph R. Kiffmeyer

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1176 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. 1176 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Nelson	Spear
Anderson	Dieterich	Knaak	Olson	Storm
Belanger	Frank	Kronebusch	Pehler	Stumpf
Benson	Frederick	Laidig	Peterson, D.C.	Taylor
Berg	Frederickson	Langseth	Peterson, D.L.	Vega
Bernhagen	Freeman	Lessard	Peterson, R.W.	Waldorf
Bertram	Gustafson	Luther	Purfeerst	Wegscheid
Brataas	Hughes	McQuaid	Ramstad	Willet
Dahl	Isackson	Mehrkens	Reichgott	
Davis	Johnson, D.E.	Merriam	Renneke	
DeCramer	Jude	Moe, D.M.	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 862 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 862

A bill for an act relating to courts; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3.

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 862, 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. 862 be

further amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1984, section 485.01, is amended to read:

485.01 [APPOINTMENT; BOND; DUTIES.]

A clerk of the district court for each county within the judicial district, *who shall be known as the court administrator*, shall be appointed by a majority of the district court judges in the district, after consultation with the county court judges of the county court district affected. The clerk, before entering upon the duties of his office, shall give bond to the state, to be approved by the chief judge of the judicial district, in a penal sum of not less than \$1,000 nor more than \$10,000 conditioned for the faithful discharge of his official duties. The bond, with his oath of office, shall be filed for record with the county recorder. The clerk shall perform all duties assigned him by law and by the rules of the court. He shall not practice as an attorney in the court of which he is the clerk.

The duties, functions, and responsibilities which have been and may be required by statute or law to be performed by the clerk of district court shall be performed by the court administrator.

Sec. 2. Minnesota Statutes 1984, section 486.05, subdivision 1, is amended to read:

Subdivision 1. In all judicial districts a salary range for court reporters shall be established annually by the judicial district administrator with the approval of a majority of judges of the district. The salary for each court reporter shall be set within that range annually by the district administrator after consultation with the chief judge. Nothing herein shall change in this subdivision changes the manner by which court reporters are paid, the proportions among the various counties of a judicial district by which the funds are allocated or any statutory provisions related to court reporter compensation other than the manner of setting salary. Each county shall be required by order to pay a specified amount thereof of the salary in monthly installments, which shall be such the proportion of the whole salary as the population in each county bears to the total population in the district as set forth in the most recent federal census. It is provided, however, that in the event If a judge is temporarily transferred to hold court in some a county other than in his outside of the judge's judicial district then, and in that event, the said that county shall pay that a part of the monthly salary of the judge's reporter as that equal to the part of the month worked by said the reporter in said the county. Each reporter shall have and maintain his residence in the district in which he is appointed. The reporter, in addition to his a salary, shall be paid such sums as he shall accrue as necessary mileage, traveling, and hotel expenses incurred in the discharge of official duties while absent from the city in which he resides in the discharge of his official duties district where the judge the reporter serves is assigned, such. The expenses are to be paid by the county for which the same expenses were incurred upon presentation of a verified itemized statement thereof approved by the judge; and the auditor of such the county, upon presentation of such the approved statement, shall issue his a warrant in for payment thereof.

This subdivision supersedes all laws now in force relating to the salary of

district court reporters inconsistent herewith relating to any and all counties are hereby repealed and superseded with this subdivision, except the manner of setting salary as hereinbefore set forth shall in this subdivision does not apply to the second and fourth judicial districts."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing that clerks of district court shall be known as court administrators; eliminating certain mileage expenses that court reporters may claim for reimbursement; eliminating the requirement that court reporters reside in the district of their appointment;"

Page 1, line 5, after "sections" insert "485.01; 486.05, subdivision 1;"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) James C. Pehler, Gene Merriam, Lawrence J. Pogemiller, Dean E. Johnson, Michael O. Freeman

House Conferees: (Signed) Bert J. McKasy, Charles C. Halberg, Terry Dempsey, Gary L. Schafer

Mr. Pehler moved that the foregoing recommendations and Conference Committee Report on S.F. No. 862 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. 862 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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Johnson, D.E.	Moe, D.M.	Spear
Bejanger	Dicklich	Jude	Olson	Storm
Benson	Dieterich	Kamrath	Pehler	Stumpf
Berg	Frank	Knaak	Peterson, D.C.	Taylor
Bernhagen	Frederick	Kroening	Peterson, D.L.	Vega
Bertram	Frederickson	Kronebusch	Peterson, R.W.	Waldorf
Brataas	Freeman	Lessard	Ramstad	Wegscheid
Chmielewski	Gustafson	McQuaid	Reichgott	Willet
Dahl	Hughes	Mehrkens	Renneke	
Davis	Isackson	Merriam	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 647 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 647

A bill for an act relating to education; Minnesota Educational Computing

Corporation; removing some limits on its powers; providing for compliance with certain bidding laws for management computing services; amending Minnesota Statutes 1984, sections 119.04, subdivision 2; 119.05, subdivision 2; and 119.07.

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 647, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 647 be further amended as follows:

Page 1, line 23, strike "within the limits"

Page 1, strike line 24

Page 1, line 25, strike "subdivision 1, who" and insert "*at not to exceed 95 percent of the salary of the governor as provided by section 15A.081, subdivision 6. The chief officer*"

Page 2, line 26, reinstate the stricken language

Page 2, line 27, before the period insert "*except for administrative microcomputer software products developed by the corporation*"

Page 2, lines 27 to 31, delete the new language

Amend the title as follows:

Page 1, line 5, before "amending" insert "limiting the salary of the chief officer;"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) James C. Pehler, Gen Olson, Donald M. Moe

House Conferees: (Signed) Wendell O. Erickson, Daniel J. Knuth, Dean Hartle

Mr. Pehler moved that the foregoing recommendations and Conference Committee Report on S.F. No. 647 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. 647 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 37 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Peterson, D.C.	Storm
Berg	Dieterich	Kronebusch	Peterson, D.L.	Stumpf
Bernhagen	Frank	Lessard	Purfeerst	Vega
Bertram	Frederick	Luther	Ramstad	Waldorf
Chmielewski	Frederickson	McQuaid	Reichgott	Willet
Dahl	Freeman	Moe, D.M.	Renneke	
Davis	Hughes	Olson	Schmitz	
DeCramer	Knaak	Pehler	Spear	

Those who voted in the negative were:

Anderson	Isackson	Jude	Mehrkens	Peterson, R.W.
Benson	Johnson, D.E.	Kamrath	Merriam	Wegscheid

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 863 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 863

A bill for an act relating to commerce; modifying the definition of credit card to include other types of instruments; prescribing criminal penalties for financial transaction card fraud; amending Minnesota Statutes 1984, sections 325G.02, subdivisions 2 and 4; 325G.03; 325G.04; 325G.041; 325G.05; 609.52, subdivisions 1 and 2; and 609.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 863, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 863 be further amended as follows:

Page 11, line 19, delete "*defrauding*" and insert "*inducing*" and delete "*extend credit*" and insert "*issue a financial transaction card*"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Ember D. Reichgott, William P. Luther, Jim Ramstad

House Conferees: (Signed) Arthur W. Seaberg, Marcus M. Marsh, Joel Jacobs

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on S.F. No. 863 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. 863 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Isackson	Merriam	Schmitz
Anderson	DeCramer	Johnson, D.E.	Moe, D.M.	Solon
Belanger	Dicklich	Jude	Olson	Spear
Benson	Dieterich	Kamrath	Peterson, D.C.	Storm
Berg	Frank	Knaak	Peterson, D.L.	Stumpf
Bernhagen	Frederick	Kroening	Peterson, R.W.	Taylor
Bertram	Frederickson	Kronebusch	Purfeerst	Vega
Brataas	Freeman	Lessard	Ramstad	Waldorf
Chmielewski	Gustafson	Luther	Reichgott	Willet
Dahl	Hughes	McQuaid	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Peterson, D.C. moved that S.F. No. 882 be taken from the table. The motion prevailed.

S.F. No. 882: A bill for an act relating to commerce; clarifying submission of applications for directors and officers liability insurance; providing for the withdrawal of certain registration statements; broadening the securities transaction exemptions for isolated sales and limited offerings; repealing the securities transaction for preorganization offerings; simplifying an exemption from franchise registration; providing for disclosure of representation by real estate brokers and salespersons; expanding those officers who may verify corporate broker licenses; altering re-examination requirements for brokers and salespersons who fail to renew their licenses; altering the unclaimed property reporting deadline for life insurance companies; raising the aggregation amount for holders reporting unclaimed property; specifying dates for notifying and advertising owners of abandoned property; and providing for the notification of all lienholders by a unit owners association in an assessment lien foreclosure; amending Minnesota Statutes 1984, sections 60A.08, by adding a subdivision; 80A.10, by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 2; 80C.03; 82.19, subdivision 3, and by adding a subdivision; 82.20, subdivision 4; 82.21, subdivision 1; 82.22, subdivision 10; 82.24, subdivision 4; 345.41; 345.42, subdivisions 1 and 3; and 515A.3-115; proposing coding for new law in Minnesota Statutes, chapter 82.

CONCURRENCE AND REPASSAGE

Ms. Peterson, D.C. moved that the Senate concur in the amendments by the House to S.F. No. 882 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 882: A bill for an act relating to commerce; clarifying submission of applications for directors and officers liability insurance; providing for the

withdrawal of certain registration statements; broadening the securities transaction exemptions for isolated sales and limited offerings; simplifying an exemption from franchise registration; providing for disclosure of representation by real estate brokers and salespersons; expanding those officers who may verify corporate broker licenses; altering re-examination requirements for brokers and salespersons who fail to renew their licenses; altering the unclaimed property reporting deadline for life insurance companies; raising the aggregation amount for holders reporting unclaimed property; specifying dates for notifying and advertising owners of abandoned property; and providing for the notification of all lienholders by a unit owners association in an assessment lien foreclosure; amending Minnesota Statutes 1984, sections 60A.08, by adding a subdivision; 80A.10, by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 2; 80C.03; 82.19, subdivision 3, and by adding a subdivision; 82.20, subdivision 4; 82.21, subdivision 1; 82.22, subdivision 10; 82.24, subdivision 4; 345.41; 345.42, subdivisions 1 and 3; and 515A.3-115; proposing coding for new law in Minnesota Statutes, chapter 82.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Peterson, D.C.	Storm
Anderson	DeCramer	Kamrath	Peterson, D.L.	Stumpf
Belanger	Dieterich	Knaak	Peterson, R.W.	Taylor
Benson	Frank	Kroening	Purfeerst	Vega
Berg	Frederick	Kronebusch	Ramstad	Waldorf
Bernhagen	Frederickson	Laidig	Reichgott	Willet
Bertram	Gustafson	Luther	Renneke	
Brataas	Hughes	McQuaid	Schmitz	
Chmielewski	Isackson	Moe, D.M.	Sieloff	
Dahl	Johnson, D.E.	Olson	Spear	

So the bill, as amended, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 719: A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed by order; requiring the removal of elk from the state; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97.

Senate File No. 719 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 719, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 440:

H.F. No. 440: A bill for an act relating to retirement; making various changes in laws governing public retirement funds; amending Minnesota Statutes 1984, sections 3.85, subdivisions 11 and 12; 353.657, subdivision 2a; 354.44, subdivision 6; 354A.35, subdivision 1; 356.20, subdivision 4; 356.215, subdivision 4; 356.216; and 356.70.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Knickerbocker, Sviggum, Gutknecht, Sarna and Simoneau have been appointed as such committee on the part of the House.

House File No. 440 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Mr. Moe, D.M. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 440, 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. 658, 1258 and 1300.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 658: A bill for an act relating to health; regulating community health services; amending Minnesota Statutes 1984, sections 145.912, subdivision 15; 145.917, subdivisions 2, 3, and 4; 145.921; and 145.922; repealing Minnesota Statutes 1984, section 145.912, subdivisions 16, 17, and 18.

Mr. Luther moved that H.F. No. 658 be laid on the table. The motion prevailed.

H.F. No. 1258: A bill for an act relating to human services; revising methods for determining state payments to counties for administrative costs of public assistance programs; revising the community social services act; requiring the commissioner to develop standards; establishing minimum funding levels; requiring a study; authorizing certain persons to provide foster or family care services; amending Minnesota Statutes 1984, sections 256D.22; 256E.05, subdivision 3; 256E.06, subdivisions 2, 2a, 3, 5, 6, and by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivisions 1, 2, and 3; and 382.18; repealing Minnesota Statutes 1984, section 256E.06, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1094, now on General Orders.

H.F. No. 1300: A bill for an act relating to the development of timber resources on tax-forfeited lands; transferring certain powers and duties of the commissioner of iron range resources and rehabilitation to the commissioner of natural resources; amending Minnesota Statutes 1984, section 282.38, subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 83, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 83 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 83

A bill for an act relating to courts; eliminating restrictions on the chief judge's ability to make assignments to juvenile court in Hennepin and Ramsey counties; amending Minnesota Statutes 1984, section 260.019, subdivision 3.

May 17, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 83, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 83 be further

amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [DESIGNATION OF JUVENILE COURT JUDGE.]

Notwithstanding the provisions of Minnesota Statutes, section 260.019, subdivision 3, the chief judge in Hennepin and Ramsey counties may designate any judge to hear cases under sections 260.011 to 260.301 as a principal assignment regardless of how long the judge has served on that assignment.

Sec. 2. [REPEALER.]

Section 1 is repealed effective August 1, 1989.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.”

Delete the title and insert:

“A bill for an act relating to courts; authorizing the chief judge in Hennepin and Ramsey counties to extend the principal assignment of certain juvenile court judges.”

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Mary M. Forsythe, Charles C. Halberg, Randy C. Kelly

Senate Conferees: (Signed) Ember D. Reichgott, Donald A. Storm

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 83 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Spear moved that the recommendations and Conference Committee Report on H.F. No. 83 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 25 and nays 32, as follows:

Those who voted in the affirmative were:

Berg	Frederick	Knutson	Peterson, D.C.	Sieloff
Brataas	Frederickson	Kronebusch	Peterson, D.L.	Spear
Dahl	Freeman	Merriam	Peterson, R.W.	Taylor
Davis	Hughes	Moe, D.M.	Purfeerst	Vega
Dieterich	Knaak	Novak	Renneke	Waldorf

Those who voted in the negative were:

Adkins	Diessner	Kroening	Moe, R.D.	Solon
Anderson	Frank	Langseth	Nelson	Storm
Berglin	Gustafson	Lantry	Olson	Stumpf
Bernhagen	Isackson	Lessard	Petty	Willet
Bertram	Johnson, D.E.	Luther	Ramstad	
Chmielewski	Jude	McQuaid	Reichgott	
DeCramer	Kamrath	Mehrkens	Schmitz	

The motion did not prevail.

The question recurred on the motion of Ms. Reichgott. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 83 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	McQuaid	Ramstad
Anderson	Diessner	Knutson	Mehrkens	Reichgott
Belanger	Freeman	Kroening	Moe, D.M.	Samuelson
Berg	Gustafson	Kronebusch	Moe, R.D.	Schmitz
Berglin	Hughes	Laidig	Nelson	Solon
Bernhagen	Isackson	Langseth	Olson	Storm
Bertram	Johnson, D.E.	Lantry	Peterson, D.C.	Stumpf
Brataas	Jude	Lessard	Petty	Taylor
Chmielewski	Kamrath	Luther	Purfeerst	Willet

Those who voted in the negative were:

Benson	Frederick	Pehler	Renneke	Vega
Davis	Frederickson	Peterson, D.L.	Sieloff	Waldorf
Dieterich	Merriam	Peterson, R.W.	Spear	Wegscheid
Frank				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 633, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 633 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 633

A bill for an act relating to traffic regulations; providing for a temporary definition of school bus; providing for book racks and "MN" designation on school buses; amending Minnesota Statutes 1984, section 169.44, by adding subdivisions.

May 16, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes

President of the Senate

We, the undersigned conferees for H.F. No. 633, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 633 be further amended as follows:

Page 2, line 2, after "state" insert "after July 1, 1985,"

Page 2, line 8, after "6" insert "or 171.01, subdivision 21"

Page 2, line 14, delete "1985" and insert "1986"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Merlyn O. Valan, Terry Dempsey, Allen Quist

Senate Conferees: (Signed) Dean E. Johnson, Lyle G. Mehrkens, Marilyn M. Lantry

Mr. Johnson, D.E. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 633 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. 633 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Moe, D.M.	Ramstad
Anderson	Dieterich	Knutson	Moe, R.D.	Renneke
Belanger	Frank	Kroening	Nelson	Samuelson
Berg	Frederick	Kronebusch	Novak	Solon
Berglin	Frederickson	Langseth	Olson	Spear
Bernhagen	Freeman	Lantry	Pehler	Storm
Bertram	Gustafson	Lessard	Peterson, D.C.	Stumpf
Chmielewski	Hughes	Luther	Peterson, D.L.	Taylor
Dahl	Isackson	McQuaid	Peterson, R.W.	Vega
Davis	Johnson, D.E.	Mehrkens	Petty	Willet
DeCramer	Jude	Merriam	Purfeerst	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 866: A bill for an act relating to solid waste and sewage sludge

management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, disposal sites, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; granting and clarifying the powers which may be exercised by a county located outside the metropolitan area if it enters into an agreement with a metropolitan county for solid waste or resource recovery purposes; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; permitting Pennington county to dispose of certain property; permitting Itasca county to accept loans, advances, or grants from federal or state government; permitting certain counties to make joint contracts or agreements for solid waste management; providing for use of an appropriation for solid waste incineration equipment at the Fergus Falls State Hospital; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27; 115A.84, subdivisions 3 and 4; 115A.919; 400.04, subdivision 1; 473.153, subdivisions 2, 5, 6b, and 7; 473.801, subdivision 1; 473.811, subdivisions 5 and 5a; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A, 116C, and 473.

Senate File No. 866 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 866 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 866: A bill for an act relating to solid waste and sewage sludge management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by local governments and the metropolitan council; imposing restrictions on publicly funded resource recovery facilities; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county plans and ordinances; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27, and by adding subdivisions; 115A.15, subdivision 2; 115A.81; 115A.84, subdivisions 3 and 4; 115A.86, subdivision 1; 115A.919; 116.07, subdivision 4h; 400.04, subdivision 1; 473.149, by adding a subdivision; 473.153, subdivisions 1, 2, 5, 6b, and 7; 473.803, subdivisions 1b and 3; 473.811, subdivisions 5, 5a, and by adding a subdivision; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.844, subdivisions 2 and 5; and Laws 1984, chapter 644, section 81, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1984, section 473.843, subdivision 7.

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:

Adkins	DeCramer	Kamrath	Pehler	Solon
Anderson	Diessner	Kroening	Peterson, D.C.	Spear
Belanger	Dieterich	Kronebusch	Peterson, D.L.	Stumpf
Benson	Frederick	Lantry	Peterson, R.W.	Taylor
Berg	Frederickson	Lessard	Petty	Vega
Berglin	Freeman	Luther	Purfeerst	Waldorf
Bernhagen	Gustafson	McQuaid	Ramstad	Wegscheid
Bertram	Hughes	Mehrkens	Reichgott	Willet
Brataas	Isackson	Merriam	Renneke	
Dahl	Johnson, D.E.	Nelson	Samuelson	
Davis	Jude	Olson	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce 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. 916: A bill for an act relating to human services; authorizing the commissioner to establish a state advisory planning council; requiring counties to contract with nonprofit organizations; changing set aside project amounts; amending Minnesota Statutes 1984, sections 245.70, subdivision 1; 245.71; 245.711, subdivision 2; and 245.713, subdivision 2.

Senate File No. 916 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 916 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 916: A bill for an act relating to human services; authorizing the commissioner to establish a state advisory planning council; requiring counties to contract with nonprofit organizations; changing set aside project amounts; revising procedures and requirements under the aid to families with dependent children, medical assistance, and general assistance programs; appropriating money; amending Minnesota Statutes 1984, sections 245.70, subdivision 1; 245.71; 245.711, subdivision 2; 245.713, subdivision 2; 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; 256.871, subdivision 3; 256.99; 256B.02, subdivisions 2 and 3; 256B.06, subdivision 1; 256B.07; 256B.17, subdivision 6; 256D.01,

subdivision 1a; and 256D.06, by adding a subdivision.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Samuelson
Anderson	DeCramer	Jude	Merriam	Schmitz
Belanger	Diessner	Kamrath	Olson	Sieloff
Benson	Dieterich	Kroening	Peterson, D.C.	Spear
Berg	Frederick	Kronebusch	Peterson, D.L.	Storm
Berglin	Frederickson	Laidig	Peterson, R.W.	Stumpf
Bernhagen	Freeman	Lantry	Petty	Taylor
Bertram	Gustafson	Lessard	Purfeerst	Vega
Brataas	Hughes	Luther	Ramstad	Waldorf
Dahl	Isackson	McQuaid	Reichgott	Willert

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. 1130: A bill for an act relating to occupations and professions; changing the composition of the board of medical examiners and the method of appointing board members; authorizing the release of certain information by the board of medical examiners; requiring the board of medical examiners to adopt a written statement describing its procedures, and publish disciplinary actions; revising the standards for licensing and disciplining physicians; establishing reporting requirements for health professionals and granting immunity to those complying with reporting requirements; establishing special requirements for health-related licensing boards; appropriating money; recodifying certain provisions in Minnesota Statutes, chapter 147; amending Minnesota Statutes 1984, sections 147.01, subdivisions 1, 2, and 4; 147.02, subdivision 1, and by adding subdivisions; 147.021; 147.03; 147.073; 147.074; 147.09; 147.10; 176.011, subdivision 9; 214.07, subdivision 1; and 214.10, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 147; repealing Minnesota Statutes 1984, sections 147.02, subdivision 2; 147.06; 147.07; 147.072; 147.101; 147.11; 147.12; 147.13; 147.16; 147.17; 147.18; 147.19; 147.20; and 147.23.

Senate File No. 1130 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Waldorf moved that the Senate concur in the amendments by the

House to S.F. No. 1130 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1130: A bill for an act relating to occupations and professions; changing the composition of the board of medical examiners and the method of appointing board members; authorizing the release of certain information by the board of medical examiners; requiring the board of medical examiners to adopt a written statement describing its procedures, and publish disciplinary actions; revising the standards for licensing and disciplining physicians; establishing reporting requirements for health professionals and granting immunity to those complying with reporting requirements; establishing special requirements for health-related licensing boards; recodifying certain provisions in Minnesota Statutes, chapter 147; amending Minnesota Statutes 1984, sections 147.01, subdivisions 1, 2, and 4; 147.02, subdivision 1, and by adding subdivisions; 147.021; 147.03; 147.073; 147.074; 147.09; 147.10; 155A.08, subdivision 2; 176.011, subdivision 9; 214.07, subdivision 1; and 214.10, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 147; repealing Minnesota Statutes 1984, sections 147.02, subdivision 2; 147.06; 147.07; 147.072; 147.101; 147.11; 147.12; 147.13; 147.16; 147.17; 147.18; 147.19; 147.20; and 147.23.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kroening	Peterson, D.L.	Storm
Anderson	Frederickson	Kronebusch	Peterson, R.W.	Stumpf
Belanger	Freeman	Laidig	Petty	Taylor
Berg	Gustafson	Lantry	Purfeerst	Vega
Bernhagen	Hughes	Lessard	Ramstad	Waldorf
Bertram	Isackson	Luther	Reichgott	Willett
Dahl	Johnson, D.E.	McQuaid	Samuelson	
Davis	Jude	Mehrkens	Schmitz	
DeCramer	Kamrath	Merriam	Sieloff	
Diessner	Knutson	Olson	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. 279: A bill for an act relating to natural resources; eliminating the mandatory shooting by conservation officers of dogs pursuing deer; restricting the shooting by others; increasing the penalty for owners of dogs that kill deer; amending Minnesota Statutes 1984, sections 100.29, subdivision 19; and 347.01.

Senate File No. 279 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 279 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 279 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Olson	Spear
Anderson	Dieterich	Kroening	Pehler	Storm
Belanger	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berg	Frederickson	Lantry	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Lessard	Petty	Vega
Bertram	Hughes	Luther	Purfeerst	Willet
Chmielewski	Isackson	McQuaid	Ramstad	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Jude	Merriam	Schmitz	
DeCramer	Kamrath	Novak	Sieloff	

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. 281: A bill for an act relating to criminal justice; clarifying the procedure for making certain claims against the state; providing limitations on the payment of claims; placing restrictions on places where work in restitution or community service may be performed; amending Minnesota Statutes 1984, sections 3.739, subdivisions 2 and 2a; and 609.135, subdivision 1.

Senate File No. 281 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Petty moved that the Senate concur in the amendments by the House to S.F. No. 281 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 281: A bill for an act relating to criminal justice; clarifying the procedure for making certain claims against the state; permitting certain in-

dividuals to make claims against the state; providing limitations on the payment of claims; placing restrictions on places where work in restitution or community service may be performed; amending Minnesota Statutes 1984, sections 3.739, subdivisions 1, 2, and 2a; and 609.135, 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Mehrkens	Reichgott
Anderson	Diessner	Kamrath	Novak	Schmitz
Belanger	Dieterich	Knaak	Olson	Sieloff
Benson	Frank	Knutson	Pehler	Spear
Berg	Frederick	Kroening	Peterson, D.L.	Storm
Bernhagen	Frederickson	Kronebusch	Peterson, R.W.	Stumpf
Bertram	Gustafson	Lantry	Petty	Taylor
Chmielewski	Hughes	Lessard	Pogemiller	Vega
Dahl	Isackson	Luther	Purfeerst	Waldorf
Davis	Johnson, D.E.	McQuaid	Ramstad	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. 1045: A bill for an act relating to commerce; providing for the determination of certain usurious contracts; proposing coding for new law in Minnesota Statutes, chapter 334.

Senate File No. 1045 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Kroening moved that the Senate concur in the amendments by the House to S.F. No. 1045 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1045 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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Pehler	Spear
Anderson	Dieterich	Knutson	Peterson, D.C.	Storm
Belanger	Frank	Kroening	Peterson, R.W.	Stumpf
Benson	Frederickson	Kronebusch	Pogemiller	Taylor
Berg	Gustafson	Lantry	Purfeerst	Vega
Bernhagen	Hughes	Lessard	Ramstad	Waldorf
Bertram	Isackson	Luther	Reichgott	Willet
Chmielewski	Johnson, D.E.	McQuaid	Samuelson	
Davis	Jude	Mehrkens	Schmitz	
DeCramer	Kamrath	Olson	Sieloff	

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. 930: A bill for an act relating to public safety; motor vehicles; clarifying penalties for failure to provide security for basic reparation benefits; defining terms; requiring certification procedure to obtain tax-exempt passenger vehicle license plates for unmarked vehicle of law enforcement agency; reducing 2,000-pound weight limitation to three-fourths ton for motor vehicles in certain situations; exempting certain returned motor vehicle registration documents from filing fee; prescribing dissemination of traffic accident information to news media; regulating format of certain license plates; increasing weight of vehicles which may be operated with class "C" driver's license; prescribing filing period for clerk of district court to forward drivers license applications and fees to department of public safety; authorizing commissioner of public safety to promulgate school bus driver qualification rules; authorizing access to certain private vehicle tax information under certain conditions; prescribing fees; amending Minnesota Statutes 1984, sections 65B.67, subdivision 4; 168.011, subdivisions 4, 28, and 29; 168.012, subdivision 1; 168.021, subdivision 1; 168.27, subdivision 11; 168.33, subdivision 7; 169.09, subdivision 13; 169.79; 171.02, subdivision 2; 171.06, subdivision 4; 171.17; 171.321, subdivision 2; and 297B.12.

Senate File No. 930 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Purfeerst moved that the Senate concur in the amendments by the House to S.F. No. 930 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 930: A bill for an act relating to public safety; motor vehicles; clarifying penalties for failure to provide security for basic reparation benefits; defining terms; requiring certification procedure to obtain tax-exempt passenger vehicle license plates for unmarked vehicle of law enforcement agency; reducing 2,000-pound weight limitation to three-fourths ton for

motor vehicles in certain situations; exempting certain returned motor vehicle registration documents from filing fee; regulating format of certain license plates; increasing weight of vehicles which may be operated with class "C" driver's license; prescribing filing period for clerk of district court to forward drivers license applications and fees to department of public safety; requiring revocation of driver's license upon conviction of crime of fleeing from peace officer; expanding definition of misdemeanor for purpose of driver's license revocation; authorizing prima facie evidentiary status for certified department driver records; authorizing commissioner of public safety to promulgate school bus driver qualification rules; authorizing access to certain private vehicle tax information under certain conditions; prescribing fees; providing for a traffic accident reconstruction system; appropriating money; amending Minnesota Statutes 1984, sections 65B.67, subdivision 4; 168.011, subdivisions 4, 28, and 29; 168.012, subdivision 1, and by adding subdivisions; 168.013, subdivisions 1c, 1e, 1g, and 16; 168.021, subdivision 1; 168.09, by adding a subdivision; 168.27, subdivision 11; 168.29; 168.31, subdivision 4; 168.33, subdivision 7; 169.79; 171.02, subdivision 2; 171.06, subdivision 4; 171.17; 171.20, by adding a subdivision; 171.21; 171.321, subdivision 2; 297B.12; and Laws 1982, chapter 639, section 10; repealing Minnesota Statutes 1984, sections 168.013, subdivision 1i; and 168.105, 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 46 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knutson	Pehler	Storm
Anderson	Frederickson	Kronebusch	Peterson, D.C.	Stumpf
Benson	Freeman	Laidig	Peterson, D.L.	Taylor
Berg	Gustafson	Lantry	Peterson, R.W.	Vega
Bernhagen	Hughes	Lessard	Pogemiller	Waldorf
Bertram	Isackson	Luther	Purfeerst	Willet
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	
DeCramer	Jude	Mehrkens	Samuelson	
Diessner	Kamrath	Novak	Schmitz	
Dieterich	Knaak	Olson	Spear	

Mr. Davis voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on S.F. No. 33 from 6:00 to 6:30 p.m. and from 7:45 to 8:15 p.m.:

Messrs. Knaak, Pogemiller and Dahl. The motion prevailed.

RECESS

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 719: Messrs. Stumpf, Langseth and Belanger.

Mr. Luther, for Mr. Moe, R.D., moved that the foregoing appointments be approved. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 440: Messrs. Moe, D.M.; Wegscheid; Pogemiller; Spear and Renneke.

Mr. Luther, for Mr. Moe, R.D., moved that the foregoing appointments be approved. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 849 from 6:30-10:00 p.m.:

Messrs. Nelson, Dahl, Petty, Merriam and Ms. Berglin. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 650 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 650

A bill for an act relating to crimes; increasing the penalty for an offense committed against a transit provider or operator when violence or a threat of violence is not involved; amending Minnesota Statutes 1984, section 609.855, subdivisions 3 and 4.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 650, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 650 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 609.855, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] Whoever violates subdivision 1, 2, or 3 may be sentenced as follows:

(a) To imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the violation was accompanied by force or violence or a communication of a threat of force or violence; or

(b) To ~~the penalty imposed in section 169.89, subdivision 2~~ imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the violation was not accompanied by force or violence or a communication of a threat of force or violence.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1985, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 6, delete "subdivisions 3 and" and insert "subdivision"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Lawrence J. Pogemiller, Fritz Knaak, William P. Luther

House Conferees: (Signed) Don Valento, Gary L. Schafer, Marcus Marsh

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on S.F. No. 650 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. 650 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kroening	Peterson, D.L.	Storm
Anderson	Frederick	Kronebusch	Peterson, R.W.	Stumpf
Benson	Frederickson	Lantry	Pogemiller	Taylor
Berg	Freeman	Luther	Purfeerst	Vega
Bernhagen	Gustafson	McQuaid	Ramstad	Waldorf
Bertram	Hughes	Mehrkens	Reichgott	Willet
Davis	Isackson	Novak	Samuelson	
DeCramer	Jude	Olson	Schmitz	
Diessner	Kamrath	Pehler	Sieloff	
Dieterich	Knaak	Peterson, D.C.	Spear	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 196 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 196

A bill for an act relating to crimes; requiring the county attorney to prosecute failure to report child abuse or neglect; providing for the reporting of

child abuse or neglect; defining certain terms; clarifying immunity from liability for reporting child abuse or neglect; providing for concise summaries of disposition of reports; making technical changes; prescribing penalties; amending Minnesota Statutes 1984, sections 388.051, subdivision 2; and 626.556, subdivisions 1, 2, 3, 4, 4a, 5, 6, 9, and 11.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 196, 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. 196 be further amended as follows:

Delete everything after the enacting clause and insert:

*Section 1. Minnesota Statutes 1984, section 388.051, subdivision 2, is amended to read:

Subd. 2. [~~SPECIAL PROVISION; GROSS MISDEMEANORS PROVISIONS.~~] (a) In Anoka, Carver, Dakota, Hennepin, Scott, and Washington counties, only the county attorney shall prosecute gross misdemeanor violations of sections 290.53, subdivisions 4 and 8; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivisions 4 and 8; 297B.10; 609.255, subdivision 3; 609.377; 609.378; 609.41; and 617.247.

(b) *The county attorney shall prosecute failure to report physical or sexual child abuse or neglect as provided under section 626.556, subdivision 6.*

Sec. 2. Minnesota Statutes 1984, section 518.552, is amended to read:

518.552 [MAINTENANCE.]

Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) Lacks sufficient property, including marital property apportioned to ~~him~~ *the spouse*, to provide for ~~his~~ *reasonable needs of the spouse considering the standard of living established during the marriage*, especially ~~during~~ *but not limited to*, a period of training or education, ~~and or~~

(b) Is unable to ~~adequately support himself~~ *provide adequate self-support*, after considering *the standard of living established during the marriage* and all relevant circumstances, through appropriate employment, or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside the home.

Subd. 2. The maintenance order shall be in amounts and for periods of time, either temporary or permanent, as the court deems just, without regard to marital misconduct, and after considering all relevant factors including:

(a) The financial resources of the party seeking maintenance, including marital property apportioned to ~~him~~ *the party*, and ~~his~~ *the party's* ability to meet his or her needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) The time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, and the probability, given the ~~spouse's~~ *party's* age and skills, of completing education or training and becoming fully or partially self-supporting;

(c) The standard of living established during the marriage;

(d) The duration of the marriage and, in the case of a homemaker, the length of absence from employment and the extent to which any education, skills, or experience have become outmoded and earning capacity has become permanently diminished;

(e) *The loss of earnings, seniority, retirement benefits, and other employment opportunities foregone by the spouse seeking spousal maintenance;*

(f) The age, and the physical and emotional condition of the spouse seeking maintenance;

(~~f~~) (g) The ability of the spouse from whom maintenance is sought to meet his needs while meeting those of the spouse seeking maintenance; and

(~~g~~) (h) The contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker or in furtherance of the other party's employment or business.

Subd. 3. Nothing in this section shall be construed to favor a temporary award of maintenance over a permanent award, where the factors under subdivision 2 justify a permanent award.

Where there is some uncertainty as to the necessity of a permanent award, the court shall order a permanent award leaving its order open for later modification.

Sec. 3. Minnesota Statutes 1984, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. *On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion.* On a motion for modification of support, the court shall take into consideration the needs of the children and the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only upon a showing that any failure to pay in accord with the terms of the original order was not

willful. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 4. Minnesota Statutes 1984, section 609.379, is amended to read:

609.379 [PERMITTED ACTIONS.]

Subdivision 1. [REASONABLE FORCE.] Reasonable force may be used upon or toward the person of a child without the child's consent when the following circumstance exists or the actor reasonably believes it to exist:

(a) When used by a parent, legal guardian, teacher, or other caretaker of a child or pupil, in the exercise of lawful authority, to restrain or correct the child or pupil; or

(b) When used by a teacher or other member of the instructional, support, or supervisory staff of a public or nonpublic school upon or toward a child when necessary to restrain the child from hurting himself or any other person or property.

Subd. 2. [APPLICABILITY.] This section applies to sections 260.315, 609.255, 609.376, 609.377, 609.378, and 626.556, ~~subdivision 12.~~

Sec. 5. Minnesota Statutes 1984, section 626.556, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; to strengthen the family and make the home, school, and community safe for children by promoting responsible child care in all settings; and to provide, when necessary, a safe temporary or permanent home environment for physically or sexually abused children.

In addition, it is the policy of this state to require the reporting of suspected neglect, physical or sexual abuse of children in the home, school, and community settings; to provide for the voluntary reporting of abuse or neglect of children; to require the assessment and investigation of the reports; and to provide protective and counseling services in appropriate cases.

Sec. 6. Minnesota Statutes 1984, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by a person responsible for the child's care, or by a person in a position of authority, as defined in section

609.341, subdivision 10, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345, or sections 609.364 to 609.3644. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means ~~a~~ (1) *an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or* (2) *an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, baby sitting whether paid or unpaid, counseling, teaching, and coaching.*

(c) "Neglect" means failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to (1) mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, or (2) impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter or medical care, a duty to provide that care.

(d) "Physical abuse" means: ~~(1)~~ any physical injury inflicted by a person responsible for the child's care on a child other than by accidental means; or ~~(2)~~ any physical injury that cannot reasonably be explained by the child's history of injuries.

(e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanatorium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(g) "Operator" means an operator or agency as defined in section 245.782.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "*Practice of social services,*" for the purposes of subdivision 3, includes but is not limited to *employee assistance counseling.*

Sec. 7. Minnesota Statutes 1984, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A professional or his delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child

care, education, or law enforcement who ~~has knowledge of or reasonable cause knows or has reason to believe~~ a child is being neglected or physically or sexually abused shall immediately report the information to the local welfare agency, police department or the county sheriff. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency *orally and in writing*. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff *orally and in writing*. *The county sheriff and the head of every local welfare agency and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out.* Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school or agency.

(b) Any person ~~not required to report under the provisions of this subdivision~~ may voluntarily report to the local welfare agency, police department or the county sheriff if he ~~has knowledge of or reasonable cause to believe knows, has reason to believe, or suspects~~ a child is being neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency *orally and in writing*. *The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.*

(c) A person mandated to report ~~suspected~~ physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b.

(d) Any person ~~who makes a mandated to report~~ shall, upon request to the local welfare agency, receive a ~~concise~~ summary of the disposition of ~~the~~ any report *made by that reporter*, unless release would be detrimental to the best interests of the child. *Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.*

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 8. Minnesota Statutes 1984, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] (a) *The following persons are immune from any civil or criminal liability that otherwise might result from their actions, if they are acting in good faith:*

(a) (1) ~~any person, including those voluntarily making reports and those required to make reports under subdivision 3, participating in good faith and exercising due care in the making of a voluntary or mandated report under subdivision 3 or assisting in an assessment pursuant to under this section has immunity from any liability, civil or criminal, that otherwise might result by reason of his action-~~

(b) ~~a supervisor or social worker employed by a local welfare agency, who~~

in good faith exercises due care when complying with subdivisions 10 and 11 or any related rule or provision of law, shall have immunity from any civil liability that otherwise might result by reason of his action; and

(2) any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency or local law enforcement agency and assists in good faith in an investigation or assessment pursuant to subdivision 10 has immunity from any liability, civil or criminal, that otherwise might result by reason of that action.

(b) A person who is a supervisor or social worker employed by a local welfare agency complying with subdivisions 10 and 11 or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is acting in good faith and exercising due care.

(c) This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

Sec. 9. Minnesota Statutes 1984, section 626.556, subdivision 4a, is amended to read:

Subd. 4a. [RETALIATION PROHIBITED.] (a) An employer of any person required to make reports under subdivision 3 shall not retaliate against the person for reporting in good faith suspected abuse or neglect pursuant to this section, or against a child with respect to whom a report is made, because of the report.

(b) The employer of any person required to report under subdivision 3 who retaliates against the person because of a report of suspected abuse or neglect is liable to that person for actual damages and, in addition, a penalty up to \$1,000.

(c) There shall be a rebuttable presumption that any adverse action within 90 days of a report is retaliatory. For purposes of this paragraph, the term "adverse action" refers to action taken by an employer of a person required to report under subdivision 3 which is involved in a report against the person making the report or the child with respect to whom the report was made because of the report, and includes, but is not limited to:

(1) discharge, suspension, termination, or transfer from the facility, institution, school, or agency;

(2) discharge from or termination of employment;

(3) demotion or reduction in remuneration for services; or

(4) restriction or prohibition of access to the facility, institution, school, agency, or persons affiliated with it.

Sec. 10. Minnesota Statutes 1984, section 626.556, subdivision 5, is amended to read:

Subd. 5. [FALSIFIED REPORTS.] Any person who willfully knowingly or recklessly makes a false report under the provisions of this section shall be liable in a civil suit for any actual damages suffered by the person or persons

so reported and for any punitive damages set by the court or jury.

Sec. 11. Minnesota Statutes 1984, section 626.556, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO REPORT.] ~~Any~~ A person ~~required~~ mandated by this section to report ~~suspected physical or sexual child abuse or neglect who willfully fails to do so shall be~~ who knows or has reason to believe that a child is neglected or physically or sexually abused, as defined in subdivision 2, and fails to report is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1984, section 626.556, is amended by adding a subdivision to read:

Subd. 6a. [FAILURE TO NOTIFY.] *If a local welfare agency receives a report under subdivision 3, paragraph (a) or (b) and fails to notify the local police department or county sheriff as required by subdivision 3, paragraph (a) or (b), the person within the agency who is responsible for ensuring that notification is made shall be subject to disciplinary action in keeping with the agency's existing policy or collective bargaining agreement on discipline of employees. If a local police department or a county sheriff receives a report under subdivision 3, paragraph (a) or (b) and fails to notify the local welfare agency as required by subdivision 3, paragraph (a) or (b), the person within the police department or county sheriff's office who is responsible for ensuring that notification is made shall be subject to disciplinary action in keeping with the agency's existing policy or collective bargaining agreement on discipline of employees.*

Sec. 13. Minnesota Statutes 1984, section 626.556, subdivision 9, is amended to read:

Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER.] When a person required to report under the provisions of subdivision 3 ~~has reasonable cause~~ knows or has reason to believe a child has died as a result of neglect or physical or sexual abuse, he shall report that information to the appropriate medical examiner or coroner instead of the local welfare agency, police department or county sheriff. Medical examiners or coroners shall notify the local welfare agency or police department or county sheriff in instances in which they believe that the child has died as a result of neglect or physical or sexual abuse. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff and the local welfare agency.

Sec. 14. Minnesota Statutes 1984, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the

child from the custody of his parent, guardian or adult with whom he is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency *for investigating the alleged abuse* includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or *at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official.* Except as provided in this clause, the parent, legal custodian, or guardian shall be notified *by the responsible local welfare or law enforcement agency* no later than the conclusion of the investigation or assessment, that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, *the agency withhold notification of this interview be withheld* from the parent, legal custodian, or guardian. *If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under paragraph (c), and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.*

(c) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of *intent to interview the child on school property* must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chairman of the county welfare board or his designee. *The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.*

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare agency, or the local law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is ~~deemed~~ considered necessary by agreement between the school officials and the local welfare agency

or local law enforcement agency. Where the school fails to comply with the provisions of this section *paragraph*, the juvenile court may order the school to comply with this provision. School officials shall not disclose to the parent, legal custodian, guardian, or perpetrator that a request to interview the child has been made until after the investigation or assessment has been concluded. Every effort shall *must* be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(d) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(e) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If a guardian ad litem is appointed, he shall be present at the hearing on the order to show cause.

(f) The commissioner, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 15. Minnesota Statutes 1984, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] All records maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Report records maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority. The welfare board shall make available to the investigating, petitioning, or prosecuting authority any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation *except as otherwise permitted by*

this subdivision. Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter prior to the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential but shall be accessible to the individual subject of the record upon court order.

Notwithstanding section 138.17, records maintained by local welfare agencies, the police department or county sheriff under this section shall be destroyed as described in clauses (a) to (e) (d):

(a) If upon assessment or investigation a report is found to be unsubstantiated, notice of intent to destroy records of the report shall be mailed to the individual subject of the report. At the subject's request the records shall be maintained as private data. If no request from the subject is received within 30 days of mailing the notice of intent to destroy, the records shall be destroyed.

(b) All records relating to reports which, upon assessment or investigation, are found to be substantiated shall be destroyed seven years after the date of the final entry in the case record.

(c) All records of reports which, upon initial assessment or investigation, cannot be substantiated or disproved to the satisfaction of the local welfare agency, local police department or county sheriff may be kept for a period of one year. If the local welfare agency, local police department or county sheriff is unable to substantiate the report within that period, each agency unable to substantiate the report shall destroy its records relating to the report in the manner provided by clause (a).

(d) Any notification of intent to interview which was received by a school under subdivision 10, paragraph (c), shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision."

Delete the title and insert:

"A bill for an act relating to children and families; requiring the county attorney to prosecute failure to report child abuse or neglect; clarifying factors to consider in awarding maintenance in marriage dissolution actions; providing for the reporting of child abuse or neglect; defining certain terms; clarifying immunity from liability for reporting child abuse or neglect; providing for concise summaries of disposition of reports; clarifying requirements following reports of child abuse or neglect; making technical changes; prescribing penalties; amending Minnesota Statutes 1984, sections 388.051, subdivision 2; 518.552; 518.64, subdivision 2; 609.379; and 626.556, subdivisions 1, 2, 3, 4, 4a, 5, 6, 9, 10, 11, and by adding a subdivision."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Ember D. Reichgott, Lawrence J. Pogemiller, Fritz Knaak

House Conferees: (Signed) Connie Levi, Kathleen A. Blatz, Lee Greenfield

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on S.F. No. 196 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. 196 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Johnson, D.E.	Olson	Schmitz
Anderson	Dieterich	Jude	Pehler	Spear
Benson	Frank	Kamrath	Peterson, D.C.	Storm
Berg	Frederick	Knaak	Peterson, D.L.	Stumpf
Bernhagen	Frederickson	Kronebusch	Peterson, R.W.	Taylor
Bertram	Freeman	Lessard	Pogemiller	Vega
Chmielewski	Gustafson	Luther	Ramstad	Waldorf
Davis	Hughes	McQuaid	Reichgott	Willet
DeCramer	Isackson	Mehrkens	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 35 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 35

A bill for an act relating to crimes; requiring health professionals to report suspicious wounds to law enforcement authorities; amending Minnesota Statutes 1984, section 626.52.

May 18, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 35, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 35 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 626.52, is amended to read:

626.52 [PHYSICIANS AND OTHER AIDS TO HEALING TO REPORT INJURIES FROM FIREARMS REPORTING OF SUSPICIOUS WOUNDS BY HEALTH PROFESSIONALS.]

Subdivision 1. [DEFINITION.] As used in subdivision 2, "health professional" means a physician, surgeon, person authorized to engage in the practice of healing, superintendent or manager of a hospital, nurse, or pharmacist.

Subd. 2. [HEALTH PROFESSIONALS REQUIRED TO REPORT.] Every physician, every surgeon, every person authorized to engage in the practice of healing, every superintendent or manager of a hospital, every nurse and every pharmacist, whether such physicians, surgeons, persons engaged in the practice of healing, superintendent or manager of any hospital, nurse and pharmacist be licensed or not, A health professional shall immediately report, as provided under section 626.53, to the proper local police authorities, as herein defined, department or county sheriff all bullet wounds, gunshot wounds, powder burns, or any other injury arising from, or caused by the discharge of any gun, pistol, or any other firearm, which wound he is called upon to treat, dress, or bandage.

A health professional shall report to the proper police authorities any wound that the reporter has reasonable cause to believe has been inflicted on a perpetrator of a crime by a dangerous weapon other than a firearm as defined under section 609.02, subdivision 6.

Sec. 2. Minnesota Statutes 1984, section 626.55, is amended to read:

626.55 [PENALTY.]

Subdivision 1. Any person who violates any provision of sections 626.52 to 626.55 is guilty of a gross misdemeanor.

Subd. 2. Any person reporting in good faith and exercising due care shall have immunity from any liability, civil or criminal, that otherwise might result by reason of his actions pursuant to this section. No cause of action may be brought against any person for not making a report pursuant to this section."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 626.55"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) A. W. "Bill" Diessner, Randolph W. Peterson, Gene Merriam

House Conferees: (Signed) Tony Bennett, Dennis Ozment, Peter Rodosovich

Mr. Diessner moved that the foregoing recommendations and Conference Committee Report on S.F. No. 35 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. 35 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Jude	Pehler	Spear
Anderson	Dieterich	Kamrath	Peterson, D.C.	Storm
Benson	Frank	Knaak	Peterson, D.L.	Taylor
Berg	Frederick	Kroening	Peterson, R.W.	Vega
Bernhagen	Frederickson	Kronebusch	Pogemiller	Waldorf
Bertram	Freeman	Luther	Ramstad	Willet
Chmielewski	Gustafson	McQuaid	Reichgott	
Davis	Hughes	Mehrkens	Samuelson	
DeCramer	Johnson, D.E.	Olson	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 558, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 558 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 558

A bill for an act relating to metropolitan government; providing conditions for the disposal of certain sports facilities property; requiring the metropolitan mosquito control district to establish a research program to evaluate the effects of its control program on other fauna; amending Minnesota Statutes 1984, sections 473.556, subdivision 6; and 473.704, by adding a subdivision.

May 15, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 558, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 558 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [BLOOMINGTON HIGHWAY IMPROVEMENT.]

Subdivision 1. [CONTRACT AUTHORIZED.] To expedite and facilitate

the construction of a highway improvement project on Trunk Highway No. 77 from the intersection of I-494 to the intersection of east 86th street within the city of Bloomington, the city and the commissioner of transportation on behalf of the state may enter into a contract under which the city agrees to advance to the commissioner, in consideration of the undertaking of the project by the state at a time specified in the contract, all or part of the cost of the engineering services, construction, or other costs attributable to the project. The project shall be fully described in the contract, and the advance by the city shall not exceed the total amount of the actual contract prices for performing the work on the project and may be made in installments during the performance of the project, or otherwise, as specified in the contract. The contract may provide for repayment by the state to the city of the principal amount or value of the advance, without interest, in not more than ten annual installments, out of the trunk highway fund. Repayment may commence at the time the state would otherwise have undertaken the project. The cash agreed to be advanced by the city shall not affect the amount otherwise agreed to be paid by the city as its share of the cost of the project. The contract may include all other terms necessary to comply with laws relating to cooperative agreements between the commissioner of transportation and municipalities.

Subd. 2. [BONDS AUTHORIZED.] At any time after a contract has been executed by the commissioner and the city of Bloomington by which the city agrees to advance to the commissioner cash for the purpose stated in subdivision 1, the city council may by resolution issue and sell general obligation bonds of the city in an aggregate amount not exceeding the advance to the commissioner provided for in the contract and the cost of issuing the bonds. The bonds shall be issued and sold in accordance with Minnesota Statutes, chapter 475, except that an election shall not be required to authorize their issuance, and the bonds shall not be included in net debt within the meaning of Minnesota Statutes, section 475.51. Money repaid to the city by the commissioner under the contract may be pledged for payment of principal of and interest on the bonds and shall be credited by the city to a separate fund and used solely to pay principal of and interest on any bonds issued pursuant to this section. With the consent of the commissioner of transportation, the city may use money allotted to it out of municipal state-aid street funds to repay interest on the bonds. The money allotted to the city out of the municipal state-aid street funds may be pledged for payment of interest on the bonds.

Sec. 2. Minnesota Statutes 1984, section 473.556, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROPERTY.] (a) The commission may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in the manner provided by section 458.196, insofar as practical and consistent with sections 473.551 to 473.595.

(b) Real property at the metropolitan sports area (not including the indoor public assembly facility and adjacent parking facilities) which is no longer needed for sports facilities shall may be sold or leased for residential, commercial, or industrial development in accordance with the procedures in section 458.196 within two years to a private, for-profit entity, and thereafter the

property shall be subject to all applicable taxes and assessments and all government laws, regulations and ordinances bearing on use and development as if the property were privately owned.

(c) Any real property right, title, or interest within the provisions of paragraph (b) owned by the commission may be sold or leased in whole or in part to the port authority of the city of Bloomington to further the general plan of port improvement or industrial development or for any other purpose which the authority considers to be in the best interests of the district and its people. The property shall be sold or leased to the authority in accordance with section 458.196, subdivisions 1 to 4. Section 458.196, subdivisions 5 to 7 shall not apply to a sale under this paragraph.

(d) Real property disposed of under clause (c) shall be subject to leases, agreements, or other written interests in force on June 1, 1983.

(e) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Sec. 3. Minnesota Statutes 1984, section 473.704, is amended by adding a subdivision to read:

Subd. 18. The commission may establish a research program to evaluate the effects of mosquito and blackfly control on other fauna. The purpose of the program is to identify the types and magnitude of the adverse effects of the control program on fish and wildlife and associated food chain invertebrates. The commission may conduct research through contracts with qualified outside researchers. The commission may finance the research program each year at a level up to 2.5 percent of its annual budget.

Sec. 4. [APPLICATION.]

Sections 2 and 3 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. [LOCAL APPROVAL.]

Section 1 takes effect the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Bloomington."

Delete the title and insert:

"A bill for an act relating to metropolitan government; permitting the city of Bloomington and the transportation department to contract for a highway improvement; providing conditions for the disposal of certain sports facilities property; requiring the metropolitan mosquito control district to establish a research program to evaluate the effects of its control program on other fauna; amending Minnesota Statutes 1984, sections 473.556, subdivision 6; and 473.704, by adding a subdivision."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Kathleen Blatz, Dennis Ozment, Dee Long

Senate Conferees: (Signed) Michael O. Freeman, Robert J. Schmitz, William V. Belanger, Jr.

Mr. Freeman moved that the foregoing recommendations and Conference

Committee Report on H.F. No. 558 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. 558 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 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Isackson	Luther	Schmitz
Anderson	Diessner	Johnson, D.E.	McQuaid	Sieloff
Belanger	Dieterich	Jude	Mehrkens	Spear
Benson	Frank	Kamrath	Olson	Stumpf
Bernhagen	Frederick	Knaak	Peterson, D.C.	Taylor
Bertram	Frederickson	Knutson	Peterson, D.L.	Vega
Chmielewski	Freeman	Kroening	Ramstad	Waldorf
Dahl	Gustafson	Kronebusch	Reichgott	Willet
Davis	Hughes	Lessard	Samuelson	

Mr. Peterson, R.W. voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1037, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1037 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1037

A bill for an act relating to utilities; exempting small, qualifying energy facilities from the certificate of need process; amending Minnesota Statutes 1984, section 216B.243, subdivision 8.

May 17, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1037, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Chris Tjornhom, Elton R. Redalen, Joel Jacobs

Senate Conferees: (Signed) Conrad M. Vega, Donald M. Moe, Dennis R. Frederickson

Mr. Vega moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1037 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. 1037 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 39 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Jude	Olson	Solon
Anderson	Frank	Kamrath	Peterson, D.C.	Spear
Belanger	Frederick	Kroening	Peterson, D.L.	Stumpf
Benson	Frederickson	Kronebusch	Peterson, R.W.	Taylor
Bernhagen	Freeman	Lessard	Ramstad	Vega
Bertram	Gustafson	Luther	Reichgott	Waldorf
Dahl	Isackson	McQuaid	Samuelson	Willet
Davis	Johnson, D.E.	Mehrkens	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 535, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 535 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 535

A bill for an act relating to health; restricting the use of lead in pipes, solders, and flux; requiring schools to flush certain pipes; amending Minnesota Statutes 1984, section 123.36, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

May 8, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 535, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 535 be further amended as follows:

Page 2, line 1, after "conveys" insert "a" and before the period insert "supply"

Page 2, line 1, after the period insert "A Minnesota seller of lead solder, except for a seller whose primary business is contracting in plumbing, heating, and air conditioning, shall not sell any solder containing 0.2 percent lead unless the seller displays a sign which states,

"Contains Lead

Minnesota law prohibits the use of this solder in any plumbing installation which is connected to a potable water supply."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Tim Sherman, Kathleen Vellenga, Dale A. Clausnitzer

Senate Conferees: (Signed) Betty A. Adkins, Eric D. Petty, Duane D. Benson

Mrs. Adkins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 535 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. 535 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Jude	Novak	Samuelson
Anderson	Dieterich	Kamrath	Olson	Schmitz
Benson	Frank	Kroening	Pehler	Sieloff
Berg	Frederickson	Kronebusch	Peterson, C.C.	Solon
Bernhagen	Freeman	Langseth	Peterson, D.C.	Vega
Bertram	Hughes	Lessard	Peterson, R.W.	Waldorf
Chmielewski	Isackson	Luther	Pogemiller	Willet
Davis	Johnson, D.E.	McQuaid	Purfeerst	
DeCramer	Johnson, D.J.	Mehrkens	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommen-

ation and report of the Conference Committee on House File No. 848, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 848 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 848

A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; changing the crimes of "intrafamilial sexual abuse" to "criminal sexual abuse" and limiting the discretion of courts to stay sentences for these crimes; requiring that investigative interviews with child abuse victims be tape-recorded; providing a training program for child protection workers and requiring a new job classification in child protection; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1, and by adding subdivisions; 260.301; 595.02, subdivision 3; 609.364 to 609.3644; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.

May 17, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 848, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 848 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, 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 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 child and the best interests of the state; *to provide judicial procedures which protect the welfare of the child*; to preserve and strengthen the child's family ties whenever possible, removing him from the custody of his parents only when his welfare or safety cannot be adequately safeguarded without removal; and, when the 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. 2. Minnesota Statutes 1984, section 260.133, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY ORDER.] If it appears from the notarized petition or by sworn affidavit that there are reasonable grounds to believe the child is in immediate and present danger of domestic child abuse, the court may grant an ex parte temporary order for protection, pending a full hearing. The court may grant relief as it deems proper, including an order:

- (1) restraining any party from committing acts of domestic child abuse; or
- (2) excluding the alleged abusing party from the dwelling which the family or household members share or from the residence of the child.

However, no order excluding the alleged abusing party from the dwelling may be issued unless the court finds that:

- (1) the order is in the best interests of the child or children remaining in the dwelling; *and*
- (2) a remaining adult family or household member is able to care adequately for the child or children in the absence of the excluded party; *and*
- (3) ~~the local welfare agency has developed a plan to provide appropriate social services to the remaining family or household members.~~

Before the temporary order is issued, the local welfare agency shall advise the court and the other parties who are present that appropriate social services will be provided to the family or household members during the effective period of the order.

An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days. Within five days of the issuance of the temporary order, the petitioner shall file a dependency and neglect petition with the court pursuant to section 260.131, and the court shall give docket priority to the petition.

The court may renew the temporary order for protection one time for a fixed period not to exceed 14 days if a dependency and neglect petition has been filed with the court and if the court determines, upon informal review of the case file, that the renewal is appropriate.

Sec. 3. Minnesota Statutes 1984, section 260.135, subdivision 1, is amended to read:

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 child to appear with the child before the court at a time and place stated. The summons shall 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. *The court shall give docket priority to any dependency, neglect, neglected and in foster care, or delinquency petition that contains allegations of child abuse over any other case except those delinquency matters where a child is being held in a secure detention facility. As used in this subdivision, "child abuse" has the meaning given it in section 22, subdivision 2.*

Sec. 4. Minnesota Statutes 1984, section 260.155, is amended by adding a subdivision to read:

Subd. 4a. [EXAMINATION OF CHILD.] In any dependency, neglect, or neglected and in foster care proceeding the court may, on its own motion or the motion of any party, take the testimony of a child witness informally when it is in the child's best interests to do so. Informal procedures that may be used by the court include taking the testimony of a child witness outside the courtroom. The court may also require counsel for any party to the proceeding to submit questions to the court before the child's testimony is taken, and to submit additional questions to the court for the witness after questioning has been completed. The court may excuse the presence of the child's parent, guardian, or custodian from the room where the child is questioned in accordance with subdivision 5.

Sec. 5. Minnesota Statutes 1984, section 260.156, is amended to read:

260.156 [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.]

An out-of-court statement made by a child under the age of ten years alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child or any act of physical abuse or neglect of the child by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence in any dependency or neglect proceeding or any proceeding for termination of parental rights if:

(a) The court finds that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and

(b) The proponent of the statement notifies other parties of his intention to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which he intends to offer the statement into evidence, to provide the parties with a fair opportunity to meet the statement.

Sec. 6. Minnesota Statutes 1984, section 260.171, subdivision 4, is amended to read:

Subd. 4. If the person who has taken the child into custody determines that the child should be placed in a secure detention facility or a shelter care facility, he shall advise the child and as soon as is possible, the child's parent, guardian, or custodian:

(a) of the reasons why the child has been taken into custody and why he is being placed in a secure detention facility or a shelter care facility; and

(b) of the location of the secure detention facility or shelter care facility. If

there is reason to believe that disclosure of the location of the shelter care facility would place the child's health and welfare in immediate endangerment, disclosure of the location of the shelter care facility shall not be made; and

(c) that the child's parent, guardian, or custodian and attorney or guardian ad litem may make an initial visit to the secure detention facility or shelter care facility at any time. Subsequent visits by a parent, guardian, or custodian may be made on a reasonable basis during visiting hours and by the child's attorney or guardian ad litem at reasonable hours; and

(d) that the child may telephone his parents and an attorney or guardian ad litem from the secure detention facility or shelter care facility immediately after being admitted to the facility and thereafter on a reasonable basis to be determined by the director of the facility; and

(e) that the child may not be detained for acts as defined in section 260.015, subdivision 5 at a secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(f) that the child may not be detained pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), at a shelter care facility longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(g) of the date, time, and place of the detention hearing; and

(h) that the child and the child's parent, guardian, or custodian have the right to be present and to be represented by counsel at the detention hearing, and that if they cannot afford counsel, counsel will be appointed at public expense for the child, if it is a delinquency matter, or for any party, if it is a dependency, neglect, neglected and in foster care, or termination of parental rights matter.

Sec. 7. Minnesota Statutes 1984, section 260.172, is amended by adding a subdivision to read:

Subd. 2a. [PARENTAL VISITATION.] If a child has been taken into custody under section 260.135, subdivision 5, or 260.165, subdivision 1, clause (c)(2), and the court determines that the child should continue in detention, the court shall include in its order reasonable rules for supervised or unsupervised parental visitation of the child in the shelter care facility unless it finds that visitation would endanger the child's physical or emotional well-being.

Sec. 8. Minnesota Statutes 1984, section 260.172, is amended by adding a subdivision to read:

Subd. 2b. [MENTAL HEALTH TREATMENT.] (a) Except as provided in paragraph (b), a child who is held in detention because he or she is alleged to be a victim of child abuse as defined in section 22, subdivision 2, may not be given mental health treatment specifically for the effects of the alleged abuse until the court finds that there is probable cause to believe the abuse has occurred.

(b) A child described in paragraph (a) may be given mental health treatment prior to a probable cause finding of child abuse if the treatment is either agreed to by the child's parent or guardian in writing, or ordered by the court according to the standard contained in section 260.191, subdivision 1.

Sec. 9. Minnesota Statutes 1984, section 260.172, subdivision 4, is amended to read:

Subd. 4. If a child held in detention under a court order issued under subdivision 2 has not been released prior to expiration of the order, the court or referee shall informally review the child's case file to determine, under the standards provided by subdivision 1, whether detention should be continued. If detention is continued thereafter, informal reviews such as these shall be held within every eight days, excluding Saturdays, Sundays and holidays, of the child's detention.

A hearing, rather than an informal review of the child's case file, shall be held at the request of any one of the parties notified pursuant to subdivision 3, if that party notifies the court that he wishes to present to the court new evidence concerning whether the child should be continued in detention.

In addition, if a child was taken into detention under section 260.135, subdivision 5, or 260.165, subdivision 1, clause (c)(2), and is held in detention under a court order issued under subdivision 2, the court shall schedule and hold an adjudicatory hearing on the petition within 60 days of the detention hearing upon the request of any party to the proceeding unless good cause is shown by a party to the proceeding why the hearing should not be held within that time period.

Sec. 10. Minnesota Statutes 1984, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] 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.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3;

(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. *If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests.*

Sec. 11. Minnesota Statutes 1984, section 260.191, is amended by adding a subdivision to read:

Subd. 1d. [PARENTAL VISITATION.] If the court orders that the child be placed outside of the child's home or present residence, it shall set reasonable rules for supervised or unsupervised parental visitation that contribute to the objectives of the court order and the maintenance of the familial relationship. No parent may be denied visitation unless the court finds at the disposition hearing that the visitation would act to prevent the achievement of the order's objectives or that it would endanger the child's physical or emotional well-being.

Sec. 12. Minnesota Statutes 1984, section 260.191, is amended by adding a subdivision to read:

Subd. 2a. [SERVICE OF ORDER.] Any person who provides services to a child under a disposition order, or who is subject to the conditions of a disposition order shall be served with a copy of the order in the manner provided in the rules for juvenile courts.

Sec. 13. Minnesota Statutes 1984, section 595.02, subdivision 3, is amended to read:

Subd. 3. [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.] An out-of-court statement made by a child under the age of ten years alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child *or any act of physical abuse of the child* by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence if:

(a) the court or person authorized to receive evidence finds, in a hearing conducted outside of the presence of the jury, that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and

(b) the child either:

(i) testifies at the proceedings; or

(ii) is unavailable as a witness and there is corroborative evidence of the act; and

(c) the proponent of the statement notifies the adverse party of his intention to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which he intends to offer the statement into evidence to provide the adverse party with a fair opportunity to prepare to meet the statement.

Sec. 14. Minnesota Statutes 1984, section 609.341, is amended by adding a subdivision to read:

Subd. 15. [SIGNIFICANT RELATIONSHIP.] "Significant relationship"

means a situation in which the actor is:

- (1) the complainant's parent, stepparent, or guardian;
- (2) any of the following persons related to the complainant by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; or
- (3) an adult who jointly resides intermittently or regularly in the same dwelling as the complainant and who is not the complainant's spouse.

Sec. 15. Minnesota Statutes 1984, section 609.342, is amended to read:

609.342 [CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the first degree and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$35,000, or both, if he engages in sexual penetration with another person and if any of the following circumstances exists:

- (a) The complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or
- (b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or
- (c) Circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another; or
- (d) The actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit; or
- (e) The actor causes personal injury to the complainant, and either of the following circumstances exist:
 - (i) The actor uses force or coercion to accomplish sexual penetration; or
 - (ii) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or
- (f) The actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:
 - (i) An accomplice uses force or coercion to cause the complainant to submit; or
 - (ii) An accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;
- (g) The actor has a significant relationship to the complainant and the

complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) The actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;

(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(iv) the complainant suffered personal injury; or

(v) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than 20 years or to a payment of a fine of not more than \$35,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender complete a treatment program.

Sec. 16. Minnesota Statutes 1984, section 609.343, is amended to read:

609.343 [CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the second degree and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both, if he engages in sexual contact with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution

under this clause, the state is not required to prove that the sexual contact was coerced; ☞

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; ☞

(c) Circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another; ☞

(d) The actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit; ☞

(e) The actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) The actor uses force or coercion to accomplish the sexual contact; or

(ii) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; ☞

(f) The actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) An accomplice uses force or coercion to cause the complainant to submit; or

(ii) An accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) *The actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or*

(h) *The actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:*

(i) *the actor or an accomplice used force or coercion to accomplish the contact;*

(ii) *the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;*

(iii) *circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;*

(iv) *the complainant suffered personal injury; or*

(v) *the sexual abuse involved multiple acts committed over an extended*

period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than 15 years or to a payment of a fine of not more than \$30,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

- (a) a stay is in the best interest of the complainant or the family unit; and*
- (b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.*

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

- (1) incarceration in a local jail or workhouse; and*
- (2) a requirement that the offender complete a treatment program.*

Sec. 17. Minnesota Statutes 1984, section 609.344, is amended to read:

609.344 [CRIMINAL SEXUAL CONDUCT IN THE THIRD DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the third degree and ~~may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both,~~ if he engages in sexual penetration with another person and any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense; ~~or~~

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, he may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense; ~~or~~

(c) The actor uses force or coercion to accomplish the penetration; ~~or~~

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; ~~or~~

(e) The complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) The actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the

sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(g) The actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;

(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(iv) the complainant suffered personal injury; or

(v) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ten years or to a payment of a fine of not more than \$20,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender complete a treatment program.

Sec. 18. Minnesota Statutes 1984, section 609.345, is amended to read:

609.345 [CRIMINAL SEXUAL CONDUCT IN THE FOURTH DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the fourth degree and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both, if he engages in sexual contact with another person and if any of the following circumstances exists:

(a) The complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecu-

tion under this clause, the state is not required to prove that the sexual contact was coerced; or

(b) The complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older; or

(c) The actor uses force or coercion to accomplish the sexual contact; or

(d) The actor knows or has reason to know that the complainant is mentally defective, mentally incapacitated, or physically helpless; or

(e) The complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) *The actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or*

(g) *The actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:*

(i) *the actor or an accomplice used force or coercion to accomplish the contact;*

(ii) *the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;*

(iii) *circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;*

(iv) *the complainant suffered personal injury; or*

(v) *the sexual abuse involved multiple acts committed over an extended period of time.*

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than five years or to a payment of a fine of not more than \$10,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) *a stay is in the best interest of the complainant or the family unit; and*

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender complete a treatment program.

Sec. 19. Minnesota Statutes 1984, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] All records maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Report records maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority. The welfare board shall make available to the investigating, petitioning, or prosecuting authority any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. *In conducting investigations and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of 10 who is the alleged victim of abuse or neglect.* An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation. After the assessment or investigation is completed, the name of the reporter shall be confidential but shall be accessible to the individual subject of the record upon court order.

Records maintained by local welfare agencies, the police department or county sheriff under this section shall be destroyed as described in clauses (a) to (c):

(a) If upon assessment or investigation a report is found to be unsubstantiated, notice of intent to destroy records of the report shall be mailed to the individual subject of the report. At the subject's request the records shall be maintained as private data. If no request from the subject is received within 30 days of mailing the notice of intent to destroy, the records shall be destroyed.

(b) All records relating to reports which, upon assessment or investigation, are found to be substantiated shall be destroyed seven years after the date of the final entry in the case record.

(c) All records of reports which, upon initial assessment or investigation, cannot be substantiated or disproved to the satisfaction of the local welfare agency, local police department or county sheriff may be kept for a period of one year. If the local welfare agency, local police department or county sheriff is unable to substantiate the report within that period, each agency unable to substantiate the report shall destroy its records relating to the report

in the manner provided by clause (a).

Sec. 20. Minnesota Statutes 1984, section 626.556, is amended by adding a subdivision to read:

Subd. 11a. [DISCLOSURE OF INFORMATION NOT REQUIRED IN CERTAIN CASES.] When interviewing a minor under subdivision 10, an individual does not include the parent or guardian of the minor for purposes of section 13.04, subdivision 2, when the parent or guardian is the alleged perpetrator of the abuse or neglect.

Sec. 21. [626.559] [INTERVIEWS WITH CHILD ABUSE VICTIMS.]

Subdivision 1. [POLICY.] It is the policy of this state to encourage adequate and accurate documentation of the number and content of interviews conducted with alleged child abuse victims during the course of a child abuse assessment, criminal investigation, or prosecution, and to discourage interviews that are unnecessary, duplicative, or otherwise not in the best interests of the child.

Subd. 2. [DEFINITIONS.] As used in this section:

(a) "child abuse" means physical or sexual abuse as defined in section 626.556, subdivision 2;

(b) "government employee" means an employee of a state or local agency, and any person acting as an agent of a state or local agency;

(c) "interview" means a statement of an alleged child abuse victim which is given or made to a government employee during the course of a child abuse assessment, criminal investigation, or prosecution; and

(d) "record" means an audio or videotape recording of an interview, or a written record of an interview.

Subd. 3. [RECORD REQUIRED.] Whenever an interview is conducted, the interviewer must make a record of the interview. The record must contain the following information:

(1) the date, time, place, and duration of the interview;

(2) the identity of the persons present at the interview; and

(3) if the record is in writing, a summary of the information obtained during the interview.

The records shall be maintained by the interviewer in accordance with applicable provisions of section 626.556, subdivision 11 and chapter 13.

Subd. 4. [GUIDELINES ON TAPE RECORDING OF INTERVIEWS.] Every county attorney's office shall be responsible for developing written guidelines on the tape recording of interviews by government employees who conduct child abuse assessments, criminal investigations, or prosecutions. The guidelines are public data as defined in section 13.02, subdivision 14.

Sec. 22. Minnesota Statutes 1984, section 630.36, is amended to read:

630.36 [ISSUES, HOW DISPOSED OF.]

Subdivision 1. [ORDER.] The issues on the calendar shall be disposed of in the following order, unless, upon the application of either party, for good

cause, the court directs an indictment *or complaint* to be tried out of its order:

(1) Indictments *or complaints* for felony, where the defendant is in custody;

(2) Indictments *or complaints* for misdemeanor, where the defendant is in custody;

(3) *Indictments or complaints alleging child abuse, as defined in subdivision 2, where the defendant is on bail;*

(4) Indictments *or complaints* for felony, where the defendant is on bail; and

(4) (5) Indictments *or complaints* for misdemeanor, where the defendant is on bail.

After his plea, the defendant shall be entitled to at least four days to prepare for his trial, if he requires it.

Subd. 2. [CHILD ABUSE DEFINED.] As used in subdivision 1, "child abuse" means any act which involves a minor victim and which constitutes a violation of section 609.221, 609.222, 609.223, 609.2231, 609.255, 609.321, 609.322, 609.323, 609.324, 609.342, 609.343, 609.344, 609.345, 609.377, 609.378, or 617.246, or section 609.224 if the minor victim is a family or household member of the defendant.

Sec. 23. [631.046] [AUTHORIZING PRESENCE OF PARENT FOR MINOR PROSECUTING WITNESS.]

Notwithstanding any other law, a prosecuting witness under 18 years of age in a case involving child abuse as defined in section 22, subdivision 2, may choose to have in attendance a parent, guardian, or other supportive person, whether or not a witness, at the omnibus hearing or at the trial, during testimony of the prosecuting witness. If the person so chosen is also a prosecuting witness, the prosecution shall present on noticed motion, evidence that the person's attendance is both desired by the prosecuting witness for support and will be helpful to the prosecuting witness. Upon that showing the court shall grant the request unless information presented by the defendant or noticed by the court establishes that the support person's attendance during the testimony of the prosecuting witness would pose a substantial risk of influencing or affecting the content of that testimony.

Sec. 24. [REPEALER.]

Minnesota Statutes 1984, sections 609.364, 609.3641, 609.3642, 609.3643, and 609.3644, are repealed."

Delete the title and insert:

"A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims and their families; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing for the examination of child witnesses; clarifying the admissibility of certain out-of-court statements; merging the crimes of "intrafamilial sexual abuse" and "criminal sexual conduct" and limiting the discretion of courts to stay sentences of familial sexual abuse defendants; requiring recordkeeping and tape recording guidelines with respect to inter-

views with child abuse victims; eliminating certain notice requirements; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1, and by adding subdivisions; 595.02, subdivision 3; 609.341, by adding a subdivision; 609.342; 609.343; 609.344; 609.345; 626.556, subdivision 11, and by adding a subdivision; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631; repealing Minnesota Statutes 1984, sections 609.364 to 609.3644."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Kathleen Blatz, Don Valento, Arthur W. Seaberg, Randy C. Kelly, Kathleen Vellenga

Senate Conferees: (Signed) Ember D. Reichgott, Eric D. Petty, Allan H. Spear, Fritz Knaak, Donald A. Storm

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 848 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Ms. Reichgott imposed a call of the Senate for the balance of the proceedings on H.F. No. 848. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Ms. Reichgott to adopt the Conference Committee Report on H.F. No. 848. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 848 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Mehrkens	Schmitz
Anderson	Diessner	Kamrath	Olson	Sieloff
Belanger	Frank	Knaak	Pehler	Spear
Benson	Frederick	Kronebusch	Peterson, C.C.	Storm
Berg	Frederickson	Laidig	Peterson, D.C.	Stumpf
Bernhagen	Freeman	Langseth	Peterson, D.L.	Taylor
Bertram	Gustafson	Lantry	Peterson, R.W.	Vega
Brataas	Hughes	Lessard	Purfeerst	Waldorf
Chmielewski	Isackson	Luther	Ramstad	Willet
Davis	Johnson, D.E.	McQuaid	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommen-

dation and report of the Conference Committee on House File No. 968, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 968: A bill for an act relating to education; permitting payroll deductions in the state university system for a certain nonprofit university foundation; proposing coding for new law in Minnesota Statutes, chapter 136.

House File No. 968 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Mr. Waldorf moved that H.F. No. 968 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Moe, D.M. introduced—

S.F. No. 1564: A bill for an act relating to local government; regulating the payment of severance pay by governmental subdivisions; amending Minnesota Statutes 1984, section 465.72.

Referred to the Committee on Governmental Operations.

Messrs. Merriam, Spear, Petty and Knaak introduced—

S.F. No. 1565: A bill for an act relating to probate; enacting statutory will provisions that a testator may adopt by reference; enacting the uniform statutory will act; proposing coding for new law as Minnesota Statutes, chapter 525A.

Referred to the Committee on Judiciary.

Mr. Vega introduced—

S.F. No. 1566: A bill for an act relating to housing; economic development; authorizing the Minnesota housing finance agency to assist persons over 55 in purchasing homes in the city of Ely; amending Minnesota Statutes 1984, section 462A.05, by adding a subdivision.

Referred to the Committee on Energy and Housing.

Messrs. Luther, Storm and Solon introduced—

S.F. No. 1567: A bill for an act relating to financial institutions; permitting

additional detached facilities; amending Minnesota Statutes 1984, sections 47.52; and 49.34, subdivision 2.

Referred to the Committee on Economic Development and Commerce.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 1589: A bill for an act relating to collection and dissemination of data; classifying government data as confidential, private, nonpublic, protected nonpublic, and public; clarifying issues relating to classifications of data, access to data, and classifications of inactive investigative data; refining provisions of the data practices act; amending Minnesota Statutes 1984, sections 13.03, subdivision 3, and by adding a subdivision; 13.08, by adding a subdivision; 13.09; 13.32, subdivision 1; 13.37, subdivision 2; 13.39, by adding a subdivision; 13.43, subdivision 4; 13.46, subdivisions 1, 2, 3, 7, and 10; 13.65, subdivision 1; 13.71; 13.72, by adding subdivisions; 13.82, by adding subdivisions; 13.84, subdivisions 1 and 6; 144.335, subdivision 2; 245.783, by adding a subdivision; and 626.556, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13 and 144; repealing Minnesota Statutes 1984, sections 13.73 and 13.81.

Mr. Peterson, R.W. moved that the amendment made to H.F. No. 1589 by the Committee on Rules and Administration in the report adopted May 15, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1589 was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	McQuaid	Schmitz
Anderson	Diessner	Kamrath	Mehrkens	Spear
Belanger	Frank	Knaak	Olson	Storm
Benson	Frederick	Kroening	Peterson, D.C.	Stumpf
Berg	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Freeman	Laidig	Peterson, R.W.	Vega
Bertram	Gustafson	Lantry	Ramstad	Waldorf
Chmielewski	Hughes	Lessard	Reichgott	Willet
Davis	Isackson	Luther	Samuelson	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 384: A bill for an act relating to the city of Minneapolis; permitting the establishment of special service districts in the city and providing taxing and other authority.

Mr. Spear moved that the amendment made to H.F. No. 384 by the Committee on Rules and Administration in the report adopted May 16, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 384 was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Merriam	Samuelson
Anderson	Frank	Kroening	Moe, R.D.	Schmitz
Belanger	Frederick	Kronebusch	Novak	Solon
Benson	Frederickson	Langseth	Olson	Spear
Berg	Freeman	Lantry	Peterson, C.C.	Storm
Bernhagen	Gustafson	Lessard	Peterson, D.C.	Taylor
Bertram	Hughes	Luther	Peterson, R.W.	Waldorf
Chmielewski	Isackson	McQuaid	Ramstad	Willet
Davis	Jude	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 646: A bill for an act relating to public records; providing for fees of the county recorder and secretary of state; amending Minnesota Statutes 1984, sections 268.161, subdivision 1; 270.69, by adding a subdivision; 272.483; 336.9-407; 357.18, subdivision 1; 386.77; 505.08, subdivision 2; 508.47, subdivision 4; 508.82; 508A.11; 508A.47, subdivision 4; and 508A.82.

Mr. Peterson, R.W. moved that the amendment made to H.F. No. 646 by the Committee on Rules and Administration in the report adopted May 17, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 646 was read the third time 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Olson	Storm
Anderson	Frank	Kroening	Pehler	Stumpf
Belanger	Frederick	Kronebusch	Peterson, D.L.	Taylor
Benson	Frederickson	Lantry	Peterson, R.W.	Waldorf
Berg	Freeman	Lessard	Ramstad	Wegscheid
Bernhagen	Gustafson	Luther	Reichgott	Willet
Bertram	Hughes	McQuaid	Schmitz	
Brataas	Isackson	Mehrkens	Sieloff	
Davis	Johnson, D.E.	Moe, R.D.	Solon	
DeCramer	Jude	Novak	Spear	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 961: A bill for an act relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; authorizing the water resources board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the

water resources board; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 110B.

Mr. Waldorf moved to amend H.F. No. 961, as amended pursuant to Rule 49, adopted by the Senate May 17, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 993.)

Page 7, line 11, delete "TO COUNTIES"

Page 7, line 13, after "counties" insert "and watershed management organizations as defined in section 473.876, subdivision 9,"

Page 7, line 14, after "11" insert "and sections 473.878 and 473.879" and after "counties" insert "and watershed management organizations"

Page 7, line 16, after "3" insert "and sections 473.878 and 473.879"

Page 7, line 24, after "Counties" insert "and watershed management organizations"

Page 7, line 32, after "counties" insert "and watershed management organizations"

Page 7, line 34, after "county" insert "and watershed management organization"

Page 7, line 35, after "11" insert "and sections 473.878 and 473.879"

Page 8, line 4, after "11" insert "and sections 473.878 and 473.879"

Page 13, lines 27 and 30, after "1" insert "to 4 and 6"

Page 14, delete section 12, and insert:

"Sec. 12. [APPROPRIATION.]

\$300,000 is appropriated from the general fund to the water resources board for water planning grants under section 5 for the following purposes to be available until June 30, 1987:

(a) For metropolitan county
and watershed management organization
water planning grants

\$150,000

(b) For outstate county water
planning grants

\$150,000"

The motion prevailed. So the amendment was adopted.

Mr. Renneke moved to amend H.F. No. 961, as amended pursuant to Rule 49, adopted by the Senate May 17, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 993.)

Page 1, line 21, delete "required of counties by" and insert "adopted by a county under"

Page 2, line 23, delete "may" and insert "is encouraged to"

Page 5, after line 13, insert:

"Subd. 8. [DATA ACQUISITION.] *The data collected under this section that has common value as determined by the state planning agency for natu-*

ral resources planning must be provided and integrated into the Minnesota land management information systems geographic and summary data bases according to published data compatibility guidelines."

Page 13, after line 23, insert:

"Sec. 11. [110B.14] [COMMISSION OVERSIGHT; REPORT REQUIRED.]

The board shall, on or before January 15 of each year, submit to the legislative commission on Minnesota resources a written report on the board's functions and the implementation of the comprehensive local water management act since the previous report under this section was submitted. The report to the commission must include the board's recommendations for changes to the act and any recommendations for funding. The board shall also report to the commission at other times requested by the commission. The commission may make recommendations to the legislature concerning the funding, implementation, and amendment of the act."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 961 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 8, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Johnson, D.E.	Mehrkens	Schmitz
Anderson	Frank	Jude	Olson	Sieloff
Belanger	Frederick	Kronebusch	Peterson, D.C.	Spear
Berg	Frederickson	Laidig	Peterson, R.W.	Storm
Bernhagen	Freeman	Lantry	Pogemiller	Wegscheid
Chmielewski	Gustafson	Lessard	Purfeerst	Willet
Davis	Hughes	Luther	Ramstad	
DeCramer	Isackson	McQuaid	Renneke	

Those who voted in the negative were:

Benson	Dieterich	Kroening	Samuelson	Stumpf
Bertram	Kamrath	Peterson, D.L.		

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. 1070:

H.F. No. 1070: A bill for an act relating to corrections; authorizing the commissioner of corrections to do background studies on personnel em-

ployed by certain licensed facilities; requiring the commissioner of corrections to establish a program to prevent sexual exploitation by psychotherapists; extending the sexual exploitation task force; creating an advisory task force to study the regulation of psychotherapists; amending Minnesota Statutes 1984, section 241.021, by adding a subdivision; Laws 1984, chapter 631, section 1, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 241.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Ozment, Blatz and Knuth have been appointed as such committee on the part of the House.

House File No. 1070 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1070, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1227:

H.F. No. 1227: A bill for an act relating to crimes; prohibiting sexual contact or penetration based on deception; providing that a psychotherapist who engages in sexual contact or penetration with a patient is guilty of criminal sexual conduct; limiting admissibility of a patient's personal or medical history; amending Minnesota Statutes 1984, sections 609.341, by adding subdivisions; 609.344; 609.345; and 609.347, by adding a subdivision.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Bishop, Blatz and Vanasek have been appointed as such committee on the part of the House.

House File No. 1227 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1227, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following

Senate Files, herewith returned: S.F. Nos. 274, 743 and 1088.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 230: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing that certain violations do not impair obligations of a contract; providing penalties; providing for certain dollar adjustments; amending Minnesota Statutes 1984, sections 48.151; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1 and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

There has been appointed as such committee on the part of the House:

Blatz, Metzen and Valan.

Senate File No. 230 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 1249: A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; appropriating money;

amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.14, subdivision 1; 240.15, subdivisions 5 and 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.24; 240.25, subdivisions 1 and 4; 240.29; 541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02.

There has been appointed as such committee on the part of the House:

Redalen, Kostohryz and Omann.

Senate File No. 1249 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 719: A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter; under conditions and restrictions prescribed by order; requiring the removal of elk from the state; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97.

There has been appointed as such committee on the part of the House:

Rose, Sparby and Redalen.

Senate File No. 719 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of five members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1159: A bill for an act relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision; 302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.

There has been appointed as such committee on the part of the House:

Heap, Marsh, Seaberg, Frerichs and Simoneau.

Senate File No. 1159 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 472: A bill for an act relating to taxation; discontinuing enforcement of the unfair cigarette sales act; modifying certain procedures relating to taxpayer appeals; requiring apportionment of levies in specific situations; clarifying the calculation of property tax credits; clarifying the tax treatment of certain pipelines; modifying provisions relating to the payment of property taxes; allowing for sales of sample packs of cigarettes containing 25 cigarettes; altering the eligibility for confessions of judgment; providing for the recording of state deeds; modifying the deed stamp tax procedure; clarifying the computation of gross earnings tax for taconite railroads; clarifying labor credit provisions; modifying the taconite production tax distribution; reducing occupation and royalty tax rates for certain ore; clarifying process of taconite aid guarantee phase out; requiring payment of current taxes before conveyance of registered land; allowing for memorializing of state deeds on certificates of title; amending Minnesota Statutes 1984, sections 270.06; 270.076, subdivision 2; 270.11, subdivision 7; 270.12, subdivision 3; 272.02, subdivision 1; 273.123, subdivision 5; 273.13, subdivision 4; 273.138, subdivision 5; 273.33, subdivisions 1 and 2; 279.01, subdivision 1; 279.37, subdivision 1; 282.01, subdivision 6; 282.014; 282.301; 282.33, subdivision 1; 282.36; 287.25; 294.22; 297.03, subdivision 10; 298.01, subdivision 1; 298.02, subdivision 1; 298.225; 298.28, subdivision 1; 299.01, subdivision 1; 299.012, subdivision 1; 473H.10, subdivision 3; 508.47, subdivision 4; 508.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1984, sections 298.01, subdivision 2; 299.01, subdivision 2; 325D.41; and 477A.04.

There has been appointed as such committee on the part of the House:

Dempsey, Schreiber and Himle.

Senate File No. 472 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 213, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 213 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 213

A bill for an act relating to the maltreatment of minors or vulnerable adults

in certain licensed facilities; providing for notification of parents or guardians after reports of alleged abuse; clarifying certain provisions; amending Minnesota Statutes 1984, sections 626.556, subdivisions 10b, 11, and by adding a subdivision; and 626.557, subdivision 12, and by adding a subdivision.

May 18, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 213, 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. 213 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 13.46, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIVE DATA.] Data on persons, including data on vendors of services *and data on licensees*, that 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 data on individuals pursuant to section 13.02, subdivision 3, or protected non-public data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

- (a) pursuant to section 13.05;
- (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; *or*
- (d) *to provide the notices required and permitted by sections 3, 4, and 6.*

The data referred to in this subdivision shall be classified as public data upon its submission to an administrative law judge or court in an administrative or judicial proceeding.

Sec. 2. Minnesota Statutes 1984, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] All data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered under the authority of the commissioner of human services, except for personal and personal financial data about applicants and licensees under the family day care program and the family foster care program *and data generated in the course of licensing investigations that are in response to a complaint of a rule or statutory violation*, are public data. Personal and personal financial data on family day care program and family foster care program applicants and licensees are private data pursuant to section 13.02, subdivision 12. *Data generated in the course of licensing investigations that are in response to a complaint of a rule or statutory violation are investiga-*

tive data pursuant to section 13.46, subdivision 3.

Sec. 3. Minnesota Statutes 1984, section 626.556, subdivision 10b, is amended to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN A FACILITY.] (a) If the report alleges that a child in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, the commissioner shall immediately investigate. The commissioner shall arrange for the transmittal to him of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section. *The commissioner or local welfare agency may interview any children who are or have been in the care of a facility under investigation and their parents, guardians, or legal custodians.*

(b) Prior to any interview, the commissioner or local welfare agency shall provide the following information to the parent, guardian, or legal custodian of a child who will be interviewed: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed. If reasonable efforts to reach the parent, guardian, or legal custodian of a child in an out-of-home placement have failed, the child may be interviewed if there is reason to believe the interview is necessary to protect the child or other children in the facility. The commissioner or local agency must provide the information required in this subdivision to the parent, guardian, or legal custodian of a child interviewed without parental notification as soon as possible after the interview.

Sec. 4. Minnesota Statutes 1984, section 626.556, is amended by adding a subdivision to read:

Subd. 10c. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACILITY.] (a) *When a report is received that alleges neglect, physical abuse, or sexual abuse of a child while in the care of a facility required to be licensed pursuant to sections 245.781 to 245.812, the commissioner or local welfare agency investigating the report shall provide the following information to the parent, guardian, or legal custodian of a child alleged to have been neglected, physically abused, or sexually abused: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.*

(b) The commissioner or local welfare agency may also provide the information in paragraph (a) to the parent, guardian, or legal custodian of any other child in the facility if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred. In determining whether to exercise this authority, the commissioner or local

welfare agency shall consider the seriousness of the alleged neglect, physical abuse, or sexual abuse; the number of children allegedly neglected, physically abused, or sexually abused; the number of alleged perpetrators; and the length of the investigation. The facility shall be notified whenever this discretion is exercised.

(c) When the commissioner or local welfare agency has completed its investigation, every parent, guardian, or legal custodian notified of the investigation by the commissioner or local welfare agency shall be provided with the following information in a written memorandum: the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigation findings; a statement whether the report was found to be substantiated, inconclusive, or false; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the child and shall not contain the name, or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The commissioner or local welfare agency shall also provide the written memorandum to the parent, guardian, or legal custodian of each child in the facility if the report is substantiated. The commissioner or local welfare agency may also provide the written memorandum to the parent, guardian, or legal custodian of any other child in the facility if the investigation is inconclusive. The facility shall be notified whenever this discretionary authority is exercised.

Sec. 5. Minnesota Statutes 1984, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] All records concerning individuals maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff, and except as otherwise provided in sections 3 and 4. Report records maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority. The welfare board shall make available to the investigating, petitioning, or prosecuting authority any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation. After the assessment or investigation is completed, the name of the reporter shall be confidential but shall be accessible to the individual subject of the record upon court order.

Notwithstanding section 138.163, records maintained by local welfare agencies, the police department or county sheriff under this section shall be destroyed as described in clauses (a) to (c):

(a) If upon assessment or investigation a report is found to be unsubstantiated false, notice of intent to destroy records of the report shall be mailed to

the individual subject of the report. At the subject's request the records shall be maintained as private data. If no request from the subject is received within 30 days of mailing the notice of intent to destroy, the records shall be destroyed.

(b) All records relating to reports which, upon assessment or investigation, are found to be substantiated shall be destroyed seven years after the date of the final entry in the case record.

(c) All records of reports which, upon initial assessment or investigation, cannot be substantiated or disproved to the satisfaction of the local welfare agency, local police department or county sheriff may be kept for a period of one year. If the local welfare agency, local police department or county sheriff is unable to substantiate the report within that period, each agency unable to substantiate the report shall destroy its records relating to the report in the manner provided by clause (a).

Sec. 6. Minnesota Statutes 1984, section 626.557, is amended by adding a subdivision to read:

Subd. 10a. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under section 144A.02 or sections 245.781 to 245.812, the local welfare agency investigating the report shall notify the guardian or conservator of the person of a vulnerable adult under guardianship or conservatorship of the person who is alleged to have been abused or neglected. The local welfare agency shall notify the person, if any, designated to be notified in case of an emergency by a vulnerable adult not under guardianship or conservatorship of the person who is alleged to have been abused or neglected, unless consent is denied by the vulnerable adult. The notice shall contain the following information: the name of the facility; the fact that a report of alleged abuse or neglect of a vulnerable adult in the facility has been received; the nature of the alleged abuse or neglect; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) In a case of alleged neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245.781 to 245.812, the local welfare agency may also provide the information in paragraph (a) to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred.

(c) When the investigation required under subdivision 10 is completed, the local welfare agency shall provide a written memorandum containing the following information to every guardian or conservator of the person or other person notified by the agency of the investigation under paragraph (a)

or (b): the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigative findings; a statement of whether the report was found to be substantiated, inconclusive, or false; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the alleged victim and shall not contain the name or, to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation.

(d) In a case of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245.781 to 245.812, the local welfare agency may also provide the written memorandum to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the report is substantiated or if the investigation is inconclusive and the report is a second or subsequent report of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of the facility.

(e) In determining whether to exercise the discretionary authority granted under paragraphs (b) and (d), the local welfare agency shall consider the seriousness and extent of the alleged neglect, physical abuse, or sexual abuse and the impact of notification on the residents of the facility. The facility shall be notified whenever this discretion is exercised.

(f) Where federal law specifically prohibits the disclosure of patient identifying information, the local welfare agency shall not provide any notice under paragraph (a) or (b) or any memorandum under paragraph (c) or (d) unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 7. Minnesota Statutes 1984, section 626.557, subdivision 12, is amended to read:

Subd. 12. [RECORDS.] (a) Each licensing agency shall maintain summary records of reports of ~~suspected~~ alleged abuse or neglect and ~~suspected~~ alleged violations of the requirements of this section with respect to facilities or persons licensed or credentialed by that agency. As part of these records, the agency shall prepare an investigation memorandum. *Notwithstanding section 13.46, subdivision 3*, the investigation memorandum shall be accessible to the public pursuant to section 13.03 *and a copy shall be provided to any public agency which referred the matter to the licensing agency for investigation*. It shall contain a complete review of the agency's investigation, including but not limited to: the ~~facility's~~ name of any facility investigated; ~~if any~~, a statement of the nature of the ~~suspected~~ alleged abuse or neglect or *other* violation of the requirements of this section; pertinent information obtained from medical or other records reviewed; the investigator's name; a summary of the investigation's findings; ~~and~~ a statement of ~~any determination made or whether the report was found to be substantiated, inconclusive, or false; and a statement of any action taken by the agency.~~

The investigation memorandum shall be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the name or, to the extent possible, the identity of the alleged perpetrator or of those interviewed during the investigation. During the licensing agency's investigation, all data collected pursuant to this section shall be classified as investigative data pursuant to section 13.39. After the licensing agency's investigation is complete, the data on individuals collected and maintained shall be private data on individuals. All data collected pursuant to this section shall be made available to prosecuting authorities and law enforcement officials, local welfare agencies, and licensing agencies investigating the alleged abuse or neglect. Notwithstanding any law to the contrary, the name of the reporter shall be disclosed only upon a finding by the court that the report was false and made in bad faith.

(b) Notwithstanding the provisions of section 138.163:

(1) All data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, ~~the licensing agency finds~~ *are found* to be false may be destroyed two years after the finding was made;

(2) All data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, ~~the licensing agency finds~~ *are found* to be ~~unsubstantiated inconclusive~~ may be destroyed four years after the finding was made;

(3) All data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, ~~the licensing agency finds~~ *are found* to be substantiated may be destroyed seven years after the finding was made."

Delete the title and insert:

"A bill for an act relating to the maltreatment of minors or vulnerable adults in certain licensed facilities; providing for notification of parents or guardians after reports of alleged abuse; clarifying certain provisions; amending Minnesota Statutes 1984, sections 13.46, subdivisions 3 and 4; 626.556, subdivisions 10b, 11, and by adding a subdivision; and 626.557, subdivision 12, and by adding a subdivision."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Brad Stanius, Ken Nelson, Don Valento

Senate Conferees: (Signed) Allan H. Spear, Jim Ramstad, Gene Merriam

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on H.F. No. 213 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. 213 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Samuelson
Anderson	DeCramer	Jude	Moe, R.D.	Schmitz
Belanger	Diessner	Kamrath	Olson	Sieloff
Berg	Dieterich	Knutson	Peterson, D.C.	Spear
Bernhagen	Frank	Kroening	Peterson, D.L.	Storm
Bertram	Frederick	Kronebusch	Peterson, R.W.	Stumpf
Brataas	Frederickson	Lantry	Pogemiller	Waldorf
Chmielewski	Freeman	Lessard	Ramstad	Willet
Dahl	Hughes	Luther	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1256: A bill for an act relating to natural resources; altering certain provisions regarding water permit fees; providing a penalty for water permit violations; amending Minnesota Statutes 1984, section 105.44, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 105.

Mr. Peterson, R.W. moved that the amendment made to H.F. No. 1256 by the Committee on Rules and Administration in the report adopted May 17, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Schmitz moved to amend H.F. No. 1256 as follows:

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1984, section 104.03, is amended by adding a subdivision to read:

Subd. 2a. [AMUSEMENT PARKS IN FLOOD PLAINS.] Amusement parks that exist before a flood plain is delineated under section 104.03 are exempt from the requirements of sections 104.03 to 104.07 if the amusement park continues to be used as an amusement park within the amusement park boundaries. Notwithstanding any other law, the state is not liable for any damage from flooding to an amusement park operating in a flood plain under this subdivision.”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1256 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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.E.	Moe, D.M.	Schmitz
Anderson	Diessner	Jude	Moe, R.D.	Sieloff
Belanger	Dieterich	Kamrath	Olson	Spear
Berg	Frank	Kroening	Peterson, D.C.	Storm
Bernhagen	Frederick	Kronebusch	Peterson, D.L.	Waldorf
Bertram	Frederickson	Lantry	Peterson, R.W.	Willet
Brataas	Freeman	Lessard	Pogemiller	
Dahl	Gustafson	Luther	Ramstad	
Davis	Hughes	McQuaid	Reichgott	
DeCramer	Isackson	Mehrkens	Samuelson	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1231: A bill for an act relating to crimes; changing reparations provisions for crime victims; amending Minnesota Statutes 1984, sections 611A.53, subdivision 2; and 611A.54.

Ms. Peterson, D.C. moved to amend H.F. No. 1231, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1126.)

Page 2, after line 21, insert:

“Sec. 3. [611A.71] [CITATION.]

Sections 3 to 5 may be cited as the “crime victim ombudsman act.”

Sec. 4. [611A.72] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 4 and 5.

Subd. 2. [APPROPRIATE AUTHORITY.] “Appropriate authority” includes anyone who is the subject of a complaint to the crime victim ombudsman or anyone who is in a position to take possible action relating to one who is the subject of a complaint.

Subd. 3. [ELEMENTS OF THE CRIMINAL JUSTICE SYSTEM.] “Elements of the criminal justice system” refers to county attorneys and members of their staff; peace officers; probation and corrections officers; state officials involved in the criminal justice system; and does not include the judiciary.

Subd. 4. [VICTIM.] “Victim” refers to anyone who has been or purports to have been subjected to a criminal act, whether a felony or misdemeanor.

Subd. 5. [VICTIM ASSISTANCE PROGRAM.] “Victim assistance program” refers to any entity which provides or claims to provide services and assistance to victims on a regular, ongoing basis.

Sec. 5. [611A.73] [CRIME VICTIM OMBUDSMAN; CREATION.]

Subdivision 1. [CREATION.] The governor shall appoint a crime victim ombudsman for Minnesota. The ombudsman will serve at the pleasure of the governor. The ombudsman is directly accountable to the commissioner of corrections.

Subd. 2. [DUTIES.] The crime victim ombudsman may investigate com-

plaints concerning possible violation of the rights of crime victims or witnesses provided under chapter 611A, the delivery of victim services by victim assistance programs, the administration of the crime victims reparations act, and other complaints of mistreatment by elements of the criminal justice system or victim assistance programs. The ombudsman shall act as a liaison, when the ombudsman deems necessary, between agencies, either in the criminal justice system or in victim assistance programs, and victims and witnesses. The ombudsman must be made available through the use of a toll free telephone number and shall answer questions concerning the criminal justice system and victim services put to the ombudsman by victims and witnesses in accordance with the ombudsman's knowledge of the facts or law, unless the information is otherwise restricted. The ombudsman shall establish a procedure for referral to the crime victim crisis centers and other victim assistance programs when services are requested by crime victims or deemed necessary by the ombudsman.

Subd. 3. [POWERS.] The crime victim ombudsman has those powers necessary to carry out the duties set out in subdivision 1, including:

(a) The ombudsman may investigate, upon a complaint or upon his or her own initiative, any action of an element of the criminal justice system or a victim assistance program.

(b) The ombudsman may request and shall be given access to information pertaining to a complaint, unless the information is otherwise restricted.

(c) After completing investigation of a complaint, the ombudsman shall inform in writing the complainant, the investigated person or entity, and other appropriate authorities, of the action taken.

Subd. 4. [NO COMPELLED TESTIMONY.] Neither the ombudsman or any member of the ombudsman's staff may be compelled to testify in any court with respect to matter involving the exercise of official duties except as may be necessary to enforce the provisions of this section.

Subd. 5. [RECOMMENDATIONS.] (a) If, after duly considering a complaint and whatever material he or she deems pertinent, the ombudsman is of the opinion that the complaint is valid, the ombudsman may recommend action to the appropriate authority.

(b) If the ombudsman makes a recommendation to an appropriate authority for action, the authority shall within a reasonable time inform the ombudsman about the action taken or the reasons for not complying with the recommendation.

Sec. 6. [611A.74] [REPORT TO LEGISLATURE.]

The crime victim ombudsman shall report to the legislature by February 1 of each odd-numbered year on the implementation and administration of the crime victim ombudsman act.

Sec. 7. [EFFECTIVE DATE.]

Sections 3 to 6 are effective January 1, 1986.

The governor shall not appoint a crime victim ombudsman until the commissioner of finance has determined that sufficient money will be available from the federal government to pay all the costs of the crime victim ombuds-

man's office."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing a crime victim ombudsman; providing the ombudsman with authority to investigate complaints with regard to treatment of victims;"

Page 1, line 4, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 611A"

The motion prevailed. So the amendment was adopted.

Mr. Kamrath moved to amend H.F. No. 1231, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1126.)

Page 2, line 3, reinstate the stricken semicolon

Page 2, line 4, reinstate the stricken language

Page 2, line 18, reinstate the stricken language

Ms. Peterson, D.C. requested division of the amendment as follows:

First portion:

Page 2, line 3, reinstate the stricken semicolon

Page 2, line 4, reinstate the stricken language

Second portion:

Page 2, line 18, reinstate the stricken language

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 motion did not prevail. So the second portion of the amendment was not adopted.

H.F. No. 1231 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McQuaid	Reichgott
Anderson	DeCramer	Isackson	Mehrkens	Renneke
Belanger	Dicklich	Johnson, D.E.	Moe, R.D.	Samuelson
Berg	Diessner	Jude	Olson	Schmitz
Berglin	Dieterich	Kamrath	Pehler	Spear
Bernhagen	Frank	Kroening	Peterson, D.C.	Storm
Bertram	Frederick	Kronebusch	Peterson, D.L.	Vega
Brataas	Frederickson	Lantry	Peterson, R.W.	Waldorf
Chmielewski	Freeman	Lessard	Petty	Willet
Dahl	Gustafson	Luther	Ramstad	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Petty moved that S.F. No. 607, No. 31 on General Orders, be stricken and 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 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. 567: A bill for an act relating to real property; changing notice period required for cancellation of contract for deed; designating vendor's attorney as an agent; eliminating the mortgage registration tax on contracts for deed; extending the provisions authorizing courts to approve postponements of mortgage foreclosure and contract for deed terminations and making them permanent law in certain cases; abolishing certain exclusionary provisions; clarifying certain provisions; amending Minnesota Statutes 1984, sections 47.20, subdivision 15; 559.21, subdivisions 3, 4, and 6, and by adding subdivisions; 580.031; 583.02; 583.03; 583.04; 583.05; 583.07; and 583.10; repealing Minnesota Statutes 1984, sections 287.02; and 559.21, subdivisions 1, 1a, and 2; and Laws 1983, chapter 215, section 16, as amended.

Senate File No. 567 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 567, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 78, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 78 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 78

A bill for an act relating to crimes; defining the crime of owning or operating a disorderly house; requiring a mandatory fine for a person owning or operating a disorderly house; amending Minnesota Statutes 1984, section

609.33.

May 16, 1985

The Honorable David M. Jennings
 Speaker of the House of Representatives
 The Honorable Jerome M. Hughes
 President of the Senate

We, the undersigned conferees for H.F. No. 78, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 78 be further amended as follows:

Page 2, line 21, after the comma insert "*in addition to any sentence of imprisonment authorized by subdivision 2 which the court may impose,*"

Page 2, line 22, delete ", and a sentence of"

Page 2, delete line 23

Page 2, line 24, delete everything before the period

Pages 2 and 3, delete subdivision 5 and insert:

"Subd. 5. [LOCAL REGULATION.] Subdivisions 1 to 4 do not prohibit or restrict a local governmental unit from imposing more restrictive provisions."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Randolph W. Staten, Peter McLaughlin, Karen Clark

Senate Conferees: (Signed) Linda Berglin, Dean E. Johnson

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 78 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. 78 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Olson	Schmitz
Anderson	Dieterich	Kroening	Pehler	Sieloff
Berglin	Frank	Laidig	Peterson, D.C.	Spear
Bernhagen	Frederickson	Lantry	Peterson, R.W.	Storm
Bertram	Freeman	Lessard	Petty	Stumpf
Brataas	Gustafson	Luther	Pogemiller	Taylor
Chmielewski	Hughes	McQuaid	Ramstad	Vega
Dahl	Isackson	Mehrkens	Reichgott	Waldorf
Davis	Johnson, D.E.	Moe, D.M.	Renneke	Willet
DeCramer	Jude	Moe, R.D.	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 140: A bill for an act relating to financial institutions; providing for deposits by minors and deposits in multi-party accounts; regulating multi-party accounts; amending Minnesota Statutes 1984, sections 48.30; 52.13; 528.02, subdivisions 3, 6, 8, and 11; 528.04; 528.05; 528.06; 528.07; 528.08; 528.09; 528.10; 528.11; 528.13; and 528.15; proposing coding for new law in Minnesota Statutes, chapters 48, 51A, and 52; repealing Minnesota Statutes 1984, sections 51A.26; 51A.28; 528.02, subdivision 15; and 528.12.

Mr. Peterson, R.W. moved to amend H.F. No. 140 as follows:

Page 1, line 22, strike "him" and insert "*the minor*" and strike "his" and insert "*the minor's*"

Page 1, line 27, strike "his"

Page 2, line 19, delete "*his*" and insert "*a minor's*"

Page 2, line 22, delete "*him*" and insert "*the minor*" and delete "*his*" and insert "*the minor's*"

Page 2, line 26, delete "*his*"

Page 2, after line 33, insert:

"Sec. 5. Minnesota Statutes 1984, section 51A.28, is amended to read:

51A.28 [ACCOUNTS OF ADMINISTRATORS, EXECUTORS, GUARDIANS, CUSTODIANS, TRUSTEES, AND OTHER FIDUCIARIES.]

Any association or federal association may accept savings accounts in the name of any administrator, executor, custodian, conservator, guardian, trustee, or other fiduciary for a named beneficiary or beneficiaries. Any such fiduciary shall have power to vote as a member as if the membership were held absolutely, to open and to make additions to, and to withdraw any such account in whole or in part. The withdrawal value of any such account, and earnings thereon, or other rights relating thereto may be paid or delivered, in whole or in part, to such fiduciary without regard to any notice to the contrary as long as such fiduciary is living. The payment or delivery to any such fiduciary or a receipt or acquittance signed by any such fiduciary to whom any such payment or any such delivery of rights is made shall be a valid and sufficient release and discharge of an association for the payment or delivery so made. Whenever a person holding an account in a fiduciary capacity dies and no written notice of the revocation or termination of the fiduciary relationship shall have been given to an association and the association has no written notice of any other disposition of the beneficial estate, the withdrawal value of such account, and earnings thereon, or other rights relating thereto may, at the option of an association, be paid or delivered, in whole or in part, to the beneficiary or beneficiaries. Whenever an account shall be opened by any person, describing himself in opening such account as trustee for another

and no other or further notice of the existence and terms of a legal and valid trust than such description shall have been given in writing to such association, in the event of the death of the person so described as trustee, the withdrawal value of such account or any part thereof, together with the earnings thereon, may be paid to the person for whom the account was thus described to have been opened. The payment or delivery to any such beneficiary, beneficiaries, or designated person, or a receipt or acquittance signed by any such beneficiary, beneficiaries, or designated person for any such payment or delivery shall be a valid and sufficient release and discharge of an association for the payment or delivery so made. *This section does not apply to a P.O.D. account under chapter 528.*"

Page 3, line 2, strike "his" and insert "a minor's"

Page 3, line 5, strike "him" and insert "the minor" and strike "his" and insert "the minor's"

Page 3, line 10, strike "his"

Page 4, line 13, strike "to him" and strike "his" and insert "the payee"

Page 4, line 19, strike "he" and insert "the beneficiary"

Page 5, line 8, strike "his" and insert "the party's"

Page 5, line 33, strike "his"

Page 6, line 22, strike "his" and insert "the"

Page 8, after line 23, insert:

"A minor may be a party to a joint account."

Page 11, line 20, strike "his" and insert "an"

Page 12, line 2, delete "51A.28;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the first semicolon insert "51A.28;"

Page 1, line 11, delete "51A.28;"

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend H.F. No. 140 as follows:

Page 3, after line 30, insert:

"Sec. 7. Minnesota Statutes 1984, section 118.005, is amended to read:

118.005 [DESIGNATION, PROTECTION OF DEPOSIT.]

Subdivision 1. The governing body of every municipality, as defined in section 118.01, which has the power to receive and disburse funds, shall designate as a depository of the funds such national, insured state banks or thrift institutions as defined in section 51A.02, subdivision 23, as it may deem proper.

For purposes of this chapter, a credit union is a thrift institution.

Subd. 2. In the event the bank or insured thrift institution selected as a

depository is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, *or is insured by the National Credit Union Administration*, the custodian of the funds may deposit an amount not to exceed the maximum amount of insurance on the deposits. In the event it is desired to deposit a greater amount in any bank or thrift institution prior to the deposit the governing body or officer shall require the bank or thrift institution to furnish a bond, executed by a corporate surety company authorized to do business in the state in a sum at least equal to the estimated sum to be deposited in excess of the maximum amount of insurance. In lieu of the bond, the depository shall assign to the custodian of the funds collateral security in accordance with section 118.01."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "providing for deposits of public funds in thrift institutions;"

Page 1, line 5, after the second semicolon, insert "118.005;"

The motion prevailed. So the amendment was adopted.

H.F. No. 140 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Peterson, D.L.	Storm
Anderson	Dieterich	Laidig	Peterson, R.W.	Stumpf
Benson	Frank	Lantry	Petty	Taylor
Berg	Frederickson	Lessard	Pogemiller	Vega
Bernhagen	Freeman	Luther	Ramstad	Waldorf
Bertram	Gustafson	McQuaid	Reichgott	Wegscheid
Brataas	Hughes	Mehrkens	Renneke	Willet
Chmielewski	Isackson	Moe, R.D.	Samuelson	
Dahl	Johnson, D.E.	Olson	Schmitz	
Davis	Jude	Pehler	Solon	
Dicklich	Kamrath	Peterson, D.C.	Spear	

Mrs. Kronebusch and Mr. Sieloff 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 has adopted the recommendation and report of the Conference Committee on House File No. 186, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 186 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 186

A bill for an act relating to mental health services; authorizing interstate contracts for mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

May 20, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 186, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 186 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [245.50] [INTERSTATE CONTRACTS FOR MENTAL HEALTH SERVICES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) “Bordering state” means Iowa, North Dakota, South Dakota, or Wisconsin.

(b) “Agency or facility” means a public or private hospital, mental health center, or other person or organization authorized by a state to provide mental health services.

Subd. 2. [AUTHORITY.] Unless prohibited by another law and subject to the exceptions listed in subdivision 3, a county board may contract with an agency or facility in a bordering state for mental health services for residents of Minnesota, and a Minnesota mental health agency or facility may contract to provide services to residents of bordering states. A person who receives services in another state under this section is subject to the laws of the state in which services are provided. A person who will receive services in another state under this section must be informed of the consequences of receiving services in another state, including the implications of the differences in state laws.

Subd. 3. [EXCEPTIONS.] A contract may not be entered into under this section for services to persons who:

- (1) are serving a sentence after conviction of a criminal offense;*
- (2) are on probation or parole;*
- (3) are the subject of a presentence investigation;*
- (4) have been committed involuntarily; or*
- (5) will be receiving treatment for chemical dependency.*

Subd. 4. [CONTRACTS.] Contracts entered into under this section must, at a minimum:

- (1) describe the services to be provided;*
- (2) establish responsibility for the costs of services;*
- (3) establish responsibility for the costs of transporting individuals receiving services under this section;*
- (4) specify the duration of the contract;*
- (5) specify the means of terminating the contract;*
- (6) specify the terms and conditions for refusal to admit or retain an individual; and*
- (7) identify the goals to be accomplished by the placement of an individual under this section.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Tim Sherman, Dominic J. Elioff, Dave Gruenes

Senate Conferees: (Signed) Don B. Samuelson, Patricia Louise Kronebusch, Ronald R. Dicklich

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 186 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. 186 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kroening	Peterson, D.C.	Sieloff
Anderson	Frank	Kronebusch	Peterson, D.L.	Solon
Berg	Frederickson	Laidig	Peterson, R.W.	Spear
Bernhagen	Freeman	Lantry	Petty	Storm
Bertram	Gustafson	Luther	Pogemiller	Stumpf
Brataas	Hughes	McQuaid	Ramstad	Taylor
Chmielewski	Isackson	Mehrkens	Reichgott	Vega
Dahl	Johnson, D.E.	Moe, R.D.	Renneke	Waldorf
Davis	Jude	Olson	Samuelson	Wegscheid
Diessner	Kamrath	Pehler	Schmitz	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 87: A bill for an act relating to agriculture; removing the limitation on certain fees for state livestock weighing services; amending Minnesota Statutes 1984, section 17A.11.

Senate File No. 87 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 87 and that the bill be placed on its repassage as amended.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the balance of the proceedings on S.F. No. 87. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Wegscheid to concur.

The roll was called, and there were yeas 27 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Hughes	Langseth	Samuelson	Waldorf
Belanger	Isackson	Lessard	Schmitz	Wegscheid
Chmielewski	Jude	McQuaid	Sieloff	Willet
Davis	Kamrath	Olson	Solon	
DeCramer	Kronebusch	Purfeerst	Stumpf	
Diessner	Laidig	Ramstad	Vega	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Pehler	Pogemiller
Berg	Frank	Lantry	Peterson, D.C.	Renneke
Bernhagen	Frederick	Luther	Peterson, D.L.	Spear
Bertram	Frederickson	Moe, D.M.	Peterson, R.W.	Storm

The motion prevailed.

S.F. No. 87: A bill for an act relating to agriculture; removing the limitation on certain fees for state livestock weighing services; providing state-paid insurance benefits for certain retired employees; amending Minnesota Statutes 1984, section 17A.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.

Mr. Spear moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 36 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Hughes	Langseth	Peterson, R. W.	Vega
Bertram	Isackson	Lantry	Purfeerst	Waldorf
Chmielewski	Johnson, D.E.	Lessard	Reichgott	Wegscheid
Davis	Jude	McQuaid	Samuelson	Willett
DeCramer	Kamrath	Mehrkes	Schmitz	
Diessner	Knaak	Merriam	Sieloff	
Frederickson	Kroening	Olson	Solon	
Gustafson	Kronebusch	Pehler	Stumpf	

Those who voted in the negative were:

Anderson	Dieterich	Luther	Pogemiller	Taylor
Belanger	Frank	Moe, D.M.	Ramstad	
Benson	Frederick	Moe, R.D.	Renneke	
Berg	Freeman	Peterson, D.C.	Spear	
Bernhagen	Laidig	Peterson, D.L.	Storm	

So the bill, as amended, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dieterich moved that the following members be excused for a Conference Committee on S.F. No. 1249 from 6:45 to 8:00 p.m.:

Messrs. Sieloff, Dieterich and Purfeerst. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 35, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 35: A bill for an act relating to crimes; requiring health professionals to report suspicious wounds to law enforcement authorities; amending Minnesota Statutes 1984, section 626.52.

Senate File No. 35 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 196, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 196: A bill for an act relating to crimes; requiring the county attorney to prosecute failure to report child abuse or neglect; providing for the reporting of child abuse or neglect; defining certain terms; clarifying immunity from liability for reporting child abuse or neglect; providing for concise

summaries of disposition of reports; making technical changes; prescribing penalties; amending Minnesota Statutes 1984, sections 388.051, subdivision 2; and 626.556, subdivisions 1, 2, 3, 4, 4a, 5, 6, 9, and 11.

Senate File No. 196 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 295, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 295: A bill for an act relating to counties; authorizing a special levy for county agricultural society and park and recreation purposes for Hubbard county; authorizing a special levy for support of the Clearwater county hospital; authorizing a special levy for tourism and agriculture promotion in Cass county; requiring a reverse referendum under certain circumstances; increasing the amount of loans available to certain counties for design and construction costs of district heating and qualified energy improvements; allowing municipalities to accelerate repayment of principal of energy loans; authorizing county regulation of pawnbrokers, second-hand, and junk dealers; designating Hubbard county as a fiscal agent; amending Minnesota Statutes 1984, section 116J.36, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 471.

Senate File No. 295 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 862, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 862: A bill for an act relating to courts; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3.

Senate File No. 862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 863, and repassed said bill in accordance with the report of the Committee, so

adopted.

S.F. No. 863: A bill for an act relating to commerce; modifying the definition of credit card to include other types of instruments; prescribing criminal penalties for financial transaction card fraud; amending Minnesota Statutes 1984, sections 325G.02, subdivisions 2 and 4; 325G.03; 325G.04; 325G.041; 325G.05; 609.52, subdivisions 1 and 2; and 609.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

Senate File No. 863 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 1176, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1176: A bill for an act relating to children; requiring a new job classification in child protection; requiring continuing education; providing for a joint training program; requiring a report to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Senate File No. 1176 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 251, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 251: A bill for an act relating to nursing homes; establishing an educational program for resident and family advisory councils; authorizing a surcharge on license fees; requiring evaluation and a report to the legislature by the Minnesota board on aging; appropriating money; amending Minnesota Statutes 1984, sections 256B.421, subdivision 8; and 256B.431, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 144A.

Senate File No. 251 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 647, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 647: A bill for an act relating to education; Minnesota Educa-

tional Computing Corporation; removing some limits on its powers; providing for compliance with certain bidding laws for management computing services; amending Minnesota Statutes 1984, sections 119.04, subdivision 2; 119.05, subdivision 2; and 119.07.

Senate File No. 647 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 650, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 650: A bill for an act relating to crimes; increasing the penalty for an offense committed against a transit provider or operator when violence or a threat of violence is not involved; amending Minnesota Statutes 1984, section 609.855, subdivisions 3 and 4.

Senate File No. 650 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 459, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 459: A bill for an act relating to probate; adopting provisions of the uniform probate code and clarifying laws relating to intestate succession, spouse's elective share, and omitted spouses and children; clarifying provisions relating to the award of costs in guardianship and conservatorship proceedings; providing for the payment of reasonable fees and expenses for certain guardians and conservators; amending Minnesota Statutes 1984, sections 257.34, subdivision 1; 525.13; 525.145; and 525.703; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1984, sections 525.16; 525.17; 525.171; 525.172; 525.173; 525.20; 525.201; 525.202; 525.212 to 525.216.

Senate File No. 459 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 628 and 1175.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 628: A bill for an act relating to game and fish; enhancement of fish and wildlife; planning and implementation of wildlife management; conservation of marginal agricultural lands; habitat management; aspen recycling program; appropriating money; amending Minnesota Statutes 1984, sections 97.49, subdivision 3; 97.55, by adding a subdivision; 98.52, by adding a subdivision; 290.431; and 296.421, subdivisions 4 and 5; Laws 1985, chapter 4, section 10; proposing coding for new law in Minnesota Statutes, chapters 40, 84, and 88.

Mr. Peterson, R.W. moved that H.F. No. 628 be laid on the table. The motion prevailed.

H.F. No. 1175: A bill for an act relating to children; expanding the definition of a medically neglected child; providing for intervention by commissioner of human services after a report of medical neglect; requiring the local agency to report and initiate proceedings in cases of medical neglect; amending Minnesota Statutes 1984, sections 260.015, subdivision 10; 626.556, subdivisions 2, 10, and by adding a subdivision.

Mr. Chmielewski moved that H.F. No. 1175 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 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. 19: A bill for an act relating to traffic regulations; regulating traffic at unmarked T-intersections and Y-intersections; amending Minnesota Statutes 1984, section 169.20, subdivision 1.

Senate File No. 19 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 19 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Isackson	Luther	Renneke
Anderson	Dicklich	Johnson, D.E.	McQuaid	Samuelson
Belanger	Diessner	Jude	Moe, D.M.	Schmitz
Benson	Dieterich	Kamrath	Moe, R.D.	Sieloff
Berg	Frank	Kroening	Olson	Spear
Bernhagen	Frederick	Kronebusch	Peterson, D.L.	Storm
Bertram	Frederickson	Laidig	Peterson, R.W.	Taylor
Brataas	Freeman	Langseth	Purfeerst	Waldorf
Chmielewski	Gustafson	Lantry	Ramstad	Wegscheid
Davis	Hughes	Lessard	Reichgott	Willet

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1249 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1249

A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; appropriating money; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.14, subdivision 1; 240.15, subdivisions 5 and 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.24; 240.25, subdivisions 1 and 4; 240.29; 541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1249, 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. 1249 be further amended as follows:

Page 6, line 31, delete "90" and insert "30"

Page 6, line 34, after the period insert "*The commission may summarily suspend a license for more than 30 days prior to a contested case hearing where it is necessary to insure the integrity of racing. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.*"

Page 10, line 18, delete the new language and reinstate the old language

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Clarence M. Purfeerst, Neil Dieterich, Ron Sieloff

House Conferees: (Signed) Elton R. Redalen, Ben P. Omann, Richard Kostohryz

Mr. Purfeerst moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1249 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. 1249 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Mehrkens	Renneke
Anderson	Frank	Kamrath	Moe, D.M.	Samuelson
Belanger	Frederick	Kroening	Moe, R.D.	Schmitz
Benson	Frederickson	Kronebusch	Olson	Sieloff
Bernhagen	Freeman	Laidig	Peterson, D.L.	Storm
Bertram	Gustafson	Langseth	Peterson, R.W.	Taylor
Chmielewski	Hughes	Lantry	Purfeerst	Waldorf
Davis	Isackson	Luther	Ramstad	Wegscheid
DeCramer	Johnson, D.E.	McQuaid	Reichgott	Willet

Messrs. Diessner and Pehler voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1227: Ms. Peterson, D.C.; Messrs. Spear and Johnson, D.E.

H.F. No. 1070: Ms. Peterson, D.C.; Messrs. Petty and Johnson, D.E.

S.F. No. 567: Messrs. Luther, Freeman and Ramstad.

Mr. Moe, R.D. moved that the foregoing appointments be approved. 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 has adopted the recommendation and report of the Conference Committee on House File No. 315, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 315 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. No. 315

A bill for an act relating to local government; removing the restriction on the number of mills certain towns may levy to provide fire protection for special fire protection districts; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition and betterment of a new fire hall and permitting participation by other local government units; amending Minnesota Statutes 1984, section 368.85, subdivision 6.

May 20, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 315, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 315 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 161.14, subdivision 6, is amended to read:

Subd. 6. [VETERANS' EVERGREEN MEMORIAL DRIVE.] (a) That portion of road No. 185, known as trunk highway No. 23 in St. Louis, Pine and Carlton Counties, is hereby named and designated “Veterans’ Evergreen Memorial Drive” in memory of World War veterans of St. Louis, Pine, and Carlton counties.

(b) The commissioner shall install a bronze plaque with an inscription to read, “In grateful memory of all men and women from Carlton, Pine, and St. Louis Counties who served in World War I, World War II, Korea, Vietnam, and all future conflicts.”

Sec. 2. Minnesota Statutes 1984, section 368.85, subdivision 6, is amended to read:

Subd. 6. [TAX LEVY.] ~~It shall thereafter be the duty of The town board shall annually to thereafter levy a tax in such an amount as may be necessary, but not exceeding one and two-thirds mills on the dollar of the assessed valuation of all property located within such the special fire protection district to be used for the purpose of providing provide fire protection for such special fire protection the district, but this limit shall not apply to a special~~

~~fire protection district abutting a city of the first or second class, or for the payment of a deficit from a prior fire contract. Such~~ The tax, with a certified copy of the resolution establishing the district, shall be certified by the town board to the county auditor who shall thereupon spread the authorized tax against the property located within ~~such special fire protection the district; and. The same tax shall be collected as other taxes.~~

Sec. 3. [ROSEVILLE; PORT AUTHORITY.]

The governing body of the city of Roseville may exercise all the powers of a port authority provided by Minnesota Statutes, chapter 458.

Sec. 4. [WHITE BEAR LAKE; PORT AUTHORITY.]

The governing body of the city of White Bear Lake may exercise all the powers of a port authority provided by Minnesota Statutes, chapter 458.

Sec. 5. [DIVISIONS.]

Subdivision 1. For the purpose of this act the terms defined in this section have the following meanings.

Subd. 2. "City" means the cities of Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker and Waite Park.

Subd. 3. "Special services" means all services rendered or contracted for by the city, including, but not limited to:

(a) the repair, maintenance, operation, and construction of any improvements authorized by Minnesota Statutes, section 429.021;

(b) parking services rendered or contracted for by the city; and

(c) any other service provided to the public by the city that is authorized by law or charter provision.

Special services do not include any service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 4. "Special service district" means a defined area within the city where special services are rendered and the costs of the special services are paid from revenues collected from taxes and service charges imposed within that area.

Subd. 5. "Assessed value" means the assessed value as most recently certified by the commissioner of revenue before the effective date of the ordinance or resolution adopted pursuant to section 6 or 7.

Subd. 6. "Land area" means the land area in the district which is subject to property taxation.

Sec. 6. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance establishing a special service district. Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a district. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be

adopted until after a public hearing has been held on the question. Notice of the hearing shall include:

(a) the time and place of hearing;

(b) a map showing the boundaries of the proposed district; and

(c) a statement that all persons owning property in the proposed district will be given opportunity to be heard at the hearing.

Subd. 2. [NOTICE.] Notice of the hearing shall be given by publication in two issues of the official newspaper of the city. The two publications shall be a week apart and the hearing shall be held at least three days after the last publication. Not less than ten days before the hearing, notice shall also be mailed to the owner of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties which are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor, the owners shall be ascertained by any practicable means and mailed notice given them. At the public hearing any person affected by the proposed district may be heard orally in respect to any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Sec. 7. [TAXING AUTHORITY; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [TAXES; HEARING.] Ad valorem taxes may be levied on taxable nonhomestead property or service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services within the district. To determine the appropriate mill rate, nonhomestead taxable property or value shall be determined without regard to captured or original assessed value under Minnesota Statutes, section 273.76 or to the distribution or contribution value under Minnesota Statutes, section 473F.08. Taxes and service charges shall not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level, in which case only an amount to pay for the increased level may be imposed. A service charge shall not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the levy of taxes or imposition of service charges in a district, for each calendar year, notice shall be given and hearing shall be held pursuant to section 6 and notice shall also be mailed to any individual or business organization subject to a service charge. For purposes of this section the notice shall also include:

(a) A statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed tax levy or service charge.

(b) The estimated cost of improvements to be paid for in whole or in part by taxes or service charges imposed pursuant to this section, the estimated cost of operating and maintaining the improvements during the first year after completion of the improvements, the proposed method and source of financ-

ing the improvements and the annual cost of operating and maintaining the improvements.

(c) *The proposed rate or amount of taxes to be extended or the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year.*

(d) *A statement that the petition requirements of section 12 have either been met or do not apply to the proposed taxes or service charge.*

Within six months of the public hearing, the city may adopt a resolution levying a tax or imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued pursuant to this section.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.] Property exempted from taxation by Minnesota Statutes, section 272.02, is exempt from any ad valorem taxes imposed pursuant to this act.

Subd. 3. [LEVY LIMIT EXEMPTION.] Taxes and service charges imposed pursuant to this act shall not be included in the calculation of levies or limits on levies provided by other law or home rule charter provision.

Subd. 4. [EXCLUSION FROM HOMESTEAD CREDIT.] Taxes levied under this section shall not be reduced pursuant to Minnesota Statutes, section 273.13, subdivision 6, 7, 7d, or 14a.

Sec. 8. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 6 and 7. Notice shall be served in the original district and in the area proposed to be added to the district. Property added to the district shall be subject to all taxes levied and service charges imposed within the district after the property becomes a part of the district. The petition requirement in section 12 and the veto power in section 13 shall only apply to owners, individuals, and business organizations in the area proposed to be added to the district.

Sec. 9. [COLLECTION OF TAXES.]

Ad valorem taxes levied within a special service district shall be collected and paid over as other ad valorem taxes, but shall be spread only upon the assessed value of property described in the ordinance. Service charges imposed shall be collected as provided by ordinance. Taxes collected pursuant to this act shall not be included in computations under Minnesota Statutes, section 273.76, chapter 473F, or any other law that applies to general ad valorem levies.

Sec. 10. [BONDS.]

At any time after a contract for the construction of all or part of an improvement authorized pursuant to this act has been entered into or the work has been ordered done by day labor, the governing body of the city may issue obligations, including certificates of indebtedness, in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations shall be payable

primarily out of the proceeds of the tax levied pursuant to section 7, or from any other special assessment or nontax revenues available to be pledged for their payment under charter or other statutory authority, or from any two or more of such sources. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the municipality to assure payment of the principal and interest if the proceeds of the tax levy in the district are insufficient to pay the principal and interest. The amount of any taxes that are required to be levied outside of the territory of the special services district or taken from the general funds of the municipality to pay principal and interest on the obligations shall be reimbursed to the municipality from taxes levied within the special services district. The obligations shall be issued in accordance with Minnesota Statutes, chapter 475, except that an election shall not be required, and the amount of the obligations shall not be included in determining the net debt of the city under the provisions of any law or charter limiting debt.

Sec. 11. [ADVISORY BOARD.]

The governing body of the city may create and appoint an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements, and the furnishing of special services in a district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose taxes or service charges within the district, the advisory board of the district shall have an opportunity to review and comment upon the proposal.

Sec. 12. [PETITION REQUIRED.]

No action may be taken pursuant to section 6 unless owners of 15 percent or more of the land area of the proposed special service district and owners of 15 percent or more of the assessed value of the proposed district file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 7 to impose an ad valorem tax unless owners of 15 percent or more of the land area subject to a proposed tax and owners of 15 percent or more of the assessed value subject to a proposed tax file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 7 to impose a service charge unless 15 percent or more of the individual or business organizations subject to the proposed service charge file a petition requesting a public hearing on the proposed action with the city clerk. If the boundaries of a proposed district are changed or the land area or assessed value subject to a tax or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the tax or service charge may become effective.

Sec. 13. [VETO POWER OF OWNERS.]

Subdivision 1. [NOTICE OF RIGHT TO FILE OBJECTIONS.] Except as provided in section 14, the effective date of any ordinance or resolution adopted pursuant to sections 6 and 7 shall be at least 45 days after it is

adopted. Within five days after adoption of the ordinance or resolution, a copy of the ordinance or resolution shall be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed pursuant to section 6. The mailing shall include a notice that owners subject to a tax and individuals and business organizations subject to a service charge have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution.

Subd. 2. [REQUIREMENT FOR VETO.] If owners of 35 percent of the land area in the district or owners of 35 percent of the assessed value in the district file an objection to the ordinance adopted by the city pursuant to section 6 with the city clerk before the effective date of the ordinance, the ordinance shall not become effective. If owners of 35 percent of the land area subject to a tax or owners of 35 percent of the assessed value subject to a tax file an objection to the resolution adopted levying an ad valorem tax pursuant to section 7 with the city clerk before the effective date of the resolution, the resolution shall not become effective. If 35 percent of individuals and business organizations subject to a service charge file an objection to the resolution adopted imposing a service charge pursuant to section 7 with the city clerk before the effective date of the resolution, the resolution shall not become effective.

Sec. 14. [EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.]

The petition requirement of section 12 and the right of owners and those subject to a service charge to veto a resolution in section 13 do not apply to second or subsequent years' applications of a tax or service charge which is authorized to be in effect for more than one year pursuant to a resolution which has met the petition requirements of section 12 and which has not been vetoed under section 13 for the first year's application. A resolution levying a tax or imposing a service charge for more than one year shall not be adopted unless the notice of public hearing required by section 7 and the notice mailed with the adopted resolution pursuant to section 13 include the following information:

(a) In the case of improvements, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years the taxes will be levied or service charges imposed to pay for the improvement.

(b) In the case of operating and maintenance services, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years, or a statement that the tax will be imposed for an indefinite number of years, the taxes will be levied or service charges imposed to pay for operation and maintenance services.

The resolution may provide that the maximum amount of tax to be levied or maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.

Sec. 15. [LOCAL APPROVAL.]

Section 3 is effective for the city of Roseville the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Roseville.

Section 4 is effective for the city of White Bear Lake the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of White Bear Lake.

Sec. 16. [EFFECTIVE DATE.]

Sections 5 to 14 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government; removing the restriction on the number of mills certain towns may levy to provide fire protection for special fire protection districts; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition and betterment of a new fire hall and permitting participation by other local government units; granting the city of Roseville and the city of White Bear Lake located in Ramsey county the powers of a port authority; permitting the establishment of special service districts in the cities of Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker, and Waite Park; amending Minnesota Statutes 1984, sections 161.14, subdivision 6; and 368.85, subdivision 6."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Lynn H. Becklin, Paul Anders Ogren, Douglas W. Carlson

Senate Conferees: (Signed) Betty A. Adkins, Florian Chmielewski, Jim Gustafson

Mrs. Adkins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 315 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. 315 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Moe, R.D.	Sieloff
Anderson	Frank	Kronebusch	Olson	Solon
Belanger	Frederick	Laidig	Pehler	Spear
Bernhagen	Frederickson	Langseth	Peterson, D.L.	Storm
Bertram	Gustafson	Lantry	Purfeerst	Stumpf
Brataas	Hughes	Lessard	Ramstad	Taylor
Chmielewski	Isackson	Luther	Reichgott	Vega
Davis	Johnson, D.E.	McQuaid	Renneke	Waldorf
Dicklich	Jude	Mehrrens	Samuelson	Willet

Those who voted in the negative were:

Berg	Dieterich	Moe, D.M.	Peterson, R.W.	Schmitz
DeCramer				

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Samuelson moved that H.F. No. 658 be taken from the table. The motion prevailed.

H.F. No. 658: A bill for an act relating to health; regulating community health services; amending Minnesota Statutes 1984, sections 145.912, subdivision 15; 145.917, subdivisions 2, 3, and 4; 145.921; and 145.922; repealing Minnesota Statutes 1984, section 145.912, subdivisions 16, 17, and 18.

SUSPENSION OF RULES

Mr. Samuelson 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. 658 and that the rules of the Senate be so far suspended as to give H.F. No. 658 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 658 was read the second time.

Mr. Samuelson moved to amend H.F. No. 658 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 658, and insert the language after the enacting clause, and the title, of S.F. No. 494, the first engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 658 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Olson	Spear
Anderson	Dieterich	Kronebusch	Pehler	Storm
Belanger	Frank	Laidig	Peterson, D.L.	Stumpf
Berg	Frederick	Langseth	Peterson, R.W.	Taylor
Berglin	Frederickson	Lantry	Ramstad	Vega
Bernhagen	Gustafson	Lessard	Reichgott	Waldorf
Bertram	Hughes	Luther	Renneke	Wegscheid
Chmielewski	Isackson	McQuaid	Samuelson	Willet
Davis	Johnson, D.E.	Mehrkens	Schmitz	
DeCramer	Jude	Moe, D.M.	Sieloff	
Dicklich	Kamrath	Moe, R.D.	Solon	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Samuelson moved that S.F. No. 494, No. 50 on General Orders, be stricken and laid on the table. The motion prevailed.

Mr. Mehrkens moved that S.F. No. 116, No. 33 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. 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 has adopted the recommendation and report of the Conference Committee on House File No. 729, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 729 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 729

A bill for an act relating to retirement; providing for an increased redemption benefit option for participants in the Hennepin county supplemental retirement program; allowing withdrawal from the program; amending Laws 1969, chapter 950, sections 1, subdivision 1, as amended; and 4, as amended; and Laws 1983, chapter 100, section 1.

May 17, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 729, 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. 729 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 69.011, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapters 423, 424 and 424A have the meanings ascribed to them:

(a) “Commissioner” means the commissioner of revenue.

(b) “Municipality” means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.

(c) “Minnesota Firetown Premium Report” means a form prescribed by the commissioner containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums received upon risks

located or to be performed in this state less return premiums and dividends.

(d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a subsidiary volunteer firefighters relief association.

(e) "Assessed Property Valuation" means latest available assessed value of all property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from ad valorem taxation obtained from information which appears on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.

(f) "Minnesota Aid to Police Premium Report" means a form prescribed by the commissioner for reporting by each fire and casualty insurer of all premiums received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto liability-bodily injury, auto liability-property damage, and auto physical damage as reported in the Minnesota business schedule of the fire and casualty insurance companies annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or regulations less return premiums and dividends:

(g) "Peace officer" means any person:

(1) Whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full time basis of not less than 30 hours per week;

(2) Who has been employed for a minimum of six months prior to December 31 preceding the date of the current year's certification pursuant to subdivision 2, clause (b);

(3) Who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) Who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and

(5) Who is a member of a local police relief association to which section 69.77 applies or the public employees police and fire fund.

(h) "Full time equivalent number of peace officers providing contract service" means the integral or fractional number of peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full time basis as defined by the employing unit and the municipality receiving the contract service.

(i) "Retirement benefits other than a service pension" means any disbursement authorized pursuant to section 424.05, subdivision 3, clauses (2), (3) and (4).

(j) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body. In a park district the clerk is the secretary of the board of park district commissioners. *In the case of the University of Minnesota, the clerk is that official designated by the board of regents.*

Sec. 2. Minnesota Statutes 1984, section 69.26, is amended to read:

69.26 [RELIEF ASSOCIATIONS SELF GOVERNING.]

Subdivision 1. Each relief association shall be organized, operated, and maintained in accordance with its own articles of incorporation and bylaws, by firefighters, as defined in section 69.27, who are members of the fire departments. Each association shall have power to regulate its own management and its own affairs, and all additional corporate powers which may be necessary or useful; subject to the regulations and restrictions of the laws of this state pertaining to corporations not inconsistent herewith.

Subd. 2. Each relief association may provide for the participation of retired members of the fire departments in the governance of the association as each association deems appropriate. The bylaws of the associations may be amended to provide retired members the right to vote, to be elected to the board and to pay dues.

Sec. 3. Minnesota Statutes 1984, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (a) Elected or appointed officers and employees of elected officers.
- (b) District court reporters.
- (c) Officers and employees of the public employees retirement association.
- (d) Employees of the League of Minnesota Cities.
- (e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.
- (f) Employees of a school district who receive separate salaries for driving their own buses.
- (g) Employees of the Association of Minnesota Counties.
- (h) Employees of the Metropolitan Inter-County Association.
- (i) Employees of the Minnesota Municipal Utilities Association.
- (j) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.
- (k) Employees of the Minneapolis employees retirement fund, if employment initially commences on or after July 1, 1979.
- (l) Employees of the Range Association of Municipalities and Schools.
- (m) Employees of the soil and water conservation districts.
- (n) *Employees of a county historical society.*

Sec. 4. Minnesota Statutes 1984, section 353.34, is amended by adding a subdivision to read:

Subd. 3b. [DEFERRED ANNUITY; CERTAIN FORMER MUNICIPAL COURT JUDGES.] Any person who qualified for membership in the asso-

ciation solely because of service as a municipal court judge, whose service as a municipal court judge was terminated by Laws 1971, chapter 951, section 9, and who elected to leave his or her accumulated deductions in the fund to qualify for a deferred annuity, may receive a deferred early retirement annuity under section 353.30, subdivisions 1, 1a, 1b, or 1c, notwithstanding the law in effect on the date of his or her termination of public service.

Sec. 5. Minnesota Statutes 1984, section 423A.02, is amended to read:

423A.02 [LOCAL POLICE AND FIREFIGHTERS' RELIEF ASSOCIATION AMORTIZATION STATE AID.]

Subdivision 1. Any municipality in which is located a local police or salaried firefighters' relief association to which the provisions of section 69.77, apply, unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to section 423A.01, subdivision 1, shall be entitled upon annual application on or before the date specified as required 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 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 December 31, 1978, actuarial valuation of the relief association prepared pursuant to Minnesota Statutes 1978, sections 356.215 and 356.216, and filed with the commissioner of commerce on the date of final enactment of Laws 1980, chapter 607, 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 Laws 1980, chapter 607, 1981 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 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.

Subd. 2. Any municipality which has qualified for amortization state aid under subdivision 1 shall continue upon application to be entitled to receive amortization state aid and supplementary amortization state aid authorized by Laws 1984, chapter 564, section 48, after the local police or salaried firefighters' relief association has been consolidated into the public employees police and fire fund.

Sec. 6. [423A.07] [ADDITIONS TO BOARD.]

Notwithstanding any other law, each local police and salaried firefighters relief association may amend its bylaws and its articles of incorporation, as necessary, to provide for the inclusion of retirees on its board.

Upon adoption of the amendments, the relief association must file a copy of the amended bylaws with the executive secretary of the legislative commission on pensions and retirement. A relief association amending its articles of incorporation must comply with any statutory requirements pertaining to the filing of amended articles of incorporation.

Sec. 7. Minnesota Statutes 1984, section 423A.15, is amended to read:

423A.15 [EFFECT OF PROVISIONS FOR EXISTING DISABILITY BENEFIT RECIPIENTS.]

The provisions of section 423A.06 shall apply to any member of any applicable local relief association in active service on or after March 24, 1982. The provisions of section 423A.11 shall apply to any person receiving a disability benefit from a local relief association on or after March 24, 1982. The provisions of section 423A.12 shall apply to any person who returns to active employment as a police officer or firefighter, whichever is applicable, after receipt of a permanent disability benefit on or after March 24, 1982. The provisions of section 423A.14 shall apply to any person who first commences receipt of a disability benefit after March 24, 1982.

Sec. 8. Minnesota Statutes 1984, section 424A.02, subdivision 6, is amended to read:

Subd. 6. [PAYMENT OF SERVICE PENSIONS; NONASSIGNABILITY.] The method of calculating service pensions shall be applied uniformly for all years of active service and credit shall be given for all years of active service, except as otherwise provided in this section. No service pension shall be paid to any person while the person remains an active member of the respective fire department, and no person who is receiving a service pension shall be entitled to receive any other benefits from the special fund of the relief association. No service pension or ancillary benefits paid or payable from the special fund of a relief association to any person receiving or entitled to receive a service pension or ancillary benefits shall be subject to garnishment, judgment, execution or other legal process, except as provided in section 518.611. No person entitled to a service pension or ancillary benefits from the special fund of a relief association may assign any service pension or ancillary benefit payments, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

Sec. 9. Minnesota Statutes 1984, section 424A.02, subdivision 9, is amended to read:

Subd. 9. [LIMITATION ON ANCILLARY BENEFITS.] Any relief association may pay ancillary benefits which would constitute an authorized disbursement as specified in section 424A.05 subject to the following limitations:

(a) With respect to a relief association in which governing bylaws provide for a lump sum service pension to a retiring member, no ancillary benefit may

be paid to any former member or paid to any person on behalf of any former member after the former member (1) terminates active service with the fire department and active membership in the relief association; and (2) commences receipt of a service pension as authorized pursuant to this section; and

(b) With respect to any relief association, no ancillary benefit paid or payable to any member, to any former member, or to any person on behalf of any member or former member, may exceed in amount the total earned service pension of the member or former member. The total earned service pension ~~is~~ shall be calculated using the service pension amount specified in the bylaws of the relief association and the years of service credited to the member or former member. The years of service ~~are~~ shall be determined as of (1) the date the member or former member became entitled to the ancillary benefit; or (2) the date the member or former member died entitling a survivor or the estate of the member or former member to an ancillary benefit. The survivor ancillary benefit ~~may~~ shall be calculated (1) without regard to whether the member or former member had attained the minimum amount of service and membership credit specified in the governing bylaws; and (2) without regard to the percentage amounts specified in subdivision 2; except that the bylaws of any relief association may provide for the payment of a survivor benefit in an amount not to exceed five times the yearly service pension amount specified in the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated.

Sec. 10. Minnesota Statutes 1984, section 424A.02, is amended by adding a subdivision to read:

Subd. 12. [TRANSFER OF SERVICE CREDIT TO NEW DISTRICT.] Notwithstanding the requirements of subdivision 1 or any other law, a member of a fire department which is disbanded upon formation of a fire district to serve substantially the same geographic area, who serves as an active firefighter with the new district fire department, and is a member of the district firefighters' relief association shall be entitled to a nonforfeitable service pension from the new relief association upon completion of a combined total of 20 years active service in the disbanded and the new departments. The amount of the service pension shall be based upon years of service in the new department only, and shall be in an amount equal to the accrued liability for the appropriate years of service calculated in accordance with section 69.772, subdivision 2.

Sec. 11. Laws 1969, chapter 950, section 1, subdivision 1, as amended by Laws 1978, chapter 720, section 19, and Laws 1982, chapter 450, section 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR COVERAGE.] Any person who was employed by the county of Hennepin or its agencies, boards, commissions, authorities and committees prior to the effective date of this act April 14, 1982, as an employee or an officer in the classified service as defined in Laws 1965, Chapter 855, and amendatory and supplemental acts, or as an employee in the unclassified service, and who has served for five years as a county employee or an officer in the classified service, or as a county employee in the unclassified service, which need not necessarily be continuous,

and which shall include time served as a county employee prior to June 8, 1965, if the person is an employee in the classified service, shall be entitled to elect to ~~retain or obtain; whichever is applicable;~~ coverage by the Hennepin county supplemental retirement program. The election to ~~retain or obtain~~ coverage may be exercised only once. ~~The election to retain coverage shall be exercised within 90 days of the effective date of this act. The election to obtain coverage~~ and shall be exercised within 30 days of the date on which the person first becomes entitled to elect to obtain coverage. *No person hired, rehired, or reinstated by the county as an employee in the classified or unclassified service on or after April 14, 1982, shall be eligible for coverage by the Hennepin county supplemental retirement program.*

Sec. 12. Laws 1969, chapter 950, section 4, as amended by Laws 1975, chapter 153, section 2, and Laws 1982, chapter 450, section 4, is amended to read:

Sec. 4. [SUPPLEMENTAL RETIREMENT BENEFITS; REDEMPTION OF SHARES.]

When requested to do so, in writing, on forms provided by the county, by a participant, surviving spouse, a guardian of a surviving child or an estate, whichever is applicable, the county of Hennepin shall redeem shares in the accounts of the Minnesota supplemental investment fund standing in a participant's share account record under the following circumstances and in accordance with the laws and regulations governing the Minnesota supplemental investment fund:

(1) A participant who ~~has reached the age of at least 58 years and who~~ is no longer employed by the county of Hennepin shall be entitled to receive the cash realized on the redemption of the shares to the credit of the participant's share account record of the person. The participant may ~~direct request~~ the redemption of ~~not more than 20 percent of all or a portion of~~ the shares in the participant's share account record of the person ~~in any one year~~, but may not ~~direct request~~ more than one redemption in any one calendar month; ~~provided, however, that the board of commissioners of the county of Hennepin may, upon application, in their sole discretion permit greater withdrawals in any one year. If only a portion of the shares in the participant's share account record is requested to be redeemed the person may request to redeem not less than 20 percent of the shares in any one calendar year and the redemption must be completed in no more than five years. An election is irrevocable except that a participant may request an amendment of the election to redeem all of the person's remaining shares. All requests under this paragraph are subject to application to and approval of the Hennepin county board, in its sole discretion.~~

(2) A participant who has terminated employment with the county of Hennepin on account of total and permanent disability shall be entitled to receive the cash realized on the redemption of the shares to the credit of the participant's share account record of the person. The board of commissioners of the county of Hennepin shall make the initial determination of whether the participant is totally and permanently disabled, but any aggrieved party may commence an action in the district court for Hennepin county for a review ~~de novo~~ of the decision of the county board. The proceedings in district court shall conform to the Minnesota rules of civil procedure. An appeal may be

taken to the supreme court from any final order or decision of the district court in the same manner as in other civil actions. The participant may direct the redemption of all or a portion of the shares in the participant's share account record of the person, but in no event may the participant direct more than one redemption in each calendar month. In the event that the person becomes no longer totally and permanently disabled, the person shall owe no restitution to the county or any fund for a redemption directed pursuant to this paragraph.

If only a portion of the shares in the participant's share account record is elected to be redeemed, the disabled person may direct the redemption of not more than 20 percent of the shares in any one year; provided, however, that the board of commissioners of the county of Hennepin may, upon application, in their sole discretion permit greater withdrawals in any one year.

(3) In the event of the death of a participant leaving a surviving spouse, the surviving spouse shall be entitled to receive the cash realized on the redemption of all or a portion of the shares in the participant's share account record of the deceased spouse, but in no event may the spouse direct request more than one redemption in each calendar month year. If only a portion of the shares in the participant's share account record is elected requested to be redeemed, the surviving spouse may direct request the redemption of not more less than 20 percent of the shares in any one calendar year; provided, however, that the board of commissioners of Hennepin county may, upon application, in their sole discretion permit greater withdrawals in any one year. Redemption must be completed in no more than five years. An election is irrevocable except that the surviving spouse may request an amendment of the election to redeem all of the participant's remaining shares. All requests under this paragraph are subject to application to and approval of the Hennepin county board, in their sole discretion. Upon the death of the surviving spouse, any shares remaining in the participant's share account record shall be redeemed by the county of Hennepin and the cash realized therefrom distributed to the estate of the surviving spouse.

(4)(3) In the event of the death of a participant leaving no surviving spouse, but leaving a minor surviving child or minor surviving children, the guardianship estate of the minor child or the guardianship estates of the minor children shall be entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant. In the event of minor surviving children, the cash realized shall be paid in equal shares to the guardianship estates of the minor surviving children.

(5)(4) In the event of the death of a participant leaving no surviving spouse and no minor surviving children, the estate of the deceased participant shall be entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant.

(6) A participant who has terminated employment with the county of Hennepin, who does not qualify pursuant to the provisions of paragraphs (1) through (5) and who became a participant in the Hennepin county supplemental retirement program prior to or after the effective date of this act and who previously had not redeemed any shares in the program shall be entitled to receive the total amount of the cash realized on the redemption of all shares

to the credit of the participant's share account record.

Sec. 13. Laws 1983, chapter 100, section 1, is amended to read:

Section 1. [WITHDRAWAL FROM PARTICIPATION.]

Notwithstanding Laws 1982, chapter 450, or any other law to the contrary, a Hennepin county employee currently participating in the Hennepin county supplemental retirement program pursuant to Laws 1982, chapter 450 may, ~~within a period of 180 days after the effective date of this section, in the event of an unforeseeable emergency,~~ apply to the county to discontinue participation in the program. Employees who are no longer participating in the program may apply for the redemption of all shares credited to their share account record. *Applications are subject to approval of the Hennepin county board of commissioners in its sole discretion. For the purposes of this section, the term "unforeseeable emergency" shall mean a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or a person dependent upon the participant, loss of participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. Applications based on foreseeable expenditures normally budgetable shall not be approved.* A participant exercising the option provided by this section shall be ineligible for further participation in the supplemental retirement program.

Sec. 14. Laws 1981, chapter 68, section 42, subdivision 1, is amended to read:

Sec. 42. [THIEF RIVER FALLS POLICE; SURVIVOR BENEFITS.]

Subdivision 1. [BENEFITS.] Notwithstanding Minnesota Statutes, section 423.58, when a service pensioner, disability pensioner, deferred pensioner, or an active member of the Thief River Falls police relief association dies, leaving a surviving spouse, one or more surviving children, or both, the surviving spouse and child or children shall be entitled to a pension or pensions as follows:

(1) To the surviving spouse a pension in an amount not to exceed \$250 \$300 per month payable for life; provided, however, that if the surviving spouse shall remarry, the pension shall terminate as of the date of remarriage.

(2) To the child or children, until the child reaches the age of 18 years, a monthly benefit in an amount not to exceed \$125 per month. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent or if none, to the legal guardian of the child. The maximum monthly benefit for any one family shall not exceed \$750. If the member shall die under circumstances which entitle his surviving spouse and dependent children to receive benefits under the workers' compensation law, the amounts so received by them shall not be deducted from the benefits payable under this section.

(3) Pensions payable to a surviving spouse pursuant to paragraph (1) shall be adjusted annually on January 1, 1986, and January 1 of each year thereafter in proportion to salary increases paid to active patrolmen by the city during the preceding calendar year, to a maximum of three and one-half

percent in any calendar year. In no event shall the pension of a surviving spouse exceed \$600 per month.

Sec. 15. Laws 1982, chapter 574, section 3, subdivision 9, is amended to read:

Subd. 9. [PREVAILING PAY.] "Prevailing pay" means the monthly basic salary and the maximum holiday pay, multiplied by the maximum percentage of longevity. Monthly basic salary, maximum holiday pay, and the percentage of longevity are determined in accordance with the unit employment contract of the police department in effect from time to time or, in the case of police officers not covered by the unit employment contract, by other contracts in effect from time to time. No pension shall be reduced by reason of the employment of a successor at a lower prevailing pay. In the case of police officers who are required to accept a position of lower rank prior to their retirement, the pension shall be based on the prevailing pay of the higher rank.

Sec. 16. Laws 1982, chapter 574, section 5, is amended to read:

Sec. 5. [VIRGINIA POLICE; BENEFIT CHANGES FOR PARTICIPANTS.]

If the bylaws so authorize, the following changes shall be effective:

(a) The service pension payable to persons who retired from the police department on or before January 12, 1966, shall be supplemented by \$50 \$100 per month.

(b) For any participant who terminated employment after 20 or more years of service, the amount of the monthly service pension payable after the participant has attained the age of at least 50 years shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to termination of service, or to the rank and position most analogous thereto, payable by the police department in each month during which the retired participant receives a service pension.

(c) The amount of a monthly disability pension shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to his or her disability or the rank and position most analogous thereto, payable by the police department in each month during the period of the participant's disability, subject to any integration of benefits.

(d) The benefit paid to the surviving spouse of a participant who died on or before January 11, 1967, shall be increased by \$25 \$50 per month, until the surviving spouse's death or remarriage.

(e) The benefit paid to a surviving child shall be increased to \$50 per child per month, subject to any limitation placed on the total amount of survivor's benefits.

Sec. 17. Laws 1984, chapter 564, section 48, is amended to read:

Sec. 48. [ANNUAL APPROPRIATION SUPPLEMENTARY AMORTIZATION STATE AID.]

There is appropriated and transferred from the general fund to the com-

missioner of finance, \$1,000,000 annually for distribution among those ~~local police and salaried firefighters relief associations~~ *municipalities* that receive amortization state aid according to Minnesota Statutes, section 423A.02. Distribution shall be made according to that proportion the unfunded accrued liability of each relief association bears to the total unfunded accrued liabilities of all relief associations as reported in the ~~most recent~~ *December 31, 1983*, actuarial valuations of the relief associations that receive amortization state aid according to section 423A.02. Moneys shall be distributed ~~to the relief associations~~ at the same time fire and police department state aid is distributed according to section 69.021.

Sec. 18. Laws 1984, chapter 574, section 18, is amended to read:

Sec. 18. [BUHL POLICE RETIREMENT BENEFITS.]

Notwithstanding the limitation contained in Minnesota Statutes, section 423.55 or any other law, the bylaws of the Buhl police relief association may be amended to provide for the payment of ~~a an~~ *an annual* service pension equal to ~~65~~ *85* percent of the ~~monthly~~ *base* pay of a member ~~at for the 12-month period immediately preceding~~ the time of retirement from the police department. All other provisions of section 423.55 shall apply to the extent not inconsistent with this section.

In addition, the bylaws of the Buhl police relief association may be amended to provide for the recalculation of the service pension payable to a current retiree. The increased service pension may be equal to 85 percent of the total pay of the retired member for the 12-month period immediately preceding the time of retirement from the police department.

Sec. 19. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and the surviving spouses thereof by the Eveleth police and fire trust fund may be increased by \$25 per month. Increases may be made retroactive to January 1, 1985.

Sec. 20. [NEW ULM POLICE RELIEF ASSOCIATION.]

Subdivision 1. [BENEFIT INCREASE FOR RETIREES.] The New Ulm police relief association is authorized to pay any retired member of the association a supplemental benefit of \$80 per month from the date the retired member is eligible to receive benefits from the association until the member reaches the age of 65 years. This benefit shall be available to only those members retiring after the effective date of this section.

Subd. 2. [FINANCING.] The cost of the additional benefit provided by subdivision 1 will be paid by a 0.75 percent increase in the payroll deduction of the covered payroll of members of the New Ulm police relief association. Any cost of the additional retirement benefits not covered by the increase in payroll deduction shall be reimbursed to the association by the city of New Ulm.

Sec. 21. [STEVENS COUNTY MEMORIAL HOSPITAL EMPLOYEES.]

Subdivision 1. [REFUND OF CONTRIBUTIONS.] A member of the

public employees retirement association who was employed by the Stevens county memorial hospital on the date the hospital was taken over by a private corporation or organization shall be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest thereon at the rate of six percent per annum. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest shall be refunded. No employer additional contributions are to be refunded.

Subd. 2. [DEFERRED ANNUITY.] If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, in lieu of the refund, a deferred annuity pursuant to Minnesota Statutes, section 353.34, subdivision 3, notwithstanding the length of service requirements contained therein. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

Subd. 3. [DEADLINE.] Refunds shall be paid or options exercised and repayments of refunds made prior to July 1, 1986.

Sec. 22. [CITY OF ST. PAUL MODEL CITIES HEALTH CENTER PROJECT EMPLOYEES.]

Subdivision 1. [REFUND OF CONTRIBUTIONS.] A member of the public employees retirement association who is employed by the city of St. Paul and assigned to the model cities health center project on the date the project is taken over by a private corporation or organization must, upon the employee's request, be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest at the rate of six percent per year. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest may be refunded. No employer additional contributions are to be refunded.

Subd. 2. [DEFERRED ANNUITY.] If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, instead of the refund, a deferred annuity under Minnesota Statutes, section 353.34, subdivision 3, notwithstanding the length of service requirements contained in that subdivision. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

Subd. 3. [DEADLINE.] Refunds must be paid or options exercised and repayments of refunds made within one year of the date the model cities health center project is taken over by a private corporation or organization.

Sec. 23. [OWATONNA CITY HOSPITAL.]

Refunds authorized by Laws 1984, chapter 574, section 31, may be paid prior to July 1, 1985.

Sec. 24. [TEMPORARY PROVISION; COUNTY HISTORICAL SOCIETY EMPLOYEES.]

Section 3 applies to county historical society employees first employed on

or after July 1, 1985. Employees first employed prior to July 1, 1985, may elect membership effective commencing on that date by filing notice of their election with the board of trustees of the association prior to September 1, 1985. Elected coverage shall not be retroactive for service prior to July 1, 1985, and no purchase of prior service credit shall be allowed.

Sec. 25. [MOORHEAD POLICE AND FIREFIGHTERS; RETIREMENT COVERAGE FOR ACTIVE MEMBERS.]

Subdivision 1. [TRANSFER OF COVERAGE.] Notwithstanding any other law, deferred recipients or active police officers and firefighters employed by the police and fire departments of the city of Moorhead on the effective date of sections 25 to 31 who receive their pension and retirement coverage from either the Moorhead police or firefighters relief association cease to be members of their respective association, and cease to accrue service credits, rights, or benefits from their respective relief association on August 1, 1985. On August 1, 1985, active police officers and firefighters employed by the city of Moorhead who meet the requirements of Minnesota Statutes, section 353.64, become members of the public employees police and fire fund established pursuant to Minnesota Statutes, sections 353.63 to 353.68. Their service before August 1, 1985, as police officers and firefighters with the city of Moorhead must be credited as allowable service by the public employees police and fire fund for purposes of Minnesota Statutes, section 353.01, subdivision 16.

Subd. 2. [CALCULATION OF LIABILITY.] The liability for service before August 1, 1985, to be transferred to the police and fire fund must be calculated by the actuary for the police and fire fund based on the following data for each active police officer and firefighter: date of birth, date of entry into service, dates of breaks in service, and salaries for each of the highest five successive years of service. The liability must be calculated as of August 1, 1985, as if each police officer and firefighter were a member of the police and fire fund from the original date of entry into service under the laws governing the police and fire fund on January 1, 1985. The actuary of the police and fire fund shall calculate this liability before the approval of sections 25 to 31 by the city of Moorhead.

The legislative commission on pensions and retirement must approve the calculations of liabilities upon the recommendation of its actuary. The actuary for the police and fire fund shall furnish documents, data, and materials requested by the commission and its actuary.

The city of Moorhead shall pay a required portion of the calculated liability to the police and fire fund. The required portion shall be an amount equal to the percentage which the assets of the police and fire fund bear to the accrued liability of the fund as determined in the June 30, 1984, valuation of the fund.

The required portion of the liability for the service of the police officers and firefighters before August 1, 1985, must be added to the liability of the police and fire fund. The city of Moorhead shall certify the records upon which the liability calculations are performed and shall amortize the amount of that added liability as provided in section 27, subdivision 2.

Sec. 26. [RETIREMENT COVERAGE FOR CURRENT RECIPIENTS

OF BENEFITS.]

Current recipients of retirement benefits, disability benefits, or survivor benefits paid by either relief association shall receive future benefits from the police and fire fund with future adjustments from the Minnesota postretirement investment fund, called the postretirement fund in sections 27 to 30, pursuant to Minnesota Statutes, section 11A.18.

The relief associations shall obtain estimates of reserves for current or deferred benefit recipients from the actuary of the police and fire fund. The estimates must be of the reserves necessary to support a benefit in an amount equal to that received by each recipient in July 1985, plus future adjustments from the postretirement fund, assuming the recipient was retiring at his or her attained age as of July 31, 1985, from the police and fire fund on that date. The calculation must be made using the interest assumption of the postretirement fund and the applicable police and fire fund mortality table. For recipients with eligible spouses, the reserves must include the right of the spouse to receive a surviving spouse benefit as provided by the laws and the bylaws governing the relief association as of January 1, 1985.

The relief association shall compile a list of recipients to receive future benefit adjustments from the postretirement fund, called the postfund recipients and the corresponding required reserves for those recipients. The relief association shall provide the board of the public employees retirement association with the list so that the board can pay the August 1985 payments.

The accrued liability as of July 31, 1985, for all postfund recipients must be added to the liability of the police and fire fund and ceases to be the liability of each relief association. The police and fire fund shall transfer the required reserves for the postfund recipients to the postretirement fund by July 31, 1985.

The required reserves for the January 1, 1986, increase determined using the interest assumption of the postretirement fund and the applicable police and fire fund mortality table shall be transferred by the police and fire fund to the postretirement fund on January 1, 1986. If any assets remain in either the Moorhead police relief association or in the special fund of the Moorhead firefighters relief association after the transfer of assets for the postfund recipients, those assets must be transferred to the public employees retirement association to reduce the unfunded accrued liability resulting from transfer of the liability of the active employees. If the assets transferred for the postfund recipients are insufficient, the city shall finance the remaining unfunded accrued liability as provided in section 27, subdivision 3.

Future adjustments, pursuant to Minnesota Statutes, section 11A.18, must be calculated on the annuity or benefit amount payable by either relief association in July 1985. For the purposes of determining and paying the January 1, 1986, adjustment from the postretirement fund, the adjustment must be calculated as though June 30, 1984, were the effective date of retirement for each postfund recipient.

Sec. 27. [FINANCIAL REQUIREMENTS FOR CITY OF MOORHEAD.]

Subdivision 1. [RECEIPT OF STATE AID.] Amortization state aid, fire state aid, or other money received by the city for pension purposes must be

allocated by the city among the financial requirements of this section.

Subd. 2. [FINANCIAL REQUIREMENTS OF POLICE AND FIRE FUND MEMBERS.] The city of Moorhead shall make the employer contribution to the police and fire fund on behalf of all active police officers and firefighters employed by the police and fire departments as required in Minnesota Statutes, section 353.65, subdivision 3.

In addition, the city shall make an additional contribution to the police and fire fund to amortize the unfunded accrued liability incurred by the police and fire fund as a result of the crediting of service before August 1, 1985. The additional contribution must be the level annual dollar amount that is required to amortize by the year 2010 the unfunded accrued liability incurred as a result of the consolidation, using an interest assumption of eight percent. The additional contribution is payable at the beginning of each fiscal year, commencing July 1, 1986. Upon request of the city of Moorhead, the board may permit the city to make payments according to a different schedule.

Subd. 3. [FINANCIAL REQUIREMENTS FOR POSTFUND RECIPIENTS.] The city of Moorhead shall amortize the unfunded accrued liability incurred by the police and fire fund as a result of the transfer of reserves by the police and fire fund to the postretirement fund for the postfund recipients. That liability, if any, calculated by the police and fire fund actuary as provided in section 26, must be amortized and paid in the same manner as the unfunded liability incurred as a result of the consolidation, as provided in subdivision 2, except that the amortization period must be equal to the average life expectancy of the postfund recipients as of August 1, 1985. The actuary of the police and fire fund shall determine the period of amortization based on the mortality tables applicable to the police and fire fund.

Subd. 4. [LEVY AUTHORITY.] The city of Moorhead shall levy to provide for the financial requirements of subdivisions 2 and 3. Notwithstanding any other law, any levy required to provide the necessary financing is not included in any limitation as to rate or amount set by charter and is a special levy for purposes of Minnesota Statutes, section 275.50, subdivision 5, clause (o).

Sec. 28. [TERMINATION OF RELIEF ASSOCIATIONS.]

Subdivision 1. [TRANSFER OF ASSETS.] All assets of the special fund of the Moorhead firefighters relief association and all assets of the Moorhead police relief association must be transferred to the public employees retirement association as provided in section 26. The transfer of assets must include any accounts receivable, regardless of source. Accounts payable on August 1, 1985, must also be transferred to the public employees retirement association. The public employees retirement association is the successor in interest with respect to all claims by or against either relief association or the city of Moorhead arising from operation of the relief association, except (1) any claim against either relief association or any person connected with it in a fiduciary capacity, based on any acts by that person which were not performed in good faith and which constituted a breach of the person's obligation as a fiduciary, or (2) any judicial proceeding arising from the passage of sections 25 to 31. As a successor in interest, the public employees retirement association may assert any applicable defense in any judicial pro-

ceeding which either relief association or the city of Moorhead would otherwise have been entitled to assert.

Subd. 2. [TRANSFER OF RECORDS.] Before August 1, 1985, or as soon as possible, each relief association shall transfer to the police and fire fund original copies of all records and documents in its possession relating to the relief association and any of its members. The city of Moorhead shall provide from time to time whatever additional relevant information the board may request.

Subd. 3. [TERMINATION OF SPECIAL FUND.] Upon the transfer of the assets, liabilities, and records of the Moorhead firefighters relief association to the public employees retirement association, the Moorhead firefighters are no longer authorized to retain a special fund within their relief association, and the special fund ceases to exist as a legal entity. Firefighters employed by the Moorhead fire department may retain the name "Moorhead firefighters relief association" as the name of their general fund.

Subd. 4. [TERMINATION OF RELIEF ASSOCIATION.] Upon the transfer of the assets, liabilities, and records of the Moorhead police relief association to the public employees retirement association, the Moorhead police relief association ceases to exist as a legal entity.

Sec. 29. [REVIEW OF PORTFOLIO BY STATE BOARD OF INVESTMENT.]

Before the transfer of assets to the public employees retirement association, the state board of investment may review the existing portfolio of the relief associations and require the liquidation of any assets deemed inappropriate for transfer. All assets must be transferred at market value.

Sec. 30. [SAVING CLAUSE.]

Notwithstanding any other law, any person receiving a benefit from either relief association on or before the effective date of sections 25 to 31, who is working for a state or local unit of government on that date, and who has retirement coverage for that employment from either the Minnesota state retirement system or the public employees retirement association retains benefits accrued for that employment and is entitled to accrue future benefits for it despite the transfer of service credit for service as a Moorhead police officer or firefighter to the police and fire fund.

Sec. 31. [REPEALER OF MOORHEAD SPECIAL LAWS.]

Laws 1945, chapter 277; Laws 1951, chapter 499; Laws 1955, chapter 75; Laws 1965, chapter 190; Laws 1967, chapter 775; Laws 1969, chapter 138; Laws 1975, chapter 120; Laws 1978, chapter 563, section 8; Laws 1979, chapter 216, sections 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, and 43; Laws 1980, chapter 600, section 16; Laws 1981, chapter 224, section 236; and Laws 1982, chapter 578, article 3, section 18, are repealed.

Sec. 32. Laws 1969, chapter 576, section 3, subdivision 1, is amended to read:

Sec. 3. Subdivision 1. In lieu of a service pension as provided for in Min-

nesota Statutes, Section 424.21, the fire department relief association may provide a service pension to a regularly employed full time member of the association as defined in Minnesota Statutes, Section 424.03, who has completed a period or periods of service in the fire department equal to ~~20~~ *ten* years or more, and after he has arrived at the age of 50 years or more *or would have attained 20 years of service had active membership continued, whichever is later*, and has retired from the payroll of the fire department, such pension to be a sum equal to ~~50~~ 26 percent, and in addition thereto, *2.6 percent for each year of service beyond ten years but not to exceed 20 years plus one percent per year for each year of service beyond 20 years*, not to exceed a sum equal to ~~60~~ 62 percent, of the salary as payable from time to time during the period of the pension payment to firemen of the highest grade, not including officers of the department, in the employ of the city of St. Louis Park, such pension to be payable for ~~his natural~~ life in conformity with the bylaws of the association.

Sec. 33. Laws 1969, chapter 576, section 4, subdivision 1, is amended to read:

Sec. 4. Subdivision 1. In lieu of the disability pension and limitations provided for in Minnesota Statutes, Section 424.20, the fire department relief association shall provide for disability benefits to a member of the association on active duty in the department ~~of~~. *For members who have not completed 20 years of service the disability amount is a sum equal to 50 percent of the applicable salary. For members who have completed 20 years of service the disability amount is a sum equal to 50* ~~52~~ percent, and in addition thereto, one percent per year for each year of service performed in the department beyond 20 years, not to exceed a sum equal to ~~60~~ 62 percent, of the salary as payable from time to time during the period of pension payment to firemen of the highest grade, not including officers of the department, in the employ of the city of St. Louis Park, such pension to be payable for such periods of time and at such times as the bylaws of the association provide.

Sec. 34. [BYLAW AMENDMENT.]

Pursuant to Minnesota Statutes, section 356.24, authority is granted to the St. Louis Park fire department relief association to amend its bylaws or articles as required for the purpose of providing a prorated survivor benefit to the surviving spouse and dependent children of a deceased retired firefighter who had at least ten but less than 20 years of service at the time of death. The prorated benefit shall be in that proportion that the years of service of the decedent bears to 20 years.

Sec. 35. [VESTED RIGHTS.]

No provision of sections 32 to 35 shall be construed as reducing or impairing benefits for members vested prior to the effective date of sections 32 to 35.

Those benefits include increases granted by resolution of the St. Louis Park city council pursuant to Laws 1980, chapter 607, article XV, section 7. Those increases were as follows:

(a) An additional 2.35 percent of the top firefighter salary shall be added to the service pension of members who have completed at least 20 years service.

(b) An additional 2.35 percent of the top firefighter salary shall be added to the disability benefits available to members who have completed at least 20 years of service.

Sec. 36. [ALBERT LEA POLICE AND FIREFIGHTERS; REINSTATEMENT OF SURVIVORS' BENEFITS.]

Notwithstanding any law to the contrary, the Albert Lea police and firefighters relief associations are entitled to amend their bylaws to provide for the reinstatement of benefits to a surviving spouse who had remarried. The surviving spouse benefit may be reinstated upon application following termination of the remarriage for any reason. The reapplying person shall not be entitled to retroactive payments prior to the time of reapplication.

Sec. 37. Laws 1965, chapter 592, section 4, as added by Laws 1969, chapter 644, section 2, and amended by Laws 1975, chapter 229, section 3, is amended to read:

Sec. 4. [SURVIVORS' AND FUNERAL BENEFITS.] The association may pay survivors benefits to the surviving spouse and children under 18 years of age of deceased members of the association and funeral benefits in the manner and amounts prescribed by its bylaws, subject to the provisions of this section, or as provided in Minnesota Statutes, chapter 424A. The widow surviving spouse or estate of a member who dies before his retirement from the fire department shall may receive a funeral benefit of not to exceed at least \$1,350 payable in a lump sum upon the member's death and monthly payments of \$135 from the death of the member until the widow's death or remarriage. The widow surviving spouse of a member who dies either before or following his retirement from the fire department shall receive monthly payments of not to exceed at least \$135 from the death of the member until the widow's surviving spouse's death or remarriage. Each child of a deceased member of the association shall receive monthly payments from the death of the member until the child attains 18 years of age in the amount of not to exceed at least \$27 per month. The total amount paid to the children of any member shall not exceed \$135 per month five times the monthly amount payable to one child.

Sec. 38. [EFFECTIVE DATE.]

Sections 2, 4 to 10, 17, 21 to 23, and 32 are effective the day following final enactment. Section 10 is retroactive to January 1, 1985. Section 1 is effective May 31, 1985. Sections 3 and 24 are effective July 1, 1985. Sections 4 and 5 are effective January 1, 1986. Sections 11 to 13 are effective on approval by the Hennepin county board. Section 14 is effective retroactive to January 1, 1985, on approval by the Thief River Falls city council. Sections 15 and 16 are effective retroactive to January 1, 1985, on approval by the Virginia city council. Section 18 is effective on approval by the Buhl city council. Section 19 is effective retroactive to January 1, 1985, on approval by the Eveleth city council. Section 20 is effective on approval by the New Ulm city council. Sections 25 to 31 are effective on approval by the Moorhead city council. Sections 32 to 35 are effective on approval by the St. Louis Park city council. Section 36 is effective on approval by the Albert Lea city council. All local approvals must comply with Minnesota Statutes, section 645.021.

Delete the title and insert:

"A bill for an act relating to retirement; public plans generally; amending Minnesota Statutes 1984, sections 69.011, subdivision 1; 69.26; 353.01, subdivision 2a; 353.34, by adding a subdivision; 423A.02; 423A.15; 424A.02, subdivisions 6 and 9, and by adding a subdivision; and Laws 1965, chapter 592, section 4, as amended; Laws 1969, chapters 576, sections 3, subdivision 1; and 4, subdivision 1; 950, sections 1, subdivision 1, as amended; and 4, as amended; Laws 1981, chapter 68, section 42, subdivision 1; Laws 1982, chapter 574, sections 3, subdivision 9; and 5; Laws 1983, chapter 100, section 1; and Laws 1984, chapters 564, section 48; and 574, section 18; proposing coding for new law in Minnesota Statutes, chapter 423A; repealing Laws 1945, chapter 277; Laws 1951, chapter 499; Laws 1955, chapter 75; Laws 1965, chapter 190; Laws 1967, chapter 775; Laws 1969, chapter 138; Laws 1975, chapter 120; Laws 1978, chapter 563, section 8; Laws 1979, chapter 216, sections 27 to 43; Laws 1980, chapter 600, section 16; Laws 1981, chapter 224, section 236; and Laws 1982, chapter 578, article 3, section 18."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Linda Scheid, Gerald C. Knickerbocker, Gil Gutknecht, Steve Sviggum, John Sarna

Senate Conferees: (Signed) Lawrence J. Pogemiller, Darril Wegscheid, Earl W. Renneke, Allan H. Spear, Donald M. Moe

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 729 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. 729 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	Moe, D.M.	Renneke
Anderson	Dicklich	Jude	Moe, R.D.	Samuelson
Belanger	Diessner	Kamrath	Nelson	Schmitz
Benson	Dieterich	Kroening	Olson	Solon
Berg	Frank	Kronebusch	Pehler	Spear
Berglin	Frederick	Laidig	Peterson, D.L.	Storm
Bernhagen	Frederickson	Langseth	Peterson, R.W.	Stumpf
Bertram	Freeman	Lantry	Petty	Vega
Chmielewski	Gustafson	Luther	Pogemiller	Waldorf
Dahl	Hughes	McQuaid	Ramstad	Willet
Davis	Isackson	Mehrkens	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommen-

dation and report of the Conference Committee on House File No. 242, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 242 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 242

A bill for an act relating to commerce; requiring manufacturers to make certain new motor vehicle warranty disclosures directly to consumers; amending Minnesota Statutes 1984, section 325F.665, subdivision 3.

May 20, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 242, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 242 be further amended as follows:

Page 3, after line 23, insert:

“Sec. 2. [STUDY; PROTECTION FOR PURCHASERS OF AGRICULTURAL VEHICLES.]

The consumer services unit of the office of the attorney general shall study the need for and applicability of consumer protection legislation for purchasers of farm trucks, farm tractors, and implements of husbandry similar to the protection afforded purchasers of new motor vehicles under Minnesota Statutes, section 325F.665. The results of the study and any recommendations must be submitted to the committee on agriculture in the house and the committee of agriculture and natural resources in the senate by November 1, 1985. The attorney general shall use existing staff and funds to complete the report.

The committees shall make recommendations to the legislature by January 1, 1986.”

Page 3, line 25, after the period insert “Section 2 is effective the day following final enactment.”

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after the semicolon insert “requiring a study of protection for purchasers of agricultural vehicles;”

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Tony Bennett, Marcus Marsh

Senate Conferees: (Signed) Gregory L. Dahl, Doran L. Isackson

Mr. Dahl moved that the foregoing recommendations and Conference Committee Report on H.F. No. 242 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. 242: A bill for an act relating to commerce; requiring manufacturers to make certain new motor vehicle warranty disclosures directly to consumers; amending Minnesota Statutes 1984, section 325F.665, subdivision 3, requiring a study of protection for purchasers of agricultural vehicles.

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 52 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Pehler	Spear
Anderson	Diessner	Langseth	Peterson, D.L.	Storm
Belanger	Dieterich	Lantry	Peterson, R.W.	Stumpf
Benson	Frank	Lessard	Petty	Taylor
Berg	Frederick	Luther	Pogemiller	Vega
Berglin	Frederickson	McQuaid	Ramstad	Waldorf
Bernhagen	Isackson	Mehrkens	Reichgott	Wegscheid
Chmielewski	Johnson, D.E.	Moe, D.M.	Renneke	Willet
Dahl	Jude	Moe, R.D.	Schmitz	
Davis	Kamrath	Nelson	Sieloff	
DeCramer	Knutson	Olson	Solon	

Mr. Bertram voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 565, 1067, 1118, 1362 and 1363.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 264, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 264 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 264

A bill for an act relating to animals; providing for a rabies control program;

imposing criminal liability on persons who cause the death or substantial bodily harm of another by permitting certain dogs to be unconfined or improperly confined; providing for the destruction of dangerous animals; imposing penalties; amending Minnesota Statutes 1984, section 609.25; proposing coding for new law in Minnesota Statutes, chapters 346 and 609.

May 20, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 264, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 264 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [346.50] [DOGS; IDENTIFICATION.]

An owner or custodian of a dog who permits the dog to be uncontrolled off the owner's or custodian's premises shall have the dog identified in one of the following ways:

(1) by a device, tag, or plate attached to the dog by a collar, harness, or device giving the name, address, and telephone number of the current owner;

(2) by an electronically activated identification device within or attached to the body of the dog through which the owner can be promptly identified;

(3) by a number legibly tattooed on the thigh, abdomen, or ear of the dog through which the owner can be promptly identified using information from official dog registries, city or county registries, veterinary hospital registries, or driver's license records;

(4) by an official license tag of a city or county through which the owner can be promptly identified; or

(5) by a current rabies vaccination tag or other identification device of a city, a county, or a veterinarian through which the owner can be promptly identified.

Sec. 2. [346.51] [BITES.]

An owner or custodian of a dog which does not have an appropriate anti-rabies vaccination and which bites or otherwise exposes a person to rabies virus may be penalized under section 4.

Sec. 3. [346.52] [LOCAL PROGRAMS.]

Sections 1 to 5 do not prohibit or restrict a local governmental unit from imposing an identification or rabies control program with more restrictive provisions or prohibiting dogs from running uncontrolled.

Sec. 4. [346.53] [PENALTIES.]

Violation of sections 1 and 2 is a petty misdemeanor.

Sec. 5. [346.54] [NOTIFICATION OF OWNERS.]

Animal shelter personnel who receive animals shall check for identification on each animal, identify the owner by the identification whenever possible, and promptly notify the owner of the location of the animal by the most expedient means.

Sec. 6. Minnesota Statutes 1984, section 609.205, is amended to read:

609.205 [MANSLAUGHTER IN THE SECOND DEGREE.]

Whoever A person who causes the death of another by any of the following means is guilty of manslaughter in the second degree and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both:

(1) *By his culpable negligence whereby he creates an unreasonable risk, and consciously takes chances of causing death or great bodily harm to another; or*

(2) *By shooting another with a firearm or other dangerous weapon as a result of negligently believing him to be a deer or other animal; or*

(3) *By setting a spring gun, pit fall, deadfall, snare, or other like dangerous weapon or device; or*

(4) *By negligently or intentionally permitting any animal, known by him the person to have vicious propensities or to have caused great or substantial bodily harm in the past, to go at large run uncontrolled off the owner's premises, or negligently failing to keep it properly confined, and the victim was not at fault.*

If proven by a preponderance of the evidence, it shall be an affirmative defense to criminal liability under clause (4) that the victim provoked the animal to cause the victim's death.

Sec. 7. [609.226] [HARM CAUSED BY A DOG.]

A person who causes great or substantial bodily harm to another by negligently or intentionally permitting any dog to run uncontrolled off the owner's premises, or negligently failing to keep it properly confined is guilty of a petty misdemeanor. A person who is convicted of a second or subsequent violation of this section involving the same dog is guilty of a gross misdemeanor.

If proven by a preponderance of the evidence, it shall be an affirmative defense to liability under this section that the victim provoked the dog to cause the victim's bodily harm.

Sec. 8. [609.227] [DANGEROUS ANIMALS DESTROYED.]

When a person has been convicted of a crime under section 609.205, clause (4), or of a gross misdemeanor violation of section 7, the court may order that the animal which caused the death or injury be seized by the appropriate local law enforcement agency and killed in a proper and humane manner. The owner of the animal shall pay the cost of killing the animal. This section shall not preempt local ordinances with more restrictive provisions.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1985. Sections 6 to 8 are effective August 1, 1985, and apply to crimes committed on or after that date.

Amend the title as follows:

Page 1, line 5, delete "dogs" and insert "animals"

Page 1, line 6, delete "destruction" and insert "killing"

Page 1, line 8, delete "609.25" and insert "609.205"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Jim Heap, Gil Gutknecht, Randy C. Kelly

Senate Conferees: (Signed) Jim Ramstad, Gene Merriam, Eric D. Petty

Mr. Ramstad moved that the foregoing recommendations and Conference Committee Report on H.F. No. 264 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

CALL OF THE SENATE

Mr. Ramstad imposed a call of the Senate for the balance of the proceedings on H.F. No. 264. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 264: A bill for an act relating to animals; providing for a rabies control program; imposing criminal liability on persons who cause the death or substantial bodily harm of another by permitting certain animals to be unconfined or improperly confined; providing for the killing of dangerous animals; imposing penalties; amending Minnesota Statutes 1984, section 605.205; proposing coding for new law in Minnesota Statutes, chapters 346 and 609.

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 36 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Gustafson	McQuaid	Pogemiller	Taylor
Belanger	Jude	Merriam	Ramstad	Vega
Berglin	Knaak	Moe, D.M.	Reichgott	Waldorf
Brataas	Kroening	Olson	Schmitz	Wegscheid
Dahl	Laidig	Peterson, C.C.	Sieloff	
Dieterich	Lantry	Peterson, D.C.	Solon	
Frank	Lessard	Peterson, R.W.	Spear	
Freeman	Luther	Petty	Storm	

Those who voted in the negative were:

Anderson	Chmielewski	Isackson	Langseth	Purfeerst
Benson	Davis	Johnson, D.E.	Mehrkens	Renneke
Berg	DeCramer	Kamrath	Moe, R.D.	Stumpf
Bernhagen	Frederick	Knutson	Pehler	Willet
Bertram	Frederickson	Kronebusch	Peterson, D.L.	

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Vega moved that the reports from the Committee on Energy and Housing, reported April 22, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Vega moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Vega moved that in accordance with the reports from the Committee on Energy and Housing, reported April 22, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

MINNESOTA HOUSING FINANCE AGENCY

Demetrius G. Jelatis, 1161 Oak St., Red Wing, Goodhue County, effective May 31, 1983, for a term expiring the first Monday in January, 1987.

Shirley Van Dyck, Rt. 2, Box 30, Cass Lake, Cass County, effective January 3, 1984, for a term expiring the first Monday in January, 1988.

J. Mark Wedel, Box 284, Aitkin, Aitkin County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

Robert A. Worthington, 10326 Colorado Rd., Bloomington, Hennepin County, effective May 31, 1983, for a term expiring the first Monday in January, 1987.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 472 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 472

A bill for an act relating to taxation; discontinuing enforcement of the unfair cigarette sales act; modifying certain procedures relating to taxpayer appeals; requiring apportionment of levies in specific situations; clarifying the calculation of property tax credits; clarifying the tax treatment of certain pipelines; modifying provisions relating to the payment of property taxes; allowing for sales of sample packs of cigarettes containing 25 cigarettes; altering the eligibility for confessions of judgment; providing for the recording of state deeds; modifying the deed stamp tax procedure; clarifying the computation of gross earnings tax for taconite railroads; clarifying labor

credit provisions; modifying the taconite production tax distribution; reducing occupation and royalty tax rates for certain ore; clarifying process of taconite aid guarantee phase out; requiring payment of current taxes before conveyance of registered land; allowing for memorializing of state deeds on certificates of title; amending Minnesota Statutes 1984, sections 270.06; 270.076, subdivision 2; 270.11, subdivision 7; 270.12, subdivision 3; 272.02, subdivision 1; 273.123, subdivision 5; 273.13, subdivision 4; 273.138, subdivision 5; 273.33, subdivisions 1 and 2; 279.01, subdivision 1; 279.37, subdivision 1; 282.01, subdivision 6; 282.014; 282.301; 282.33, subdivision 1; 282.36; 287.25; 294.22; 297.03, subdivision 10; 298.01, subdivision 1; 298.02, subdivision 1; 298.225; 298.28, subdivision 1; 299.01, subdivision 1; 299.012, subdivision 1; 473H.10, subdivision 3; 508.47, subdivision 4; 508.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1984, sections 298.01, subdivision 2; 299.01, subdivision 2; 325D.41; and 477A.04.

May 20, 1985

The Honorable Jerome M. Hughes

President of the Senate

The Honorable David M. Jennings

Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 472, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 472 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 270.076, subdivision 2, is amended to read:

Subd. 2. In case of appeal from the assessment and levy of the tax, the airline company shall currently pay when due ~~that portion~~ ^{90 percent} of the tax ~~which is admitted to be due unless the payment is waived or otherwise adjusted by an order of the court.~~ If the final determination of the litigation should result in sustaining the assessment and levy or in the finding that the amount paid by the airline company is insufficient, the difference between the amount paid and the amount which should have been paid shall be decreed delinquent taxes subject to interest, as hereinabove provided. If the final determination of the tax court or the supreme court shall result in increasing any assessment above that which was made final by the order of the commissioner from which the appeal is taken, then the taxes on such increased assessment shall be delinquent 30 days after notice of the amount of the increased tax shall have been given to the airline company by the commissioner.

Sec. 2. Minnesota Statutes 1984, section 270.11, subdivision 7, is amended to read:

Subd. 7. [APPEARANCES BEFORE THE COMMISSIONER.] A property owner, other than a public utility, or mining company ~~or the metropolitan airport commission,~~ for which the original assessments are determined by the commissioner of revenue, may not appear before the commissioner for

the purposes provided in subdivisions 5 or 6 unless a timely appearance in person, by counsel, or by written communication has been made before the county board of equalization as provided in section 274.13, to appeal the assessment of the property, 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 commissioner may refuse to hear an appeal that is within the jurisdiction of the small claims division of the tax court as stated in section 271.21, subdivision 2. The property owner shall be notified by the commissioner of the right to appeal to the small claims division whenever an appeal to the commissioner is denied.

Sec. 3. Minnesota Statutes 1984, section 270.12, subdivision 3, is amended to read:

Subd. 3. For taxes levied in ~~1983~~ 1985 and thereafter when a taxing jurisdiction lies in two or more counties, if the sales ratio studies prepared by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than five percent, the board ~~shall~~ may order the apportionment of the levy. *When the sales ratio studies prepared by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than ten percent, the board shall order the apportionment of the levy* unless (a) the proportion of total adjusted assessed value in one of the counties is less than ten percent of the total adjusted assessed value in the taxing jurisdiction and the average level of assessment in that portion of the taxing jurisdiction is the level which differs by more than five percent from the assessment level in any one of the other portions of the taxing jurisdiction; (b) significant changes have been made in the level of assessment in the taxing jurisdiction which have not been reflected in the sales ratio study, and those changes alter the assessment levels in the portions of the taxing jurisdiction so that the assessment level now differs by five percent or less; or (c) commercial, industrial, mineral, or public utility property predominates in one county within the taxing jurisdiction and another class of property predominates in another county within that same taxing jurisdiction. If one or more of these factors are present, the board may order the apportionment of the levy.

Notwithstanding any other provision, the levy for the metropolitan mosquito control district, metropolitan council, metropolitan transit district, and metropolitan transit area must be apportioned without regard to the percentage difference.

If, pursuant to this subdivision, the board apportions the levy, then that levy apportionment among the portions in the different counties shall be made in the same proportion as the adjusted assessed value as determined by the equalization aid review committee in each portion is to the total adjusted assessed value of the taxing jurisdiction.

For the purposes of this section, the average level of assessment in a taxing jurisdiction or portion thereof shall be the aggregate assessment sales ratio. Assessed values as determined by the equalization aid review committee shall be the values as determined for the year preceding the year in which the levy to be apportioned is levied.

Actions pursuant to this subdivision shall be commenced subsequent to the annual meeting on August 15 of the state board of equalization, but notice of the action shall be given to the affected jurisdiction and the appropriate county auditors by the following November 15.

Apportionment of a levy pursuant to this subdivision shall be considered as a remedy to be taken after equalization pursuant to subdivision 2, and when equalization within the jurisdiction would disturb equalization within other jurisdictions of which the several portions of the jurisdiction in question are a part.

Sec. 4. Minnesota Statutes 1984, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except parcels of property containing structures and the structures assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, clause (c) shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, *crude oil*, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
- (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;
- (c) personal property defined in section 272.03, subdivision 2, clause (3);
- (d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.13, subdivision 7b or 7d; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;
- (e) property classified as class 2a property; and
- (f) flight property as defined in section 270.071.
- (9) Real and personal property used primarily for the abatement and con-

trol of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, 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 the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of 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.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and

operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band;

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band; and

(c) a facility at which a licensed Minnesota manufacturer produces distilled spirituous liquors, liqueurs, cordials, or liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled with a majority of the ingredients grown or produced in Minnesota. An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

The exemptions granted by this subdivision shall be subject to the limits contained in the other subdivisions of this section, section 272.025, or section 273.13, subdivisions 17, 17b, 17c, or 17d.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

Sec. 5. Minnesota Statutes 1984, section 273.123, subdivision 5, is

amended to read:

Subd. 5. [COMPUTATION OF CREDITS.] The amounts of any ~~home-~~~~stead, agricultural, or similar~~ credits or tax relief which reduce the gross tax shall be computed upon the reassessed value determined under subdivision 2. *Payment shall be made pursuant to section 273.13, subdivision 15a.* For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed value determined under subdivision 2.

Sec. 6. Minnesota Statutes 1984, section 273.13, subdivision 4, is amended to read:

Subd. 4. [CLASS 3.] (a) Tools, implements and machinery of an electric generating, transmission or distribution system or a pipeline system transporting or distributing water, gas, *crude oil*, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, all agricultural land, except as provided by classes 1, 3b, 3e, shall constitute class 3 and shall be valued and assessed at 33-1/3 percent of the market value thereof, except as provided in clause (b). All buildings and structures assessed as personal property and situated upon land of the state of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use shall be assessed based upon the use made of the building or structure. Except as provided in subdivision 5a, all real property devoted to temporary and seasonal residential occupancy for recreational purposes, and which is not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, shall be class 3 property and assessed accordingly. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for such use. Class 3 shall also include commercial use real property used exclusively for recreational purposes in conjunction with class 3 property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 200 days in the year preceding the year of assessment and is located within two miles of the class 3 property with which it is used.

(b) Agricultural land which is classified as class 3 shall be assessed at 19 percent of its market value. Real property devoted to temporary and seasonal residential occupancy for recreation purposes which is classified as class 3 shall be assessed at 21 percent of its market value.

Sec. 7. Minnesota Statutes 1984, section 273.138, subdivision 5, is amended to read:

Subd. 5. The commissioner of revenue shall calculate the aids pursuant to subdivisions 2 and 3, basing all necessary calculations on the abstracts of assessment of real property for assessment year 1972 transmitted to the commissioner of revenue pursuant to section 270.11 as equalized by the state board of equalization pursuant to sections 270.11 and 270.12, and the 1973 abstracts of tax lists transmitted by the county auditors pursuant to section 275.29. He shall ~~make payments~~ *pay* directly to the affected taxing authorities ~~in two equal parts on July 15 and November 15 of each year, commene-~~

ing in 1974 their total payment for the year at the time distributions are made pursuant to section 273.13, subdivision 15a.

Sec. 8. [273.1393] [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) disaster credit as provided in section 273.123;
- (2) wetlands credit as provided in section 273.115;
- (3) native prairie credit as provided in section 273.116;
- (4) powerline credit as provided in section 273.42;
- (5) agricultural preserves credit as provided in section 473H.10;
- (6) enterprise zone credit as provided in section 273.1314;
- (7) state school agricultural credit as provided in section 124.2137;
- (8) state paid homestead credit as provided in section 273.13, subdivisions 6 and 7;
- (9) taconite homestead credit as provided in section 273.135;
- (10) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 9. Minnesota Statutes 1984, section 273.19, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3 or 4, 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. *This subdivision does not apply to property exempt from taxation under section 272.01, subdivision 2, clause (b)(2).*

Sec. 10. Minnesota Statutes 1984, section 273.33, subdivision 1, is amended to read:

Subdivision 1. The personal property of express, stage and transportation companies, and of pipeline companies engaged in the business of transporting natural gas, gasoline, *crude oil*, or other petroleum products except as otherwise provided by law, shall be listed and assessed in the county, town or district where the same is usually kept.

Sec. 11. Minnesota Statutes 1984, section 273.33, subdivision 2, is amended to read:

Subd. 2. The personal property, consisting of the pipeline system of

mains, pipes and equipment attached thereto, of pipeline companies and others engaged in the operations or business of transporting natural gas, gasoline, *crude oil*, or other petroleum products by pipe lines, shall be listed with and assessed by the commissioner of revenue. This subdivision shall not apply to the assessment of the products transported through the pipe lines nor to the lines of local commercial gas companies engaged primarily in the business of distributing gas to consumers at retail nor to pipe lines used by the owner thereof to supply natural gas or other petroleum products exclusively for such owner's own consumption and not for resale to others. On or before the fifteenth day of November, the commissioner shall certify to the auditor of each county, the amount of such personal property assessment against each company in each district in which such property is located.

Sec. 12. Minnesota Statutes 1984, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 3 or 3a, and on other commercial use real property classified as class 4c, provided that over 60 percent of the gross income earned by the enterprise on the class 4c property is earned during the months of May, June, July, and August. Any property owner of such class 4c property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to his payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th day of each month, up to and including October 16 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$40 \$50, one-half thereof may be paid prior to May 16 and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following; provided, also, that the same may be paid in installments as follows: One-fourth prior to March 16; one-fourth prior to May 16; one-fourth prior to August 16; and the remaining one-fourth prior to October 16, subject to the aforesaid penalties. Where the taxes delinquent after October 16 against any tract or parcel exceed \$40 \$100, upon resolution of the county board, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes

without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 13. Minnesota Statutes 1984, section 282.01, subdivision 6, is amended to read:

Subd. 6. [DUTIES OF COMMISSIONER OF REVENUE; ISSUANCE OF CONVEYANCE.] When any sale has been made by the county auditor under sections 282.01 to 282.13, he shall immediately certify to the commissioner of revenue such information relating to such sale, on such forms as the commissioner of revenue may prescribe as will enable the commissioner of revenue to prepare an appropriate deed if the sale is for cash, or keep his necessary records if the sale is on terms; and not later than October 31 of each year the county auditor shall submit to the commissioner of revenue a statement of all instances wherein any payment of principal, interest, or current taxes on lands held under certificate, due or to be paid during the preceding calendar years, are still outstanding at the time such certificate is made. When such statement shows that a purchaser or his assignee is in default, the commissioner of revenue may instruct the county board of the county in which the land is located to cancel said certificate of sale in the manner provided by subdivision 5, provided that upon recommendation of the county board, and where the circumstances are such that the commissioner of revenue after investigation is satisfied that the purchaser has made every effort reasonable to make payment of both the annual instalment and said taxes, and that there has been no wilful neglect on the part of the purchaser in meeting these obligations, then the commissioner of revenue may extend the time for the payment for such period as he may deem warranted, not to exceed one year. On payment in full of the purchase price, appropriate conveyance in fee, in such form as may be prescribed by the attorney general, shall be issued by the commissioner of revenue, which conveyance *must be recorded by the county and* shall have the force and effect of a patent from the state subject to easements and restrictions of record at the date of the tax judgment sale, including, but without limitation, permits for telephone, telegraph, and electric power lines either by underground cable or conduit or otherwise, sewer and water lines, highways, railroads, and pipe lines for gas, liquids, or solids in suspension.

Sec. 14. Minnesota Statutes 1984, section 282.014, is amended to read:

282.014 [COMPLETION OF SALE AND CONVEYANCE.]

Upon compliance by the purchaser with the provisions of sections 282.011 to 282.015 and with the terms and conditions of the sale, and upon full payment for the land, plus a \$10 fee in addition to the sale price, the sale shall be complete and a conveyance of the land shall be issued to the purchaser as provided by the appropriate statutes according to the status of the land upon forfeiture.

The conveyance must be forwarded to the county recorder who shall record the conveyance before the auditor issues it to the purchaser.

Sec. 15. Minnesota Statutes 1984, section 282.301, is amended to read:

282.301 [RECEIPTS FOR PAYMENTS.]

The purchaser shall receive from the county auditor at the time of repur-

chase a receipt, in such form as may be prescribed by the attorney general. When the purchase price of a parcel of land shall be paid in full, the following facts shall be certified by the county auditor to the commissioner of revenue of the state of Minnesota: the description of land, the date of sale, the name of the purchaser or his assignee, and the date when the final instalment of the purchase price was paid. Upon payment in full of the purchase price, the purchaser or his assignee shall receive a quitclaim deed from the state, to be executed by the commissioner of revenue. *The deed must be sent to the county recorder for recording before it is forwarded to the purchaser.* Failure to make any payment herein required shall constitute default and upon such default and cancellation in accord with section 282.40, the right, title and interest of the purchaser or his heirs, representatives, or assigns in such parcel shall terminate.

Sec. 16. Minnesota Statutes 1984, section 282.33, subdivision 1, is amended to read:

Subdivision 1. Whenever an unrecorded deed from the state of Minnesota conveying tax-forfeited lands shall have been lost or destroyed, an application, in form approved by the attorney general, for a new deed may be made by the grantee or his successor in interest to the commissioner of revenue. If it appears to the commissioner of revenue that the facts stated in the petition are true, he shall issue a new deed to the original grantee, in form approved by the attorney general, with like effect as the original deed. *The commissioner shall send the new deed to the county recorder, who after recording the deed will forward it to the county auditor.* The application shall be accompanied by a fee of \$10, payable to the commissioner of revenue, which shall be deposited with the state treasurer and credited to the general fund.

Sec. 17. Minnesota Statutes 1984, section 282.36, is amended to read:

282.36 [FEES PAYABLE TO REPURCHASER.]

Any person repurchasing land after forfeiture to the state for nonpayment of taxes under the provisions of a repurchase law shall at the time the certificate of repurchase is issued *and recorded* by the county auditor or before receiving quit claim deed pursuant thereto, pay to the county treasurer a fee of \$3. Fees so collected during any calendar year shall be credited to a special fund and, upon a warrant issued by the county auditor on or before March 1 of the year following, shall be remitted to the state treasurer and credited to the general fund. The commissioner of revenue shall, on or before February 1 in each year, certify to the state treasurer the number of deeds issued during the preceding calendar year to which these fees apply, showing by counties the number of deeds so issued and the total fees due therefor. This section shall not apply to repurchases made under any law enacted prior to January 1, 1945.

Sec. 18. Minnesota Statutes 1984, section 287.25, is amended to read:

287.25 [PAYMENT OF TAX; STAMPS.]

The county board shall determine the method for collection of the tax imposed by section 287.21:

(1) The tax imposed by section 287.21 shall may be paid by the affixing of a documentary stamp or stamps in the amount of the tax to the document or

instrument with respect to which the tax is paid, provided that the commissioner of revenue may, in exceptional cases, permit the payment of the tax without the affixing of the documentary stamps and in such cases shall, upon receipt of the tax, endorse his receipt for such tax upon the face of the document or instrument. In such case the commissioner of revenue shall deposit the amount received in payment of the tax with the state treasurer to the credit of the general fund.

(2) *The tax imposed by section 287.21 may be paid in the manner prescribed by section 287.08 relating to payment of mortgage registration tax.*

Sec. 19. Minnesota Statutes 1984, section 294.22, is amended to read:

294.22 [GROSS EARNINGS TAX; COMPUTATION.]

Every company owning or operating any taconite railroad shall pay annually into the state treasury a sum of money equal to five percent of the gross earnings derived from the operation of such taconite railway within the state. The gross earnings of such a taconite railroad company from the transportation of taconite concentrates from the Mesabi Range to ports on Lake Superior, for all purposes hereof, shall be a sum of money equal to the amount which would be charged under established tariffs of common carriers for the transportation of an equal tonnage of iron ore *or taconite concentrates, whichever is shipped* from Mesabi Range points to ports at the head of Lake Superior, including the established charges for loading such ore on boats. For all purposes of chapter 298 the ~~amount~~ *rate* of the gross earnings as so calculated shall be treated as the cost of transportation of such concentrates *or iron ore* between such points. If such a taconite railroad company transports coal or any other commodity, except taconite concentrates, its gross earnings shall include an amount equal to the established tariffs of common carriers for the transportation of the same quantities of similar commodities for corresponding distances, not, however, including any such charges for any such commodities used or intended to be used in the construction, operation or maintenance of such railroad.

Sec. 20. Minnesota Statutes 1984, section 298.01, subdivision 1, is amended to read:

Subdivision 1. Every person engaged in the business of mining or producing iron ore or other ores in this state shall pay to the state of Minnesota an occupation tax equal to ~~45.5~~ *15* percent of the valuation of all ores ~~except taconite, semi-taconite and iron sulphides mined or produced after December 31, 1971 and iron ores mined or produced after December 31, 1984.~~ Said tax shall be in addition to all other taxes provided for by law and shall be due and payable from such person on or before June 15 of the year next succeeding the calendar year covered by the report thereon to be filed as hereinafter provided.

Sec. 21. Minnesota Statutes 1984, section 298.02, subdivision 1, is amended to read:

Subdivision 1. [CREDIT.] For the purpose of increasing employment and the utilization of low-grade, underground, and high labor cost ores any taxpayer on whom a tax is imposed by reason of the provisions of section 298.01, subdivisions 1 and 2, shall be allowed a credit against the occupation tax as computed in that section because of the mining or production of ore

from any mine, in an amount calculated as follows:

(a) In the case of underground *all* mines or that tonnage of merchantable ore produced in open pit mines in the year in question which tonnage has resulted from beneficiation at an ore beneficiation plant within the state by jigging, heavy media, spiral separation, cyclone process, roasting, drying by artificial heat, sintering, magnetic separation, flotation, agglomeration or any process requiring fine grinding or any other iron ores mined after December 31, 1984, ten percent of that part of the cost of labor employed by the mine or in the beneficiation of all ore mined or produced in the calendar year in excess of 70 cents and not in excess of 90 cents per ton of the merchantable ore produced during the year at that mine, and 15 percent of that part of the cost of such labor in excess of 90 cents per ton; in the case of any other tonnage produced at said mine or in the case of other mines, ten percent of the amount by which the average cost per ton of labor employed at the mine, or in the beneficiation of the ore at or near the mine, exceeds 80 cents, but does not exceed \$1.05, plus 15 percent of the amount by which the average labor cost per ton exceeds \$1.05, multiplied by the number of tons of ore produced at the mine, not exceeding 100,000 tons, but this 100,000 tons or less shall be first reduced by any tonnage described in the first part of this subparagraph; provided, however, that in no event shall the credit allowed hereunder be in excess of three-fourths of eleven percent, as applied to underground and taconite, semi-taconite or other iron ore operations, and six-tenths of eleven percent as applied to all other operations, of the valuation of the ore used in computing the tax under the provisions of section 298.01. The term "merchantable ore produced" as used herein means ores which as mined or as mined and beneficiated, are ready for shipment as a merchantable product.

(b) The aggregate amount of all credits allowed under this subdivision to all mines shall not exceed six and two-tenths percent of the aggregate amount of occupation taxes imposed under section 298.01, subdivision 1, assessed against all mines in the state for said year prior to the deduction of such credits, provided, that after December 31, 1954, labor credits to underground mines or taconite or semi-taconite operations shall not be subject to such percentage limitation and that, after December 31, 1984, labor credits to other iron ore operations shall not be subject to the percentage limitation and both the occupation taxes of such underground mines or taconite, semi-taconite or other iron ore operations and the labor credits allowed thereto, shall be excluded in calculating such percentage limitations. At the time of his final determination of occupation tax pursuant to section 298.09, subdivision 3, the commissioner shall reduce the credit otherwise allowable to each mine hereunder by such equal percentage as will bring the total within such limitation. If an equal percentage reduction is made in the labor credits of mines pursuant to this subparagraph at the time of certification to the commissioner of revenue as set forth in section 298.10, the same percentage will be used where changes are made pursuant to section 298.09, subdivision 4, subsequent to June 1. Also if no reduction is made at the time of certification by the commissioner of revenue on or before June 1, pursuant to this subdivision and section 298.10, no reduction will be made subsequent to June 1, due to changes made pursuant to section 298.09, subdivision 4. This subparagraph shall apply to occupation tax calculations in calendar years subsequent to December 31, 1952.

Sec. 22. Minnesota Statutes 1984, section 298.225, is amended to read:

298.225 [APPROPRIATION.]

For distribution of taconite production tax in 1985 and thereafter with respect to production in 1984 and thereafter, the recipients of the taconite production tax as provided in section 298.28, subdivision 1, clauses (1) to (4) and (5)(b), (7), and (8)(a), shall receive distributions equal to the amount distributed to them pursuant to sections 298.225 and 298.28, subdivision 1, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced by *proportionately at the rate of two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons*. There is hereby appropriated to the commissioner of revenue from the taconite environmental protection fund and the corpus of the northeast Minnesota economic protection trust fund in equal proportions the amount needed to make the above payments.

If a taconite producer ceases beneficiation operations permanently and is required by a special law to make bond payments for a school district, the northeast Minnesota economic protection trust fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. There is hereby appropriated from the corpus of the northeast Minnesota economic protection trust fund to the commissioner of revenue the amounts needed to make these school bond payments.

Sec. 23. Minnesota Statutes 1984, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION FROM GENERAL FUND.] 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), *paragraph (a)*, to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to

qualifying school districts to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2.

(c) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the second previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is

entitled to receive pursuant to section 124A.02 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in section 298.28, subdivision 1, clause 10.

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 17.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years prior to

1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1 and shall be increased in 1988 and subsequent years according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) (a) .20 cent per taxable ton shall be paid 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.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(9) the amounts determined under clauses (4)(a), (4)(c), (5), and (8)(b) shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) There shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue an estimate of the

amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and the officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

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 trust 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. 24. Minnesota Statutes 1984, section 299.01, subdivision 1, is amended to read:

Subdivision 1. There shall be levied and collected upon all royalty received during each calendar year for permission to explore, mine, take out and remove ore ~~other than taconite, semi-taconite and iron sulphides~~ from land in this state, a tax of ~~15.5~~ 15 percent ~~after December 31, 1971.~~

Sec. 25. Minnesota Statutes 1984, section 299.012, subdivision 1, is amended to read:

Subdivision 1. For the purpose of increasing the utilization of low grade, underground, and high labor cost ores and taconites, the royalty tax levied by virtue of section 299.01, ~~subdivisions 1 and 2,~~ on royalty received because of the production of ores in any calendar year from land forming part of any mine which was in production during said year, shall be reduced by a credit in an amount which will make the net effective tax rate thereon equal to the net effective rate of the occupation tax imposed pursuant to section 298.01, because of the production of ores during such calendar year from the mine of which such land forms a part, after the application of the credits against such occupation tax allowed under section 298.02; provided, if such mine produced ore in such calendar year, but the ore produced had no valuation for occupation tax purposes because of the allowable deductions equaling or exceeding the value of the ore produced, the credit allowed hereunder shall be three-fourths of eleven percent, ~~as applied to underground, taconite, semi-taconite and other iron ore operations, and six-tenths of eleven percent as applied to all other operations,~~ of the royalty received. Any person making payments of royalty taxes in advance of the final determination of such taxes, may assume for the purposes of section 299.08, that the net rate of the tax for the calendar year in question shall be the last full year's net effective occupation tax rate known at the time of the first payment of royalty tax during the current calendar year.

Sec. 26. Minnesota Statutes 1984, section 473H.10, subdivision 3, is amended to read:

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 section 275.08, he shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax 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 mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be 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. Residential buildings shall continue to be valued and classified according to the provisions of 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.

The county auditor shall certify to the commissioner of revenue on or before June 1 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 or before July 15 as provided in section 273.13, subd. 15a~~ 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. 27. Minnesota Statutes 1984, section 508.47, subdivision 4, is amended to read:

Subd. 4. [SURVEY; REQUISITES; FILING; COPIES.] The registered land survey shall correctly show the legal description of the parcel of unplatted land represented by said registered land survey and the outside measurements of the parcel of unplatted land and of all tracts delineated therein, the direction of all lines of said tracts to be shown by angles or bearings or other relationship to the outside lines of said registered land survey, and the surveyor shall place stakes in the ground at appropriate corners, and all tracts shall be lettered consecutively beginning with the letter "A". None of said tracts or parts thereof may be dedicated to the public by said registered land survey. Except in counties having microfilming capabilities, a reproduction copy of the registered land survey shall be delivered to the county auditor. The registered land survey shall be on paper, mounted on cloth, shall be a black on white drawing, the scale to be not smaller than one inch equals 200 feet, and shall be certified to be a correct representation of said parcel of unplatted land by a registered surveyor. The mounted drawing shall be exactly 17 inches by 14 inches and not less than 2 1/2 inches of the 14 inches shall be blank for binding purposes, and such survey shall be filed in triplicate with the registrar of titles upon the payment of a fee of \$15. Before filing, however, any such survey shall be approved in the manner required for the approval of subdivision plats, which approval shall be endorsed thereon or attached thereto.

At the time of filing, a certificate from the treasurer that current taxes have been paid must be presented before the survey is accepted by the registrar for filing.

In counties having microfilming capabilities, the survey may be prepared on sheets of suitable mylar or on linen tracing cloth by photographic process or on material of equal quality. Notwithstanding any provisions of subdivision 5 to the contrary, no other copies of the survey need be filed.

The registrar shall furnish to any person a copy of said registered land survey, duly certified by him, for a fee of \$7.50, which shall be admissible in evidence.

Sec. 28. Minnesota Statutes 1984, section 508.71, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION OF MEMORIALS.] Without order of court or directive of the examiner, the registrar of titles may receive and register as memorials upon any certificate of title to which they pertain, the following instruments: receipt or certificate of county treasurer showing redemption from any tax sale or payment of any tax described in a certificate of title, a *state deed issued to purchaser of tax forfeited land*, a certified copy of a marriage certificate showing the subsequent marriage of any owner shown by a certificate of title to be unmarried, a certified copy of a final decree of divorce or dissolution of a marriage entered in the state of Minnesota, or in any state, territory or possession of the United States, or the District of Columbia to establish the dissolution of a marriage relationship of any party shown on the certificate to be married, and a certified copy of the death certificate of party listed in any certificate of title as being the spouse of the registered owner when accompanied by an affidavit satisfactory to the registrar identifying the decedent with the spouse. In all subsequent dealings with the land covered by the certificates, the registrar shall give full faith to these memorials.

Sec. 29. Minnesota Statutes 1984, section 559.21, is amended by adding a subdivision to read:

Subd. 8. [APPLICATION.] The provisions of this section relating to payment of mortgage registration tax as a requirement of the cancellation process only apply to those contracts for deed subject to payment of mortgage registration tax at time of recording.

Sec. 30. [REPEALER.]

(a) Minnesota Statutes 1984, sections 298.01, subdivision 2; and 299.01, subdivision 2, are repealed.

(b) Minnesota Statutes 1984, section 477A.04 is repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 1 to 8 and 10 to 12 are effective for taxes levied in 1985 and thereafter, payable in 1986 and thereafter. Sections 9, 13 to 19 and 26 to 29, are effective the day after final enactment. Sections 20 to 25 and 30, paragraph (a), are effective for ores produced after December 31, 1984."

Delete the title and insert:

"A bill for an act relating to taxation; modifying certain procedures relating to taxpayer appeals; requiring apportionment of levies in specific situations; clarifying the calculation of property tax credits; clarifying the tax treatment of certain pipelines; modifying provisions relating to the payment

of property taxes; providing for the recording of state deeds; modifying the deed stamp tax procedure; clarifying the computation of gross earnings tax for taconite railroads; clarifying labor credit provisions; modifying the taconite production tax distribution; reducing occupation and royalty tax rates for certain ore; clarifying process of taconite aid guarantee phase out; requiring payment of current taxes before conveyance of registered land; allowing for memorializing of state deeds on certificates of title; clarifying cancellation of contract for deed provisions; clarifying the tax exempt status of certain property used in connection with a public airport; amending Minnesota Statutes 1984, sections 270.076, subdivision 2; 270.11, subdivision 7; 270.12, subdivision 3; 272.02, subdivision 1; 273.123, subdivision 5; 273.13, subdivision 4; 273.138, subdivision 5; 273.19, subdivision 1; 273.33, subdivisions 1 and 2; 279.01, subdivision 1; 282.01, subdivision 6; 282.014; 282.301; 282.33, subdivision 1; 282.36; 287.25; 294.22; 298.01, subdivision 1; 298.02, subdivision 1; 298.225; 298.28, subdivision 1; 299.01, subdivision 1; 299.012, subdivision 1; 473H.10, subdivision 3; 508.47, subdivision 4; 508.71, subdivision 4; 559.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1984, sections 298.01, subdivision 2; 299.01, subdivision 2; and 477A.04."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Douglas J. Johnson, Collin C. Peterson, Ron Sieloff

House Conferees: (Signed) Terry M. Dempsey, William H. Schreiber, John Himle

Mr. Johnson, D.J. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 472 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. 472 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Peterson, D.C.	Spear
Anderson	Diessner	Kroening	Peterson, D.L.	Stumpf
Belanger	Frank	Kronebusch	Peterson, R.W.	Taylor
Berg	Frederickson	Laidig	Petty	Vega
Bernhagen	Freeman	Langseth	Pogemiller	Waldorf
Bertram	Gustafson	Lantry	Purfeerst	Wegscheid
Brataas	Hughes	Lessard	Ramstad	Willet
Chmielewski	Isackson	McQuaid	Reichgott	
Dahl	Johnson, D.E.	Novak	Renneke	
Davis	Johnson, D.J.	Olson	Schmitz	
DeCramer	Jude	Pehler	Sieloff	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED**CONFIRMATION**

Mr. Lessard moved that the report from the Committee on Veterans and General Legislation, reported April 22, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Lessard moved that the foregoing report be now adopted. The motion prevailed.

Mr. Lessard moved that in accordance with the report from the Committee on Veterans and General Legislation, reported April 22, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

BOARD OF THE ARTS

Leonard J. Nadasdy, 5515 Lake Sarah Hts. Dr., Loretto, Hennepin County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

James Nardone, 2607 Audrey Ln., Grand Rapids, Itasca County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

Bunny (Isabelle) Robinson, 6921 Olson Memorial Hwy., Golden Valley, Hennepin County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Schmitz moved that the reports from the Committee on Local and Urban Government, reported April 22, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Schmitz moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Schmitz moved that in accordance with the reports from the Committee on Local and Urban Government, reported April 22, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

**METROPOLITAN COUNCIL
CHAIRMAN**

Sandra S. Gardebring, 925 W. Hwy. 36, Roseville, Ramsey County, effective May 14, 1984, for a term expiring the first Monday in January, 1987.

**METROPOLITAN WASTE CONTROL COMMISSION
CHAIRMAN**

Peter E. Meintsma, 6709 - 46th Ave. N., Crystal, Hennepin County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

METROPOLITAN WASTE CONTROL COMMISSION

Bruce Baumann, 211 - 21st Ave. S., South St. Paul, Dakota County, ef-

fective January 15, 1985, for a term expiring January 1, 1989.

George Dahlvang, 4535 Washburn Ave. N., Minneapolis, Hennepin County, effective August 25, 1983, for a term expiring January 1, 1987.

Judith Fletcher, 2626 Southlawn Dr., Maplewood, Ramsey County, effective August 25, 1983, for a term expiring January 1, 1987.

JoEllen Hurr, 930 Partenwood Rd., Long Lake, Hennepin County, effective January 15, 1985, for a term expiring January 1, 1989.

Susan E. Kimberly, 911 Osceola Ave., St. Paul, Ramsey County, effective March 19, 1985, for a term expiring January 1, 1987.

Carol Kummer, 4818 - 30th Ave. S., Minneapolis, Hennepin County, effective August 25, 1983, for a term expiring January 1, 1987.

Mark Mahon, 8435 Portland Ave. S., Bloomington, Hennepin County, effective January 15, 1985, for a term expiring January 1, 1989.

Paul McCarron, 732 - 82nd Ave. N.E., Spring Lake Park, Anoka County, effective January 15, 1985, for a term expiring January 1, 1989.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that H.F. No. 628 be taken from the table. The motion prevailed.

H.F. No. 628: A bill for an act relating to game and fish; enhancement of fish and wildlife; planning and implementation of wildlife management; conservation of marginal agricultural lands; habitat management; aspen recycling program; appropriating money; amending Minnesota Statutes 1984, sections 97.49, subdivision 3; 97.55, by adding a subdivision; 98.52, by adding a subdivision; 290.431; and 296.421, subdivisions 4 and 5; Laws 1985, chapter 4, section 10; proposing coding for new law in Minnesota Statutes, chapters 40, 84, and 88.

SUSPENSION OF RULES

Mr. Peterson, R.W. 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. 628 and that the rules of the Senate be so far suspended as to give H.F. No. 628 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 628 was read the second time.

Mr. Peterson, R.W. moved to amend H.F. No. 628 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 628, and insert the language after the enacting clause, and the title, of S.F. No. 723, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Kamrath moved to amend H.F. No. 628, as amended by the Senate May 20, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 723.)

Page 8, after line 11, insert:

“Subd. 4. [LAND TO BE SOLD.] For each site acquired by the commissioner under this section, the commissioner shall offer for sale an equal area of land owned by the state in the county or adjacent to the county in which the site was acquired.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 29, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Kamrath	Mehrkens	Schmitz
Benson	Frederickson	Knutson	Peterson, D.L.	Storm
Bernhagen	Gustafson	Kronebusch	Purfeerst	Stumpf
Bertram	Isackson	Laidig	Ramstad	Taylor
Brataas	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, D.C.	Spear
Berg	Freeman	Merriam	Peterson, R.W.	Vega
Dahl	Hughes	Moe, R. D.	Petty	Waldorf
Davis	Jude	Nelson	Pogemiller	Wegscheid
Diessner	Lantry	Novak	Reichgott	Willet
Dieterich	Lessard	Pehler	Sieloff	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 628 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Novak	Sieloff
Anderson	Diessner	Kroening	Olson	Spear
Belanger	Dieterich	Kronebusch	Pehler	Storm
Benson	Frank	Lantry	Peterson, D.C.	Stumpf
Berg	Frederick	Lessard	Peterson, D.L.	Taylor
Berglin	Frederickson	Luther	Peterson, R.W.	Vega
Bernhagen	Freeman	McQuaid	Petty	Waldorf
Bertram	Gustafson	Mehrkens	Pogemiller	Wegscheid
Brataas	Hughes	Merriam	Ramstad	Willet
Chmielewski	Isackson	Moe, D. M.	Reichgott	
Dahl	Johnson, D.E.	Moe, R. D.	Renneke	
Davis	Jude	Nelson	Schmitz	

So the bill, as amended, passed and its title was agreed to.

Mr. Peterson, R.W. moved that S.F. No. 723 be laid on the table. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

Senate Resolution No. 68: A Senate resolution stating the sense of the Senate that adequate funding for the Soil Conservation Service and the Agricultural Stabilization and Conservation Service should be restored.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved to adopt Senate Resolution No. 68.

Senate Resolution No. 68: A Senate resolution stating the sense of the Senate that adequate funding for the Soil Conservation Service and the Agricultural Stabilization and Conservation Service should be restored.

WHEREAS, agriculture is the major industry in Minnesota and directly affects the major part of our soil and water resources; and

WHEREAS, the National Resources Inventory identified that 13.5 million acres of our 23 million acres of cropland in Minnesota needs conservation treatment; and

WHEREAS, the Soil Conservation Service and the Agricultural Stabilization and Conservation Service are the two primary programs for preserving our invaluable cropland and preserving the quality of our waters; and

WHEREAS, the Soil Conservation Service provides technical assistance to landowners to ensure the protection of those resources; and

WHEREAS, the Agricultural Stabilization and Conservation Service provides the information and funding to enable landowners to install the practices needed to protect their soil; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that the people of Minnesota need the Soil Conservation Service expertise, personnel, and programs to protect the productivity of our soil and the quality of our water resources. We also need the assistance of the Agricultural Stabilization and Conservation Service through the ACP program to ensure implementation of these resource protection measures. Adequate funding for the Soil Conservation Service and the Agricultural Stabilization and Conservation Service should be restored.

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 93: A Senate resolution relating to conduct of Senate business during the interim between sessions.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The powers, duties and procedures set forth in this resolution apply during the interim between the adjournment of the 74th Legislature, 1985 session and the convening of the 74th Legislature, 1986 session.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint persons as necessary to fill any vacancies that may occur in committees, commissions, and other bodies whose members

are to be appointed by the Senate authorized by rule, statute, resolution, or otherwise.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, appoint employees and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Secretary of the Senate shall classify as "permanent" for purposes of Minnesota Statutes, sections 3.095 and 43A.24 the Senate employees certified as "permanent" by the Committee on Rules and Administration.

The Secretary of the Senate may employ after the close of the session the employees necessary to finish the business of the Senate at the salaries paid under the rules of the Senate for the 1985 regular session. The Secretary of the Senate may employ the necessary employees to prepare for the 1986 session at the salaries in effect at that time.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies, and may reimburse each member for long distance telephone calls and answering service upon proper verification of the expenses incurred, and for such other expenses authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 1985 session. The Secretary of the Senate may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after May 20, 1985.

The Secretary of the Senate may pay election and litigation costs as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for remodeling and improvement of Senate office space, and shall purchase all supplies, equipment, and other goods and services necessary to carry out the work of the Senate. Contracts in excess of \$5,000 must be signed by the Chairman of the Committee on Rules and Administration and another member designated by the Chairman.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts referred to in this resolution.

All Senate records, including committee books, are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate, are reserved for use by the Senate and its standing committees only and must not be released or used for any other purpose except upon the authorization of the Secretary of the Senate with the approval of the Committee on Rules and

Administration or its Chairman.

The Custodian of the Capitol shall continue to provide parking space for members and staff of the Legislature under Senate Concurrent Resolution No. 2.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Laidig	Pehler	Spear
Anderson	Frank	Langseth	Peterson, D.C.	Storm
Belanger	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Luther	Petty	Vega
Bertram	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Isackson	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.E.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D. M.	Reichgott	
DeCramer	Kamrath	Moe, R. D.	Schmitz	
Diessner	Kroening	Olson	Sieloff	

The motion prevailed. So the resolution 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 adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 11: A House concurrent resolution relating to adjournment of the Senate and House of Representatives until 1986.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

MOTIONS AND RESOLUTIONS - CONTINUED

House Concurrent Resolution No. 11: A House concurrent resolution relating to adjournment of the Senate and House of Representatives until 1986.

BE IT RESOLVED by the House of Representatives, the Senate concurring

(1) Upon their adjournments on May 20, 1985, the House of Representatives may set its next day of meeting for February 3, 1986, at 2:00 p.m. and the Senate may set its next day of meeting for February 3, 1986, at 2:00 p.m.

(2) By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be

excused for a Conference Committee on H.F. No. 268 from 7:00 to 10:30 p.m.:

Messrs. Merriam; Peterson, C.C. and Knaak. 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. 961:

H.F. No. 961: A bill for an act relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; providing additional authorities to counties; providing additional duties of the water resources board; amending Minnesota Statutes 1984, section 473.882, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 110B.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Johnson, Valan and Kalis have been appointed as such committee on the part of the House.

House File No. 961 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Mr. Peterson, R.W. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 961, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 961: Messrs. Peterson, R.W.; Renneke and Merriam.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 719 and the Conference Committee Report thereon were reported

to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 719

A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed by order; requiring the removal of elk from the state; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 719, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 719 be further amended as follows:

Page 1, line 24, after "state" insert ", specifically Marshall, Roseau, Pennington, and Beltrami counties,"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) LeRoy A. Stumpf, Keith Langseth, William V. Belanger, Jr.

House Conferees: (Signed) John T. Rose, Wally A. Sparby, Elton R. Redalen

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on S.F. No. 719 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. 719 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Peterson, D.C.	Storm
Anderson	Frank	Langseth	Peterson, D.L.	Stumpf
Belanger	Frederickson	Lantry	Pogemiller	Taylor
Berg	Freeman	Luther	Purfeerst	Vega
Bernhagen	Gustafson	McQuaid	Ramstad	Waldorf
Bertram	Hughes	Mehrkens	Reichgott	Wegscheid
Chmielewski	Isackson	Moe, R. D.	Renneke	Willet
Dahl	Johnson, D.E.	Novak	Samuelson	
Davis	Jude	Olson	Schmitz	
DeCramer	Knaak	Pehler	Sieloff	
Dicklich	Kronebusch	Peterson, C.C.	Solon	

Those who voted in the negative were:

Dieterich
KamrathKroening
MerriamMoe, D. M.
Peterson, R. W.

Petty

Spear

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that H.F. No. 786 and the Conference Committee report thereon be taken from the table. The motion prevailed.

H.F. No. 786: A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and the telecommunications council; amending Minnesota Statutes 1984, sections 1.22; 4.31, subdivision 5; 14.02, subdivision 4; 16B.20, subdivision 2; 16B.33, subdivision 2; 35.02, subdivision 1; 40.03, subdivision 1; 84B.11, subdivision 1; 115.74, subdivision 1; 116C.41, subdivision 2; 116L.03; 121.82, subdivision 1; 121.83; 129B.01, subdivision 1; 144A.19, subdivision 1; 147.01, subdivisions 1 and 2; 148.03; 148.181; 148.52; 148.90, subdivision 2; 150A.02, subdivision 1; 151.03; 153.02; 154.22; 156.01, subdivisions 1 and 2; 161.1419, subdivision 2; 250.05, subdivision 2; 254A.04; 270.41; 326.04; 326.17; 326.241, subdivision 1; 343.01, subdivision 3; 386.63, subdivision 1; 611.215, subdivision 1; and 626.841; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.01; 238.02, subdivision 4; 238.04 to 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; and 238.13 to 238.17.

The question recurred on the motion of Mr. Knaak that the recommendations and Conference Committee Report on H.F. No. 786 be rejected, and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 22 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knaak	Peterson, D.L.	Waldorf
Benson	Gustafson	Kronebusch	Ramstad	Wegscheid
Bernhagen	Isackson	Laidig	Renneke	
Frank	Jude	McQuaid	Sieloff	
Frederick	Kamrath	Olson	Storm	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Nelson	Reichgott
Belanger	Dicklich	Langseth	Novak	Samuelson
Berg	Diessner	Lantry	Pehler	Schmitz
Bertram	Dieterich	Lessard	Peterson, C.C.	Solon
Brataas	Freeman	Luther	Peterson, D.C.	Spear
Chmielewski	Hughes	Mehrkens	Peterson, R.W.	Stumpf
Dahl	Johnson, D.E.	Moe, D. M.	Petty	Vega
Davis	Johnson, D.J.	Moe, R. D.	Pogemiller	Willet

The motion did not prevail.

The question recurred on the motion of Mr. Pogemiller to adopt the recommendations and Conference Committee Report on H.F. No. 786. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 786 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 21, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Novak	Schmitz
Belanger	Dieterich	Lantry	Peterson, C. C.	Sieloff
Berg	Frank	Lessard	Peterson, D. C.	Solon
Bernhagen	Frederick	Luther	Peterson, R. W.	Spear
Brataas	Freeman	Mehrkens	Petty	Storm
Chmielewski	Hughes	Merriam	Pogemiller	Stumpf
Dahl	Johnson, D. E.	Moe, D. M.	Purfeerst	Taylor
DeCramer	Johnson, D. J.	Moe, R. D.	Reichgott	Willet
Dicklich	Kroening	Nelson	Samuelson	

Those who voted in the negative were:

Anderson	Gustafson	Kronebusch	Peterson, D. L.	Wegscheid
Benson	Isackson	Laidig	Ramstad	
Bertram	Jude	McQuaid	Renneke	
Davis	Kamrath	Olson	Vega	
Frederickson	Knaak	Pehler	Waldorf	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that H.F. No. 1175 be taken from the table. The motion prevailed.

H.F. No. 1175: A bill for an act relating to children; expanding the definition of a medically neglected child; providing for intervention by commissioner of human services after a report of medical neglect; requiring the local agency to report and initiate proceedings in cases of medical neglect; amending Minnesota Statutes 1984, sections 260.015, subdivision 10; 626.556, subdivisions 2, 10, and by adding a subdivision.

SUSPENSION OF RULES

Mr. Chmielewski moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1175 and that the rules of the Senate be so far suspended as to give H.F. No. 1175 its second and third reading and place it on its final passage.

CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on H.F. No. 1175. The Sergeant at Arms was instructed to bring in

the absent members.

The question was taken on the adoption of the motion of Mr. Chmielewski.

The roll was called, and there were yeas 48 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, R. D.	Sieloff
Anderson	Frank	Kroening	Olson	Solon
Belanger	Frederick	Kronebusch	Pehler	Storm
Benson	Frederickson	Laidig	Peterson, C. C.	Stumpf
Berg	Hughes	Langseth	Peterson, D. L.	Vega
Bernhagen	Isackson	Lantry	Purfeerst	Waldorf
Bertram	Johnson, D. E.	Lessard	Ramstad	Wegscheid
Chmielewski	Jude	McQuaid	Renneke	Willet
Dahl	Kamrath	Mehrkens	Samuelson	
Davis	Knaak	Merriam	Schmitz	

Those who voted in the negative were:

Berglin	Dieterich	Moe, D. M.	Peterson, D. C.	Pogemiller
Brataas	Freeman	Nelson	Peterson, R. W.	Reichgott
Dicklich	Luther	Novak	Petty	Spear
Diessner				

The motion prevailed.

H.F. No. 1175 was read the second time.

H.F. No. 1175 was read the third time 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 11, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Merriam	Schmitz
Anderson	Frank	Knutson	Moe, R. D.	Sieloff
Belanger	Frederick	Kroening	Novak	Solon
Benson	Frederickson	Kronebusch	Pehler	Storm
Berg	Freeman	Laidig	Peterson, C. C.	Stumpf
Bernhagen	Gustafson	Langseth	Peterson, D. L.	Taylor
Bertram	Hughes	Lantry	Purfeerst	Vega
Chmielewski	Isackson	Lessard	Ramstad	Waldorf
Dahl	Johnson, D. E.	Luther	Reichgott	Wegscheid
Davis	Jude	McQuaid	Renneke	Willet
DeCramer	Kamrath	Mehrkens	Samuelson	

Those who voted in the negative were:

Berglin	Dieterich	Nelson	Peterson, R. W.	Pogemiller
Brataas	Moe, D. M.	Peterson, D. C.	Petty	Spear
Dicklich				

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1183 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1183

A bill for an act relating to intoxicating liquor; providing for issuance of

licenses within Indian country; allowing the sales between collectors of discontinued brands of beer in cans; authorizing the issuance of on-sale licenses in certain theaters in Minneapolis; amending Minnesota Statutes 1984, section 340.11, subdivision 15, and by adding a subdivision.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1183, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1183 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 340.11, subdivision 15, is amended to read:

Subd. 15. [LICENSES NOT REQUIRED.] It is lawful for a brewer to sell intoxicating malt beverages to his employee or to a former employee who is retired because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week shall not exceed 768 fluid ounces. The requirements of law relating to minimum prices for the sale of intoxicating malt beverages shall not apply to sales made under this subdivision, nor shall any license be required for the making of such sales. It is ~~also~~ lawful for a collector of commemorative bottles, as these terms are defined in section 340.44, to sell commemorative bottles to another collector without obtaining a license. *It is also lawful for a collector of beer cans to sell unopened cans of a brand which has not been sold commercially for at least two years to another collector without obtaining a license. The amount sold to any one collector in any one month shall not exceed 768 fluid ounces.* It is also lawful for an off-sale licensee or municipal liquor store to provide samples of wine, liqueurs, and cordials which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, and cordial samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 50 milliliters of wine per variety per customer and 25 milliliters of liqueur or cordial per variety per customer.

Sec. 2. Minnesota Statutes 1984, section 340.11, is amended by adding a subdivision to read:

Subd. 24. [ON-SALE AND OFF-SALE LICENSES; INDIAN COUNTRY.] *Notwithstanding any law to the contrary, on-sale or off-sale licenses for the sale of intoxicating liquor or nonintoxicating malt liquor issued by the governing body of an Indian tribe in accordance with United States Code, title 18, section 1161, to an Indian tribal member or Indian tribal entity for an establishment located within Indian country as defined under United States Code, title 18, section 1154, is valid with the approval of*

the commissioner. The commissioner shall approve the license if the establishment has complied with subdivisions 5a and 21, and sections 340.12, 340.13, 340.14, 340.73, and 340.731. An establishment issued a license under this subdivision is not required to obtain a license from any municipality, county, or town.

Sec. 3. [340.147] [LICENSING OF BROKERS.]

Subdivision 1. [DEFINITION.] "Broker" means a person who represents a distillery, winery, or importer, and is not an employee of the distillery, winery, or importer.

Subd. 2. [LICENSE REQUIRED.] All brokers and their employees must obtain a license from the commissioner. The annual license fee for a broker is \$300, for an employee of a broker the license fee is \$12. An application for a broker's license must be accompanied by a written statement from the distillery, winery, or importer the applicant proposes to represent verifying the applicant's contractual arrangement, and must contain a statement that the distillery, winery, or importer is responsible for the actions of the broker. The license shall be issued for one year. The broker, or employee of the broker may promote a vendor's product and may call upon licensed retailers to insure product identification, give advance notice of new products or product changes, and share other pertinent market information. The commissioner may revoke or suspend for up to 60 days a broker's license or the license of an employee of a broker if the broker or employee has violated any provision of chapter 340, or a rule of the commissioner relating to alcoholic beverages. The commissioner may suspend for up to 60 days, the importation license of a distillery or winery on a finding by the commissioner that its broker or employee of its broker has violated any provision of chapter 340, or rule of the commissioner relating to alcoholic beverages.

Subd. 3. [REPORTS.] A distillery, winery, or broker must furnish within 60 days after the end of each month a report to the commissioner specifying for that month the type, quantity, date, and licensed retailers who received samples from the distillery, winery, or broker.

Sec. 4. [ON-SALE THEATER LICENSE.]

Notwithstanding Minnesota Statutes, section 340.11, subdivision 11, or a charter provision limiting the type of premises to be licensed, the city of Minneapolis may issue or renew an on-sale intoxicating liquor license issued to a person operating a theater that has a seating capacity in excess of 2,500. The license shall permit sale and consumption of liquor in any portion of the building comprising the licensed premises. All provisions of law and ordinance shall apply to a license issued or renewed under this section.

Sec. 5. Laws 1984, chapter 502, article 12, section 26, as amended by Laws 1985, chapter 3, section 3, is amended to read:

Section 26. [EFFECTIVE DATE.]

Sections 7 and 24 are effective the day following final enactment. Sections 9 and 10 are effective ~~June~~ July 1, 1985. All other sections of this article are effective March 1, 1985. All licenses issued by local units of government under Minnesota Statutes 1982, sections 349.16 and 349.26 expire on February 28, 1985. An organization which held a local license to conduct lawful

gambling on February 28, 1985, or which holds a license granted under section 4 may continue to conduct the forms of gambling authorized by the local license without a license from the board until ~~June~~ July 1, 1985, provided that the organization complies with the terms and conditions of the license in effect on February 28, 1985, or is in compliance with the emergency ordinance adopted under ~~section 4~~ *this act*, if applicable.

Sec. 6. Laws 1985, chapter 3, section 4, is amended to read:

Sec. 4. [CITIES AND COUNTIES; TEMPORARY LICENSING AUTHORITY.]

A county or home rule charter or statutory city may by emergency ordinance establish a system for the licensing of organizations to operate gambling devices and to conduct raffles from ~~February 28 May 31~~, 1985, to ~~May 31 June 30~~, 1985. The system must be consistent with Minnesota Statutes 1982, chapter 349, and may include provisions to extend licenses in effect on ~~February 28 May 31~~, 1985 until ~~May 31 June 30~~, 1985 and charge a fee for the extension.

The emergency ordinance may go into effect without hearing, notice, or publication, but the county or city shall promptly, after adoption, hold hearings to consider any necessary alterations in the ordinance. No ordinance may remain in effect after ~~May 31 June 30~~, 1985. This section supersedes any inconsistent provision of law, charter, or ordinance.

Sec. 7. [EFFECTIVE DATE.]

Section 2 is effective within any Indian reservation where the governing body of the tribe having jurisdiction over that reservation has adopted an amendment to its tribal ordinance as provided by this section. The amendment to the tribal ordinance must provide that a nonintoxicating malt liquor or intoxicating liquor license issued to a non-Indian by a city, county, or town for an establishment located within Indian country, as defined under United States Code, title 18, section 1154, will be approved by the governing body of the tribe. The ordinance must also provide that no fee may be charged for approval.

Section 4 is effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021. Sections 5 and 6 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring the licensing of liquor brokers; changing the effective dates for licensing by the charitable gambling board;"

Page 1, line 8, before the period, insert " ; Laws 1984, chapter 502, article 12, section 26, as amended; and Laws 1985, chapter 3, section 4; proposing coding for new law in Minnesota Statutes, chapter 340"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Neil Dieterich, Steven G. Novak, Jim Gustafson

House Conferees: (Signed) Tony Bennett, Marcus Marsh, Tom Osthoff

Mr. Dieterich moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1183 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. 1183 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Steloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Langseth	Peterson, C.C.	Spear
Berg	Frederickson	Lantry	Peterson, D.C.	Storm
Bernhagen	Freeman	Lessard	Peterson, D.L.	Stumpf
Bertram	Gustafson	Luther	Peterson, R.W.	Taylor
Brataas	Hughes	McQuaid	Petty	Vega
Chmielewski	Isackson	Mehrkens	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Davis	Jude	Moe, D. M.	Reichgott	Willet
DeCramer	Kamrath	Moe, R. D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 230 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 230

A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing that certain violations do not impair obligations of a contract; providing penalties; providing for certain dollar adjustments; amending Minnesota Statutes 1984, sections 48.151; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04,

subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1 and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 230, 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. 230 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 48.151, is amended to read:

48.151 [ADDITIONAL POWERS.]

Any bank, savings bank, or trust company organized under the laws of this state, or any national banking association doing business in this state, shall have the power to advertise for sale and sell for a fee money orders, traveler's checks, cashier's checks, drafts, registered checks, and certified checks and no other person, firm, or corporation, either directly or through agents, shall advertise for sale or shall sell for a fee any evidence of indebtedness on which there appears the words, “money order,” “traveler's check,” “cashier's check,” “draft,” “registered check,” “certified check,” or other words or symbols whether of the same or different character which tend to lead the purchaser to believe that such evidence of indebtedness is other than a personal check, unless such evidence of indebtedness is issued by a person, firm or corporation which is a savings and loan association, or telegraph company, or, *in the case of cashier's checks, is issued by an industrial loan and thrift company with deposit liabilities, provided that these instruments are issued in conformity with the Uniform Commercial Code, or is issued by a person, firm, or corporation that has on file in the office of the secretary of state a surety bond in the principal sum of \$5,000 issued by a bonding or insurance company authorized to do business in this state, which surety bond shall run to the state of Minnesota and shall be for the benefit of any creditor for any liability insured on account of the sale or issuance by it or its agent of any such evidence of indebtedness, or has deposited with the secretary of state securities or cash of the value of \$5,000; provided, however, that the aggregate liability of the surety to all such creditors shall, in no event, exceed the sum of such bond or deposit. Any person, firm or corporation who shall violate any provision of this section shall be guilty of a misdemeanor.*

Sec. 2. Minnesota Statutes 1984, section 49.05, is amended by adding a subdivision to read:

Subd. 5. [FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER OR LIQUIDATOR.] The Federal Deposit Insurance Corporation created by Section 12B of the Federal Reserve Act, as amended, upon ap-

pointment by the commissioner, may act without bond as receiver or liquidator of a financial institution, the deposits in which are to any extent insured by this corporation, and that has been closed pursuant to section 49.04, subdivision 1.

Notwithstanding any other provision of law the appropriate state authority having the right to appoint a receiver or liquidator of a financial institution may, in the event of the closing, tender to the corporation the appointment as receiver or liquidator of the financial institution; and, if the corporation accepts the appointment, the corporation shall have and possess all the powers and privileges provided by the laws of this state with respect to a receiver or liquidator, respectively, of a financial institution, its depositors, and other creditors.

Sec. 3. Minnesota Statutes 1984, section 49.05, is amended by adding a subdivision to read:

Subd. 6. [RIGHT OF SUBROGATION.] When a financial institution has been closed, and the federal deposit insurance corporation has paid or made available for payment the insured deposit liabilities of the closed institution, the corporation, whether or not it has or shall thereafter become a liquidating agent of the closed institution is subrogated, by operation of law with like force and effect as if the closed institution were a national bank, to all rights of the owners of these deposits against the closed financial institution in the same manner and to the same extent as now or hereafter necessary to enable the federal deposit insurance corporation under federal law to make insurance payments available to depositors of closed insured banks; provided, that the rights of depositors and other creditors of the closed institution shall be determined in accordance with the laws of this state. The commissioner may, in his or her discretion, in the event of the closing of any financial institution pursuant to section 49.04, subdivision 1, the deposits of which banking institution are to any extent insured by the corporation, tender to the corporation the appointment as liquidating agent of this financial institution and, if the corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a special deputy examiner of the department of commerce in the management and liquidation of this institution, and be subject to all of the duties of the special deputy examiner; provided, that nothing contained in this subdivision shall be construed as a surrender of the right of the commissioner to liquidate financial institutions under his or her supervision pursuant to the statute in such case made and provided; and the commissioner may waive the filing of a bond by the corporation as the special deputy examiner.

Sec. 4. Minnesota Statutes 1984, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, file a written application with the department of commerce for a certificate of authorization. A corporation that will not sell or issue thrift certificates for investment as permitted by this chapter need not comply with subdivision 2b. The application, in duplicate, must be in the form prescribed by the department of commerce. The application must be made in the name of the cor-

poration, executed and acknowledged by two of its officers *an officer* designated by the board of directors of the corporation ~~for that purpose~~, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a \$1,000 filing fee and a \$500 investigation fee. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time. If the application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited to the general fund shall be paid by the applicant and 50 percent equally by the intervening parties. A notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a newspaper published at the county seat of the county in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing must be conducted on the application. ~~The department of commerce may without cause order a contested case hearing on the application.~~ Notice of a hearing in connection with this section must be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Sec. 5. Minnesota Statutes 1984, section 53.03, subdivision 2, is amended to read:

Subd. 2. [DEPARTMENT OF COMMERCE; DUTIES.] Upon receiving an application the department of commerce shall make, or cause to be made, an examination to ascertain whether the assets of such corporation, over and above all its liabilities, have an actual value of not less than the par value of all of its capital represented by shares of common stock, which shall not be less than the amount prescribed by section 53.02. If upon its investigation or hearing provided for in subdivision 1 those facts appear and it further appears that the bylaws and articles of incorporation and amendments thereto are in accordance with law; that the shareholders of the corporation are of good moral character and financial integrity; ~~that there is a reasonable public demand for that company that the company reasonably anticipates public demand for the loans it proposes to make~~ in the location specified in the application, and that the probable volume of business in that location is sufficient to insure and maintain the solvency of such company and the solvency of any then existing industrial loan and thrift companies or banks in that locality, ~~without endangering the safety of any such company or bank in the locality as a place for investing or depositing public and private money~~; and that the proposed company will be properly and safely managed, the application shall be granted; otherwise it shall be denied.

Sec. 6. Minnesota Statutes 1984, section 53.03, subdivision 2a, is amended to read:

Subd. 2a. [SELECTION, CHANGE OF NAME.] Before filing the certifi-

~~iate articles~~ of incorporation or an amendment to ~~it them~~, the proposed name of the industrial loan and thrift company shall be submitted to the commissioner, ~~who shall compare it with those of other corporations operating in the state.~~ If it is likely to be mistaken for any of them, or to confuse the public as to the character of its business, or is otherwise objectionable, additional names shall be submitted. When a satisfactory name is selected, the commissioner shall give written approval of it and issue an amended certificate of authorization.

Sec. 7. Minnesota Statutes 1984, section 53.03, is amended by adding a subdivision to read:

Subd. 2b. [ADDITIONAL DUTIES; THRIFT CERTIFICATES FOR INVESTMENT.] If an application includes the right to issue thrift certificates for investment, the department of commerce must, in addition to the duties in subdivision 2, make a determination that there is a reasonable public demand for that company and that the probable volume of business in that locality is sufficient to insure the solvency of any then existing industrial loan and thrift companies or banks in that locality, without endangering the safety of the company or bank in the locality as a place for investing or depositing public and private money.

Sec. 8. Minnesota Statutes 1984, section 53.03, subdivision 3a, is amended to read:

*Subd. 3a. If the application be granted without hearing the department of commerce shall, not later than 60 days after the ~~notice of~~ application has been ~~fully published~~ *accepted*, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied without hearing the department of commerce shall, not later than 60 days after the ~~notice of~~ application has been ~~fully published~~ *accepted*, notify the corporation of the denial and the reasons for the denial. The applicant may request within 30 days of receiving the notice of denial, and shall be granted, a contested case hearing on the application which shall then be conducted as if no order of denial had been issued. If the ~~commission~~ *commissioner* approves the application after a hearing the ~~commission~~ *commissioner* shall, not later than 30 days after a hearing, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied after a hearing the ~~commission~~ *commissioner* shall, not later than 30 days after a hearing, notify the corporation of the denial.*

Sec. 9. Minnesota Statutes 1984, section 53.03, subdivision 5, is amended to read:

*Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. *To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information, unless requested.* The filing fee for a branch application shall be \$500 and the investigation fee \$250. If a corporation has been issued more than one certifi-*

cate of authorization, the corporation shall allocate a portion of contributed capital to each office for which a certificate has been issued, in order to comply with the capital requirements of section 53.02 and section 53.05, clause (2), which sections are applicable to each office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. ~~Each additional certificate of authorization issued pursuant to the provisions of this subdivision must be filed with the secretary of state.~~ *An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the department of commerce which shall promptly amend the certificate of authorization accordingly.*

Sec. 10. Minnesota Statutes 1984, section 53.03, subdivision 7, is amended to read:

Subd. 7. [OBJECTION TO APPLICATION.] Upon receiving written objection to the application from any person within 20 days of the notice having been fully published, the department of commerce shall order a contested case hearing to be conducted on the application. ~~The department of commerce may without cause order a contested case hearing to be conducted on the application.~~

Sec. 11. Minnesota Statutes 1984, section 53.03, subdivision 8, is amended to read:

Subd. 8. [INVESTIGATION.] Upon receiving an application, the department of commerce shall make or cause to be made, an investigation of the application to determine that the corporation is in a solvent condition, meets current thrift industry standards of management quality and asset condition, is in compliance with the requirements of this chapter ~~and that the approval of the application will not have an adverse effect upon the solvency of any existing industrial loan and thrift company selling and issuing certificates for investment or banks in the locality, or endanger the safety of any company or bank in the locality as a place for investing or depositing public and private money.~~ If upon completion of its investigation and any hearing provided for in subdivision 7, it appears to the department of commerce that the requirements for approval contained in this subdivision have been met, the application shall be approved. In all other cases, the application shall be denied. As a condition of approval, the capital funds of the applicant corporation shall not be less than the total amount which the department of commerce considers necessary having in mind the potential for the issuance of certificates for investment by the applicant. The procedure in subdivision 3a shall be followed in decisions, notice, and hearing of applications for consent to sell and issue thrift certificates for investment by issuance of an amended certificate of authorization.

Sec. 12. Minnesota Statutes 1984, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56.

Loans made under the authority of section 56.125 must be in amounts in compliance with section 53.05, clause (7). All other loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (7), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum, *including the right to contract for, charge, and collect all other charges including discount points, fees, late payment charges, and insurance premiums on the loans to the same extent permitted on loans made under the authority of chapter 56, regardless of the amount of the loan.* The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this subdivision at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan made after August 1, 1987 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan must not exceed the rate provided in section 47.20, subdivision 4a. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this subdivision that is secured by real estate and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account.

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

Sec. 13. Minnesota Statutes 1984, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company may do any of the following:

(1) carry ~~commercial or~~ demand banking accounts; use the word "savings" unless the institution's investment certificates, savings accounts, and savings deposits are insured by the federal deposit insurance corporation and then only if the word is not followed by the words "and loan" in its corporate name; use the word "bank" or "banking" in its corporate name; operate as a savings bank;

(2) have outstanding at any one time certificates of indebtedness, savings accounts, and savings deposits, exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company until July 1, 1985, or the date an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, whichever is earlier, and thereafter 15 times the sum of contributed capital and appropriated reserves of the company;

(3) accept trusts, except as provided in section 47.75, subdivision 1, or act as guardian, administrator, or judicial trustee in any form;

(4) deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance;

(5) change any allocation of capital made pursuant to section 53.03 or reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of commerce;

(6) take any instrument in which blanks are left to be filled in after execution; ~~or~~

(7) lend money in excess of ten percent of its contributed capital and appropriated reserves to a person primarily liable. "Contributed capital and appropriated reserves" means the total of the company's contributed capital and appropriated reserves at all its authorized locations.

If a loan has been made to a person primarily liable and payments have been made on a certificate of indebtedness securing it, the amount of the payments may be added to the limitation contained in this clause for the purpose of determining whether additional loans may be made to that person; ~~or~~

(8) issue cashier's checks pursuant to section 48.151, unless and at all times the aggregate liability to all creditors on these instruments is protected by a special fund in cash or due from banks to be used solely for payment of the cashier's checks.

Sec. 14. Minnesota Statutes 1984, section 56.01, is amended to read:

56.01 [NECESSITY OF LICENSE.]

(a) Except as authorized by this chapter and without first obtaining a license from the commissioner, no person shall engage in the business of making loans of money, credit, goods, or things in action, in ~~the an~~ amount or of ~~the a~~ value of \$35,000 ~~or less~~ not exceeding that specified in section

56.131, subdivision 1, and charge, contract for, or receive on the loan a greater rate of interest, discount, or consideration than the lender would be permitted by law to charge if he were not a licensee under this chapter.

(b) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to be licensed under this chapter in order to purchase or take assignments of mortgage loans from licensees under this chapter.

Sec. 15. Minnesota Statutes 1984, section 56.04, is amended to read:

56.04 [INVESTIGATION; ISSUANCE OF LICENSE; DENIAL; REFUNDS.]

Upon the filing of the application and payment of these fees, the commissioner shall investigate the facts, and if he shall find (1) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the officers and directors thereof if the applicant be a corporation, the person with direct responsibility for the operation and management of the proposed office are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter, and (2) that allowing the applicant to engage in business will promote the convenience and advantage of the community in which the business of the applicant is to be conducted, and (3) that the applicant has available for the operation of the business, at the specified location, liquid assets of at least \$50,000 (the foregoing facts being conditions precedent to the issuance of a license under this chapter), he shall thereupon issue and deliver a license to the applicant to make loans, in accordance with the provisions of this chapter, at the location specified in the application. If the commissioner shall not so find, he shall not issue a license and he shall notify the applicant of the denial and return to the applicant the sum paid by the applicant as a license fee, retaining the \$250 investigation fee to cover the costs of investigating the application. The commissioner shall approve or deny every application for license hereunder within 60 days from the filing thereof with the fees.

If the application is denied, the commissioner shall, within 20 days thereafter, file in his office a written decision and findings with respect thereto containing the evidence and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

There is hereby appropriated to such persons as are entitled to such refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Should substantially all of a licensee's outstanding loan accounts subject

to this chapter be sold, the purchaser of the accounts, if otherwise fully qualified, may obtain a license, without establishing convenience and advantage, in the same municipality upon surrender of the seller's license to the commissioner.

Sec. 16. Minnesota Statutes 1984, section 56.07, is amended to read:

56.07 [CONTROL OVER LOCATION.]

Not more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license. *To the extent that previously filed applicable information remains substantially unchanged, the applicant need not refile this information, unless requested.*

When a licensee shall wish to change his place of business to a street address in the same municipality designated in his license, he shall give written notice thereof 30 days in advance to the commissioner, who shall within 30 days of receipt of such notice, issue an amended license approving the change. ~~No change in the place of business of a licensee to a location outside of the original municipality shall be permitted under the same license.~~

A licensed place of business shall be open during regular business hours each weekday, except for legal holidays and for any weekday the commissioner grants approval to the licensee to remain closed. A licensed place of business may be open on Saturday, but shall be closed on Sunday.

Sec. 17. Minnesota Statutes 1984, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which he shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as he may deem necessary to prevent misunderstanding thereof by prospective borrowers. ~~A statement of rates of charge that meets the requirements of the federal Truth in Lending Act and regulations thereunder shall be deemed full compliance with this section. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.~~

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary

residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed. The rate of interest charged on such a loan made after August 1, 1987, shall not exceed the rate provided in section 47.20, subdivision 4a.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules and regulations lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail.

Sec. 18. Minnesota Statutes 1984, section 56.125, subdivision 4, is amended to read:

Subd. 4. [~~ALTERNATIVE COMPLIANCE.~~] Compliance by a licensee making open-end loans pursuant to this section with the open-end credit pro-

visions of the federal Truth in Lending Act and regulations issued thereunder is required, and the disclosure requirements in sections 56.12 and 56.14 do not apply with respect to open-end loans made pursuant to this section. In addition, Prior to any licensee taking a lien upon the borrower's homestead, as defined in chapter 510, as security for any open-end loan pursuant to subdivision 2, the borrower shall be provided with a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the borrower at the time of the execution of the contract surrendering the homestead exemption, immediately adjacent to a listing of the homestead property: "I understand that some or all of the above real estate is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract."

Sec. 19. Minnesota Statutes 1984, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in the principal amount of *not exceeding \$35,000 or less ten percent of a corporate licensee's contributed capital and appropriated reserves as defined in section 53.01, if greater*, a licensee may contract for and receive interest, calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

- (1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$350; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$350; or
- (2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest one hundredth of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. *When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.*

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(e) With respect to interest-bearing loans:

- (1) Interest must be computed on unpaid principal balances outstanding

from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date must be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$2 \$4.

A default charge under this subdivision may not be collected on an installment paid in full within ten days of its scheduled due date, or deferred installment due date with respect to deferred installments, even though a default or deferral charge on an earlier installment has not been paid in full. A

default charge may be collected at the time it accrues or at any time thereafter.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

Sec. 20. Minnesota Statutes 1984, section 56.131, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section 56.155, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) Lawful fees and taxes paid to any public officer to record, file, or release security;

(b) With respect to a loan secured by an interest in real estate, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or \$250, whichever is greater:

(1) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(2) ~~An amount not to exceed \$150 fees~~, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, ~~for fees for~~ preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees;

(c) The premium for insurance in lieu of perfecting and releasing a security interest to the extent that the premium does not exceed the fees described in paragraph (a).

Sec. 21. Minnesota Statutes 1984, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in this section, sections 56.01 and 56.12 shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States department of commerce, and hereafter referred to as the index. The index for December, 1980 is the reference base index *for adjustments of dollar amounts, except that the index for December, 1984 is the reference base index for the minimum default charge of \$4 and the lending fee of \$25.*

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more, but;

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1981, Chapter 258 on the date of enactment; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1981, Chapter 258 as a result of earlier application of this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if he relies on dollar amounts either

determined according to paragraph (b), clause (2) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(f) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

Sec. 22. Minnesota Statutes 1984, section 56.19, subdivision 4, is amended to read:

Subd. 4. [REMEDIES EXCLUSIVE.] The remedies set forth in this section and section 48.196 are exclusive and, except as otherwise provided in this chapter, a violation of any provision of this chapter does not impair rights on a debt.

Sec. 23. Minnesota Statutes 1984, section 56.19, is amended by adding a subdivision to read:

Subd. 2a. [PENALTY FOR INTENTIONAL VIOLATIONS.] Any lender intentionally violating this chapter, when the violation does not also constitute a violation of any other provision of state or federal law for which there is a remedy, shall be liable to the consumer in an amount not to exceed \$100 for each violation.

Sec. 24. Minnesota Statutes 1984, section 550.37, subdivision 4a, is amended to read:

Subd. 4a. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in ~~subdivision 4~~ this section shall change periodically as provided in this subdivision to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States department of commerce, and hereafter referred to as the index. The index for December, ~~1982~~ 1980, is the reference base index.

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more. The portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts stated in ~~subdivision 4~~ this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner of commerce shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the refer-

ence base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if he relies on dollar amounts either determined according to paragraph (b) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

Sec. 25. [REPEALER.]

Minnesota Statutes 1984, section 53.03, subdivision 4, is repealed.

Sec. 26. [APPLICATION.]

Sections 1 to 25 do not affect the adjustments to dollar amounts made pursuant to Minnesota Statutes, section 56.131, subdivision 4, on July 1, 1984, or thereafter unless otherwise specifically provided.

Sec. 27. [EFFECTIVE DATE.]

Sections 1 to 23 and 25 are effective the day following final enactment. Section 24 is effective July 1, 1986."

Delete the title and insert:

"A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; authorizing the FDIC to act as receiver or liquidator of closed financial institution and providing a right of subrogation; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; and providing alternative loan disclosure requirements; providing an inflation adjustment for amounts exempt from creditors; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 49.05, by adding subdivisions; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Darril Wegscheid, Eric D. Petty, Carl W. Kroening

House Conferees: (Signed) Kathleen Blatz, James Metzen, Merlyn O. Valan

Mr. Wegscheid moved that the foregoing recommendations and Confer-

ence Committee Report on S.F. No. 230 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. 230 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Knutson	Olson	Sieloff
Belanger	Dieterich	Kroening	Pehler	Solon
Benson	Frank	Kronebusch	Peterson, C.C.	Spear
Berg	Frederick	Lantry	Peterson, D.C.	Storm
Berglin	Frederickson	Lessard	Peterson, D.L.	Stumpf
Bernhagen	Freeman	Luther	Peterson, R.W.	Taylor
Bertram	Hughes	McQuaid	Petty	Vega
Brataas	Isackson	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Johnson, D.J.	Moe, D. M.	Reichgott	
Davis	Jude	Moe, R. D.	Renneke	
DeCramer	Kamrath	Nelson	Samuelson	
Dicklich	Knaak	Novak	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 401 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 401

A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; authorizing the court to allow the respondent in a replevin action to retain or regain possession without posting a bond; authorizing the court to stay an action to recover possession for up to six months; extending the effective period of a garnishee summons; amending Minnesota Statutes 1984, sections 550.37, subdivisions 5, 7, 13, 14, and 24; 565.25, subdivision 2; 571.41, subdivisions 6 and 7; 571.42; 571.495, subdivision 3; and 571.55, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 565.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 401, 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. 401 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 47.20, subdivision 15, is amended to read:

Subd. 15. Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 583.02, mailed after May 24, 1983 and prior to May 1, 1985 or *after the effective date of this section and prior to May 1, 1987*, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale under sections 583.01 to 583.12.

Sec. 2. Minnesota Statutes 1984, section 550.37, subdivision 5, is amended to read:

Subd. 5. Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding ~~\$5,000~~ \$10,000 in value.

Sec. 3. Minnesota Statutes 1984, section 550.37, subdivision 7, is amended to read:

Subd. 7. The total value of property selected by a debtor pursuant to subdivisions 5 and 6 shall not exceed ~~\$5,000~~ \$10,000.

Sec. 4. Minnesota Statutes 1984, section 550.37, subdivision 13, is amended to read:

Subd. 13. [~~WAGES EARNINGS.~~] All ~~wages earnings~~ not subject to garnishment by the provisions of section 571.55. A subsequent attachment, garnishment or levy of execution shall impound only that pay period's non-exempt disposable earnings not subject to a prior attachment, garnishment or levy of execution, but in no instance shall more than an individual's total nonexempt disposable earnings in that pay period be subject to attachment, garnishment or levy of execution. Garnishments shall impound the nonexempt disposable earnings in the order of their service upon the employer. The disposable earnings exempt from garnishment are exempt as a matter of right, whether claimed or not by the person to whom due. The exemptions may not be waived. The exempt disposable earnings are payable by the employer when due. The exempt disposable earnings shall also be exempt for 20 days after deposit in any financial institution, whether in a single or joint account. This 20-day exemption also applies to any contractual set-off or security interest asserted by a financial institution in which the earnings are deposited by the individual. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. As used in this section, the term "financial institution" includes credit unions. Nothing in this paragraph shall void or supersede any valid assignment of ~~wages earnings~~ or transfer of funds held on account made prior to the attachment, garnishment, or levy of execution.

Sec. 5. Minnesota Statutes 1984, section 550.37, subdivision 14, is amended to read:

Subd. 14. [PUBLIC ASSISTANCE.] All relief based on need, and the ~~wages earnings~~ or salary of a person who is a recipient of relief based on need, shall be exempt from all claims of creditors including any contractual set-off or security interest asserted by a financial institution. For the purposes of this chapter, relief based on need includes AFDC, general assistance medical care, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance. The salary or ~~wages earnings~~ of any debtor who is or has been a recipient of relief based on need, or an inmate of a correctional institution shall, upon his return to private employment *or farming* after having been a recipient of relief based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after his return to employment *or farming* and after all public assistance has been terminated. The exemption provisions contained in this subdivision also apply for 60 days after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing relief and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been a recipient of relief based on need, or an inmate of a correctional institution, within the preceding six months.

Sec. 6. Minnesota Statutes 1984, section 550.37, subdivision 24, is amended to read:

Subd. 24. [EMPLOYEE BENEFITS.] The debtor's right to receive a ~~payment present or future payments~~, or payments received by the debtor, under a stock bonus, pension, profit sharing, annuity, *individual retirement account, individual retirement annuity, simplified employee pension*, 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.

Sec. 7. Minnesota Statutes 1984, section 559.21, subdivision 6, is amended to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] (a) Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 583.02, shall terminate until 60 days after service of notice if the notice is served after May 24, 1983, and prior to May 1, 1985 *or after the effective date of this section and prior to May 1, 1987*, or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60- or 90-day period. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale under sections 583.01 to 583.12.

(b) *The notice must be in bold type, capitalized letters, or other form sufficient for the reader to quickly and easily distinguish the notice from the rest of the writing; violation of this requirement is a petty misdemeanor.*

(c) This section does not apply to earnest money contracts, purchase agreements or exercised options.

Sec. 8. Minnesota Statutes 1984, section 565.25, subdivision 2, is

amended to read:

Subd. 2. (a) Except as otherwise provided in clause (b) and section 9, the respondent may retain or regain possession of the property by filing of a bond approved by the court conditioned that the property shall be delivered to the claimant, if delivery be adjudged, and for the payment to the claimant of any sum adjudged against the respondent. The bond shall be in an amount 1-1/4 times the fair market value of the property or 1-1/2 times the amount of the claimant's claim, whichever is less. An order for seizure may specify a time limitation within which the bond must be filed. For the purpose of protecting or preserving the property pending final hearing on the merits, the court may in extraordinary circumstances, which shall be specified in its order, provide that the respondent may not retain or regain possession of the property upon rebonding, or may limit or condition the right to retain or regain the property upon rebonding. The costs of regaining possession of the property from the sheriff or the claimant shall be borne by respondent except as set forth in clause (b).

(b) If at a hearing following seizure of property pursuant to section 565.24 claimant fails to establish a right to continued possession, the court shall order the property returned to respondent, the costs to be borne by claimant. The court may order claimant's bond to continue in an amount sufficient to offset damages claimed by respondent by reason of the seizure.

Sec. 9. [565.251] [POSSESSION BY RESPONDENT WITHOUT BOND; STAY OF PROCEEDING.]

The court may allow the respondent to retain or regain possession of the property without filing a bond and may stay the action by the claimant for a reasonable period of time not to exceed six months if the following conditions are met:

- (1) the respondent is unable to make the required payments due to unforeseen economic circumstances beyond the respondent's control;*
- (2) the respondent is dependent on the use of the property to earn a living;*
- (3) the respondent insures the property for its fair market value;*
- (4) the respondent makes periodic payments to the claimant representing the depreciation in market value of the property while the respondent retains possession, in an amount and during the times determined by the court; and*
- (5) the respondent makes periodic payments to the claimant representing the value of the use of the property or the cost to the claimant of the lost opportunity to use the property, in an amount and during the times determined by the court.*

Sec. 10. Minnesota Statutes 1984, section 571.41, subdivision 6, is amended to read:

Subd. 6. [FORM OF NOTICE.] The ten day notice informing a judgment debtor that a garnishee summons may be used to garnish the ~~wages~~ earnings of an individual to enforce a judgment, shall be substantially in the following form:

STATE OF MINNESOTA)
) ss

County of _____) _____ Court
 _____ (Judgment Creditor)
 _____ (Judgment Debtor)

Garnishment Exemption Notice

The State of Minnesota

To the above named Judgment Debtor:

Please take notice that a Garnishment Summons may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your ~~wages~~ earnings are completely exempt from garnishment if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months. Relief based on need includes, only AFDC, general assistance medical care, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance.

If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney and the garnishee.

You may wish to contact the attorney for the Judgment Creditor in order to arrange for a settlement of the debt.

PENALTIES

1. Be advised that even if you claim an exemption, a Garnishment Summons may still be served on your employer. If your ~~wages~~ earnings are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

2. HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.

3. If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney fees plus an amount not to exceed \$100.

Dated: _____

 (Attorney for) Judgment Creditor
 Address
 Telephone

I hereby claim under penalty of perjury that my ~~wages~~ earnings are exempt from garnishment because:

(1) _____ I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)

 Program Case Number (if known) County

(2) _____ I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)

Program	Case Number (if known)	County
---------	------------------------	--------

(3) _____ I have been an inmate of a correctional institution within the last six months. (Specify the correctional institution and location.)

Correctional Institution	Location
--------------------------	----------

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named creditor or his attorney whether or not I was a recipient of relief based on need or an inmate of a correctional institution within the last six months.

Judgment Debtor
Address

Sec. 11. Minnesota Statutes 1984, section 571.41, subdivision 7, is amended to read:

Subd. 7. [FORM OF EXEMPTION NOTICE.] The notice informing a judgment debtor that a writ of attachment, garnishee summons, or levy of execution has been used to attach and bind funds of the judgment debtor to satisfy a claim shall be substantially in the following form:

EXEMPTION NOTICE

STATE OF MINNESOTA
COUNTY OF _____

Court
(Judgment Creditor)

(Judgment Debtor)

To _____ (Judgment Debtor):

A writ of attachment, garnishee summons, or levy of execution (strike inapplicable language) has been served on _____ (Bank or other Financial Institution) _____ where you have an account.

Your account balance is \$ _____ .

The amount being held is \$ _____ .

However, the funds in your account will normally be exempt from creditors' claims if they are in one of the following categories:

(1) Relief based on need. This includes AFDC, Medical Assistance, Supplemental Security Income (SSI), Minnesota Supplemental Assistance, General Assistance, and General Assistance Medical Care.

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance).

(3) Unemployment compensation, workers' compensation, or veteran's benefits.

(4) An accident, disability, or retirement pension or annuity.

(5) Life insurance proceeds, or the earnings of your minor child.

(6) Money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car).

The following funds are also exempt:

(7) All ~~wages~~ *earnings* of a person in category (1).

(8) All ~~wages~~ *earnings* of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months.

(9) Seventy-five percent of every ~~wage earner's debtor's~~ after tax earnings.

(10) All of a ~~wage earner's debtor's~~ after tax earnings below 40 times the federal minimum wage (this equals \$134 for a 40-hour week).

TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories (9) and (10): 20 days.

Categories (7) and (8): 60 days.

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the first-in, first-out method is used. This means money deposited first is spent first.) The money being sought by the creditor is being held in your account to give you a chance to claim an exemption.

TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of this exemption claim form to the institution which sent you this notice, and one copy to the judgment creditor. Both copies must be mailed or delivered on the same day.

If they don't get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the sheriff or the creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be frozen until it is decided.

IF YOU CLAIM AN EXEMPTION:

(1) Nonexempt money can be turned over to the creditor or sheriff;

(2) The financial institution will keep holding the money claimed to be exempt; and

(3) Seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

IF THE CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:

(1) The institution will hold the money until a court decides if your exemption claim is valid, **BUT ONLY IF** the institution gets a copy of your court motion papers asserting the exemption **WITHIN 10 DAYS** after the objection is mailed or given to you. You may wish to consult an attorney at once if the creditor objects to your exemption claim.

MOTION TO DETERMINE EXEMPTION:

At any time after your funds have been frozen, you may ask for a court

decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the clerk of the above court.

PENALTIES:

If you claim an exemption in bad faith, or if the creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

Date (Attorney for) Judgment Creditor
Address

EXEMPTION:

(a) Amount of exemption claim.

/ / I claim ALL the funds being held are exempt.

/ / I claim SOME of the funds being held are exempt. The exempt amount is \$_____.

(b) Basis for exemption.

Of the ten categories listed above, I am in category number _____. (If more than one category applies, you may fill in as many as apply.) The source of the exempt funds is the following:

(If the source is a type of relief based on need, list the case number and county:

case number: _____;
county: _____.)

Dated: _____

Judgment Debtor
Address

Sec. 12. Minnesota Statutes 1984, section 571.42, is amended to read:

571.42 [EFFECT OF SERVICE OF SUMMONS.]

Subdivision 1. [ATTACH FOR JUDGMENT.] Except as provided in sections 571.43 and 571.50, service of the garnishee summons upon the garnishee shall attach and bind, to respond to final judgment in the action, all personal property of the judgment debtor in his possession or under his control and all indebtedness owing by him to the judgment debtor at the time of service and all nonexempt disposable earnings earned or to be earned within that pay period and within ~~30~~ 60 days thereafter.

Subd. 2. [PROPERTY ATTACHED.] Subject to the provisions of sections 550.37 and 571.55 all moneys, all nonexempt disposable earnings earned or to be earned within that pay period and within ~~30~~ 60 days thereafter and other personal property including property of any kind due from or in the hands of an executor, administrator, receiver or trustee and all written evidences of indebtedness whether negotiable or not or under or overdue may be

attached by garnishment, and money or any other thing due or belonging to the judgment debtor may be attached by this process before it has become payable if its payment or delivery does not depend upon any contingency, but the garnishee shall not be compelled to pay or deliver it before the time appointed by the contract.

Sec. 13. Minnesota Statutes 1984, section 571.495, subdivision 3, is amended to read:

Subd. 3. [FORM OF DISCLOSURE.] A garnishment disclosure form must be served upon the garnishee. The disclosure shall be substantially in the following form:

STATE OF MINNESOTA)
) ss
 County of _____) _____ Court

Judgment Creditor
 .vs.
 Judgment Debtor
 and
 Garnishee

I am the _____ of the garnishee herein, and duly authorized to disclose for said garnishee.

On the _____ day of _____, 19_____, the time of service of garnishee summons herein on said garnishee, there was due and owing the judgment debtor above named from said garnishee the following:

(1) Earnings. For the purposes of garnishment, "earnings" means compensation paid or payable for personal service or compensation paid or payable to the producer for the sale of agricultural products; livestock or live-stock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus or otherwise, and includes periodic payments pursuant to a pension or retirement program. "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. If the garnishee summons was served upon you at a time when earnings from a prior completed pay period were owing but not paid, complete the following disclosure for earnings from both that past pay period and the current pay period.

(a) Enter on the line below the amount of disposable earnings earned or to be earned by the judgment debtor within the judgment debtor's pay periods which may be subject to garnishment.

(b) Enter on the line below 40 times the hourly federal minimum wage times the number of work weeks within the judgment debtor's pay periods which may be subject to garnishment. When such pay periods consists of

other than a whole number of work weeks, each day of a pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of work days divided by the number of work days in the normal work week.

(c) Enter on the line below the difference obtained (never less than zero) when line (b) is subtracted from line (a).

(d) Enter on the line below 25 percent of line (a).

(e) Enter on the line below the lesser of line (c) and line (d).

(2) Money. Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the garnishee.

(3) Property. Describe on the line below any personal property, instruments or papers belonging to the judgment debtor and in the possession of the garnishee.

(4) Set-off. Enter on the line below the amount of any set-off, defense, lien or claim which the garnishee claims against the amount set forth on lines (1)(e), (2) and (3) above. Allege the facts by which such set-off, defense, lien or claim is claimed. (Any indebtedness to a ~~garnishee employer~~ garnishee incurred by the judgment debtor within 10 days prior to the receipt of the first garnishment on a debt is void and should be disregarded.)

(5) Exemption. Enter on the line below any amounts or property claimed by the judgment debtor to be exempt from execution.

(6) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the judgment debtor's property. (Any assignment of wages made by the judgment debtor within 10 days prior to the receipt of the first garnishment on a debt is void and should be disregarded. State the names and addresses of such persons and the nature of their claim, if known.)

(7) Enter on the line below the total of lines (4), (5) and (6).

(8) Enter on the line below the difference obtained (never less than zero) when line (7) is subtracted from the sum of lines (1)(e), (2) and (3).

(9) Enter on the line below 110 percent of the amount of the judgment creditor's judgment which remains unpaid.

(10) Enter on the line below the lesser of line (8) and line (9). As garnishee, you are hereby instructed to retain this amount only if it is \$10 or more.

Authorized Representative of Garnishee

Title

Subscribed and sworn to before me

This _____ day of _____, 19_____

Notary Public
_____ County, Minnesota.

Sec. 14. Minnesota Statutes 1984, section 571.55, subdivision 1, is amended to read:

Subdivision 1. For the purposes of this section, "earnings" means compensation paid or payable for personal service or compensation paid or payable to the producer for the sale of agricultural products; livestock or live-stock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commissions, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program. "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld.

Sec. 15. Minnesota Statutes 1984, section 580.031, is amended to read:

580.031 [~~TEMPORARY~~ MINIMUM NOTICE.]

(a) Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead, as defined in section 583.02, if the notice is published for the first time after May 24, 1983 and prior to May 1, 1985 or after the effective date of this section and prior to May 1, 1987. The notice must contain the information specified in section 580.04.

(b) The notice must be in bold type, capitalized letters, or other form sufficient for the reader to quickly and easily distinguish the notice from the rest of the writing; violation of this requirement is a petty misdemeanor.

(c) At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

Sec. 16. Minnesota Statutes 1984, section 583.02, is amended to read:

583.02 [DEFINITIONS.]

As used in sections 583.01 to 583.12 *this chapter*, the term "homestead" means residential or agricultural real estate, a portion or all of which, *at the time of the filing of the petition under section 583.04, is occupied by the owner and is entitled to receive homestead credit under section 273.13, subdivision 15a or would be entitled to receive the credit if it remained the residence of the owner on June 1 of the current year or January 2 of the next year.*

Sec. 17. Minnesota Statutes 1984, section 583.03, subdivision 2, is amended to read:

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12 do not apply to mortgages or contracts for deed made after ~~May 24, 1983~~ *the effective date of this act*, nor to mortgages or contracts for deed made before ~~May 24, 1983~~ *the effective date of this act* which are renewed or extended after ~~May 24, 1983~~ *the effective date of this act*, for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after ~~May 24, 1983~~ *the effective date of this act*.

No court shall allow a stay, or postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Sec. 18. Minnesota Statutes 1984, section 583.04, is amended to read:

583.04 [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises *including farm homestead premises*, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings ~~default~~ and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified ~~complaint~~ *petition* requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of May 24, 1983, may petition the district court in the same manner, requesting that the contract termination be ~~delayed~~ *postponed* for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings *or contract termination* until after the hearing on the petition. ~~As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable~~

~~instrument has been paid.~~ *The court may order costs and attorney fees to be paid by the person applying for relief. If the court orders attorney fees to be paid, the amount may not exceed \$150 or one-half of the attorney fees allowed in section 582.01, whichever is less. The court may order the attorney fees to be prorated and combined with payments ordered under section 583.08. The court may not order attorney fees to be paid by the person applying for relief, if the person is receiving public assistance or legal aid for their own legal representation.*

Sec. 19. Minnesota Statutes 1984, section 583.05, is amended to read:

583.05 [COURT MAY ORDER ~~DELAY IN POSTPONEMENT OF SALE; FINDINGS.~~]

The court may consider the following criteria in determining whether or not to order a ~~delay in postponement~~ of the sale or contract termination:

(1) that the petitioner is unemployed, underemployed, facing catastrophic medical expenses, or facing economic problems due to low farm commodity prices; and

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed.

If the court ~~grants or denies a delay in postponement~~ of the sale, the mortgagee shall publish notice of the new sale date as provided in section 580.03. *If the court grants a postponement of the sale, the mortgagee shall not publish notice of a new sale date as provided in section 580.03 until the postponement period has expired, except as provided in section 583.08.* Section 580.07 does not apply to foreclosure sales postponed by a court pursuant to sections 583.01 to 583.12.

Sec. 20. Minnesota Statutes 1984, section 583.07, is amended to read:

583.07 [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a ~~delay in postponement~~ of the foreclosure sale pursuant to sections 583.01 to 583.12, the redemption period pursuant to section 580.23 ~~shall may~~ be reduced by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days. If the court does not grant a ~~delay in postponement~~ of the foreclosure sale, the redemption period shall be as provided in section 580.23.

Sec. 21. Minnesota Statutes 1984, section 583.10, is amended to read:

583.10 [HEARING.]

The court shall schedule and hold a hearing on the petition ~~must be held~~ within 30 days after the filing of the petition. The order therein must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 22. Minnesota Statutes 1984, section 223A.01, as added by S.F. No. 919, section 6, if enacted by the 1985 regular session, is amended to read:

223A.01 [FARM PRODUCTS THAT ARE BOUGHT SUBJECT TO A SECURITY INTEREST.]

Subdivision 1. [REGISTERED BUYER TAKES FREE OF SECURITY INTEREST UNLESS NOTIFIED.] A buyer in the ordinary course of business who is a registered buyer in the county of the seller's residence under section 386.42, and who purchases farm products from a person engaged in farming operations takes free of a security interest created by the seller even though the security interest is perfected and the buyer knows of its existence, unless the buyer is notified of the security interest as provided in subdivision 4 3.

Subd. 2. [BUYERS THAT PURCHASE SUBJECT TO A SECURITY INTEREST.] A buyer in the ordinary course of business that is registered under section 386.42 in the seller's county of residence who is notified by a secured party as provided under subdivision 3, purchases farm products from a person engaged in farming operations subject to the perfected security interest. A buyer who is not registered under section 386.42 in the seller's county of residence purchases farm products from a person engaged in farming operations subject to perfected security interests.

A buyer who purchases farm products subject to a security interest under this section *subdivision* shall include the name of the secured party as joint payee on any check or other instrument issued in payment for the farm products, unless the secured party gives the buyer written notice of waiver of this requirement. Issuance of joint payment as herein required relieves the buyer of any further liability to the secured party.

Subd. 3. [NOTIFICATION OF SECURITY INTEREST.] A secured party may, by certified mail or another method by which receipt can be verified, notify a buyer that a debtor has farm products subject to a security interest.

The notification is effective upon receipt until September 1 after the notification is made; or for a notification made after August 20 but before September 1, the notification is effective for one year beginning September 1. A buyer who receives notification from a secured party under this subdivision shall not publicly post or disseminate to any person, other than its agents and employees who reasonably require the information for purposes related to this *act section*, any information contained in the notification.

A secured party that furnishes to a buyer a list of debtors who have farm products subject to a security interest is not liable to a debtor whose name is on the list for furnishing the list.

Subd. 4. [COMMISSION MERCHANT.] *Notwithstanding section 336.1-201, subsection (9), a commission merchant or selling agent who sells farm products for another for a fee, that is a registered buyer under section 386.42, is a buyer in the ordinary course of business under this chapter and section 336.9-307, subsection (1), for transactions involving farm products.*

Sec. 23. Minnesota Statutes 1984, section 336.9-307, as amended by S.F. No. 919, section 7, if enacted by the 1985 regular session, is amended to read:

336.9-307 [PROTECTION OF BUYERS OF GOODS.]

(1) A buyer in ordinary course of business (subsection (9) of section 336.1-201) takes free of a security interest created by his seller even though the security interest is perfected and even though the buyer knows of its

existence, except that a buyer in the ordinary course of business who purchases farm products from a person engaged in farming operations is subject to section 386.42 223A.01.

(2) In the case of consumer goods, a buyer takes free of a security interest even though perfected if he buys without knowledge of the security interest, for value and for his own personal, family or household purposes unless prior to the purchase the secured party has filed a financing statement covering such goods.

(3) A buyer other than a buyer in ordinary course of business (subsection (1) of this section) takes free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the purchase, or more than 45 days after the purchase, whichever first occurs, unless made pursuant to a commitment entered into without knowledge of the purchase and before the expiration of the 45 day period.

Sec. 24. Minnesota Statutes 1984, section 336.9-402, is amended to read:

336.9-402 [FORMAL REQUISITES OF FINANCING STATEMENT; AMENDMENTS; MORTGAGE AS FINANCING STATEMENT.]

(1) A financing statement is sufficient if it gives the name of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned and the name of the record owner thereof. *The financing statement may only cover the crops grown by a debtor in a single growing season and may not cover other collateral.* When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this state.

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor when it is filed to perfect a security interest in

(a) collateral already subject to a security interest in another jurisdiction when it is brought into this state, or when the debtor's location is changed to this state. Such a financing statement must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances; or

(b) proceeds under section 336.9-306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or

(c) collateral as to which the filing has lapsed within one year; or

(d) collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)); or

(e) a lien filed pursuant to Minnesota Statutes, chapter 514; or

(f) collateral which is subject to a filed judgment.

(2a) Except for documents filed under clauses (e) and (f), the reason for the omission of the debtor signature must be stated on the front of the financing statement.

(3) A form substantially as follows is sufficient to comply with subsection (1):

Name of debtor (or assignor)

Address

Name of secured party (or assignee)

Address

1. This financing statement covers the following types (or items) of property:

(Describe)

2. (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe real estate and the name of the record owner thereof) _____

3. (If applicable) The above goods are to become fixtures on

(Describe real estate) _____ and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is _____.

4. (If products of collateral are claimed)

Products of the collateral are also covered.

Use whichever signature line is applicable.

Signature of debtor (or assignor)

Signature of secured party (or assignee)

(4) A financing statement may be amended by filing a writing signed by

both the debtor and the secured party. If the sole purpose of the amendment is to change the name or address of the secured party, only the secured party need sign the amendment. A writing is sufficient if it sets forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, the file number and date of filing of the financing statement. An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this article, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or a financing statement filed as a fixture filing (section 336.9-313) where the debtor is not a transmitting utility, must show that it covers this type of collateral, must recite that it is to be filed for record in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner. No description of the real estate or the name of the record owner thereof is required for a fixture filing where the debtor is a transmitting utility. Notwithstanding the foregoing a general description of the real estate is sufficient for a fixture filing where a railroad is the record owner of the real estate on which the fixtures are or are to be located; and for the purposes of this subsection, the requirement of a general description is satisfied if the fixture filing (1) identifies the section, township and range numbers of the county in which the land is located; (2) identifies the quarter-quarter of the section that the land is located in; (3) indicates the name of the record owner of the real estate; and (4) states the street address of the real estate if one exists.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement, amendment, continuation, assignment, release, or termination substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading.

Sec. 25. Minnesota Statutes 1984, section 336.9-403, is amended to read:

336.9-403 [WHAT CONSTITUTES FILING; DURATION OF FILING; EFFECT OF LAPSED FILING; DUTIES OF FILING OFFICER.]

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in ~~subsection~~ *subsections (6) and (9)* a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later regardless of whether the financing statement filed as to that security interest is destroyed by the filing officer pursuant to subsection (3). Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within six months prior to the expiration of the five year period specified in subsection (2). Any such continuation statement must be signed by the secured party, set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, identify the original statement by file number and filing date, and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if he has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained. If insolvency proceed-

ings are commenced by or against the debtor, the secured party shall notify the filing officer both upon commencement and termination of the proceedings, and the filing officer shall not destroy any financing statements filed with respect to the debtor until termination of the insolvency proceedings. The security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later.

(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.

(5) The secretary of state shall prescribe uniform forms for statements and samples thereof shall be furnished to all filing officers in the state. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the financing statement is subject to subsection (5) of section 336.9-402, \$5. An additional fee of \$5 shall be collected if more than one name is required to be indexed or if the secured party, at his option, shows a trade name for any debtor listed. There shall be no fee collected for the filing of an amendment to a financing statement if the amendment is in the standard form prescribed by the secretary of state and does not add additional debtor names to the financing statement. The fee for an amendment adding additional debtor names shall be \$5 if the amendment is in the form prescribed by the secretary of state and, if otherwise, \$10. The fee for an amendment which is not in the form prescribed by the secretary of state but which does not add additional names shall be \$5.

The secretary of state shall adopt rules for filing, amendment, continuation, termination, removal, and destruction of financing statements.

(6) If the debtor is a transmitting utility (subsection (5) of section 336.9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of section 336.9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he were the mortgagee thereunder, or, for filing offices other than the secretary of state, where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described. If requested of the

filing officer on the financing statement, a financing statement filed for record as a fixture filing in the same office where nonfixture filings are made is effective, without a dual filing, as to collateral listed thereon for which filing is required in such office pursuant to section 336.9-401 (1) (a); in such case, the filing officer shall also index the recorded statement in accordance with subsection (4) using the recording data in lieu of a file number.

(8) The fees provided for in this article shall supersede the fees for similar services otherwise provided for by law except in the case of security interests filed in connection with a certificate of title on a motor vehicle.

(9) *A financing statement that covers crops growing or to be grown is effective for a period of two years. A continuation statement may be filed for the products of the crop covered in the original financing statement. A continuation statement is effective for a period of two years and may be filed within six months prior to the expiration of the two-year period for the financing statement.*

Sec. 26. Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, is amended to read:

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, 1985 1987, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court.

Sec. 27. [EFFECTIVE DATE.]

Sections 4 to 6, and 8 to 14 are effective July 1, 1985. Sections 24 and 25 are effective for crops planted after September 1, 1985. The remaining sections of this act are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; extending the effective period of a garnishee summons; modifying and extending remedies for persons defaulting on homesteads; making technical changes related to persons buying farm products; requiring certain time limits and descriptions for crop financing statements; amending Minnesota Statutes 1984, sections 47.20, subdivision 15; 223A.01; 336.9-307, as amended; 336.9-402; 336.9-403; 550.37, subdivisions 5, 7, 13, 14, and 24; 559.21, subdivision 6; 565.25, subdivision 2; 571.41, subdivisions 6 and 7; 571.42; 571.495, subdivision 3; 571.55, subdivision 1; 580.031; 583.02; 583.03, subdivision 2; 583.04; and Laws 1983, chapter 215, section 16, as amended."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gary M. DeCramer, Randolph W. Peterson, Ron Sieloff

House Conferees: (Signed) Terry M. Dempsey, K.J. McDonald, Richard J. Cohen

Mr. DeCramer moved that the foregoing recommendations and Conference Committee Report on S.F. No. 401 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. 401 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knutson	Novak	Samuelson
Anderson	Frank	Kroening	Olson	Schmitz
Belanger	Frederick	Kronebusch	Pehler	Sietloff
Benson	Frederickson	Laidig	Peterson, C. C.	Solon
Berg	Freeman	Langseth	Peterson, D. C.	Spear
Bernhagen	Gustafson	Lantry	Peterson, D. L.	Storm
Bertram	Hughes	Lessard	Peterson, R. W.	Stumpf
Brataas	Isackson	Luther	Petty	Taylor
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Vega
Davis	Johnson, D.J.	Merriam	Purfeerst	Waldorf
DeCramer	Jude	Moe, D. M.	Ramstad	Wegscheid
Dicklich	Kamrath	Moe, R. D.	Reichgott	Willet
Diessner	Knaak	Nelson	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 43 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 43

A bill for an act relating to transportation; regulating motor carriers; establishing gross vehicle weight limits for courier service vehicles; providing that hours of service rules do not apply to farm vehicles; exempting certain farm vehicles from the vehicle identification rule; providing for rescission of canceled permits if a carrier has insurance coverage; excluding modular home movers from regulation as building movers; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 174A.06; 221.011, subdivisions 13 and 25; 221.025; 221.031, subdivisions 2 and 6; 221.131, by adding a subdivision; 221.161, subdivision 1; 221.185, subdivision 4, and by adding a subdivision; 221.231; 221.291, subdivision 1; 221.65; 221.67; 221.68; 221.81, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1984, sections 221.296, subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 43, report that we have agreed

upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S.F. No. 43 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 117.075, is amended to read:

117.075 [COURT TO APPOINT COMMISSIONERS.]

Upon proof being filed of the service of such notice, the court, at the time and place therein fixed or to which the hearing may be adjourned, shall hear all competent evidence offered for or against the granting of the petition, regulating the order of proof as it may deem best. If the proposed taking shall appear to be necessary and such as is authorized by law, the court by an order shall appoint three disinterested commissioners, and at least two alternates, residents of the county, to ascertain and report the amount of damages that will be sustained by the several owners on account of such taking.

Before appointing a commissioner, the court shall inquire whether each prospective commissioner has any relationship, business or otherwise, to any of the parties in the proceeding, or any interest in the proceeding which may constitute a conflict of interest, or which may create the appearance of impropriety should that person be appointed. Responses to this inquiry must be either written or on the record and made available by the court to any party in the proceeding before and after appointment. No person who might have difficulty in rendering an unbiased decision may be appointed to serve. The court, in its discretion, may appoint one registered, practicing attorney to the commission who is knowledgeable in eminent domain matters. All other commissioners appointed must be persons actively engaged in the occupation of real estate sales or real estate appraising or persons knowledgeable in real estate values. The order shall fix the time and place of the first meeting of the three commissioners and prescribe their compensation. ¶ At the first meeting at the office of the clerk of district court the appointees must be sworn by the clerk or an authorized deputy and shall take and sign the following oath before assuming their duties as commissioners:

(TITLE OF PROCEEDING)

_____ each for himself/herself does swear under penalty of perjury as follows:

I will faithfully and justly perform to the best of my ability, all the duties of the office and trust which I now assume as commissioner in the above entitled proceeding. I further swear that, except as disclosed in writing or on the record, I have no interest in any of the lands in the above proceeding or any present or past relationship, business or personal, with any of the parties to the above proceeding or any other actual or potential conflict of interest, and that I will render fair and impartial decisions, so help me God.

The order may, in the discretion of the court, limit the title or easement to be acquired by the petitioner by defining the rights and privileges which the owner of any of the lands may exercise therein in subordination to the public uses to which it is appropriated. In case any of the commissioners fail com-

missioner fails to act or fails to meet the qualifications required by this section, the court without further notice may appoint another in his or her place.

The clerk of court in each county shall post in the courthouse in a prominent place a notice that a qualified person may apply to have his or her name placed upon a list of potential commission appointees for eminent domain proceedings. The notice must contain the language of the oath which the commissioners are required to take upon appointment and shall list the other qualifications set forth in this section. The court shall give due consideration to the names appearing on the list, but is not bound to make appointments from the list.

Sec. 2. Minnesota Statutes 1984, section 161.20, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF PROPERTY; BUILDINGS; RELOCATION OF CORNERS; AGREEMENTS WITH RAILROADS; CONTRACTS.] *He The commissioner is authorized to acquire by purchase, gift, or by eminent domain proceedings as provided by law, in fee or such lesser estate as he the commissioner deems necessary, all lands and properties necessary in laying out, constructing, maintaining, and improving the trunk highway system including recreational vehicle lanes; to locate, construct, reconstruct, improve, and maintain the trunk highway system; to purchase all road material, machinery, tools, and supplies necessary for the construction, maintenance, and improvement thereof; to construct necessary buildings, or rent or acquire by purchase, gift, or condemnation, grounds, and buildings necessary for the storing and housing of such material, machinery, tools, and supplies or necessary for office space for employees or for providing for driver license examinations; to maintain, repair, or remodel such buildings as may be necessary; to acquire by purchase, gift, or condemnation, replacement sites for historically significant buildings or structures and to relocate these buildings or structures onto those sites, reconstructing and maintaining them until disposed of through public sale to the highest responsible bidder; to make agreements with any county for the relocation or re-establishment, by the county, of section, quarter section, or meander corners originally established by the United States, when such relocation or re-establishment is necessary in order to write land acquisition descriptions or by reason of the construction, reconstruction, improvement, or maintenance of a trunk highway; to contract on an equitable basis with railroad companies for the installation and reinstallation of safety devices at trunk highway-railroad grade crossings, and for the construction, reconstruction and maintenance of bridges and approaches existing or necessary for the separation of grades at railroad and trunk highway intersections; and in carrying out his duties, to let all necessary contracts in the manner prescribed by law. The commissioner may make agreements with and cooperate with any governmental authority for the purpose of effectuating the provisions of this chapter.*

Sec. 3. [161.315] [PROTECTION OF PUBLIC CONTRACTS.]

Subdivision 1. [LEGISLATIVE INTENT.] Recognizing that the preservation of the integrity of the public contracting process of the department of transportation is vital to the development of a balanced and efficient transportation system and a matter of interest to the people of the state, the legislature hereby determines and declares that:

(1) the procedures of the department for bidding and awarding department contracts exist to secure the public benefits of free and open competition and to secure the quality of public works;

(2) the opportunity to be awarded department contracts or to supply goods or services to the department is a privilege, not a right; and

(3) the privilege of transacting business with the department or local road authority should be denied to persons convicted of a contract crime in order to preserve the integrity of the public contracting process.

Subd. 2. [DEFINITIONS.] The terms used in this section have the meanings given them in this subdivision.

(a) "Affiliate" means a predecessor or successor of a person under the same or substantially the same control, or a group of entities so connected or associated that one entity controls or has the power to control each of the other entities. "Affiliate" includes the affiliate's principals. One person's ownership of a controlling interest in another entity or a pooling of equipment or income among entities is prima facie evidence that one entity is an affiliate of another.

(b) "Contract crime" means a violation of state or federal antitrust law, fraud, theft, embezzlement, bribery, forgery, misrepresentation, making false statements, falsification or destruction of records, or other criminal offense in connection with obtaining, attempting to obtain, or performing a public or private contract or subcontract.

(c) "Conviction" has the meaning given it in section 609.02, subdivision 5.

(d) "Debar" means to disqualify from receiving a contract or from serving as a subcontractor or material supplier as provided by Laws 1984, chapter 654, article 2, section 8.

(e) "Person" means a natural person or a business, corporation, association, partnership, sole proprietorship, or other entity formed to do business as a contractor, subcontractor, or material supplier and includes an affiliate of a person.

(f) "Pooling" means a combination of persons engaged in the same business or combined for the purpose of engaging in a particular business or commercial venture and who all contribute to a common fund or place their holdings of a given stock or other security in the hand and control of a managing member or committee of the combination.

(g) "Suspend" means to temporarily disqualify from receiving a contract or from serving as a subcontractor or material supplier as provided by Laws 1984, chapter 654, article 2, section 8.

Subd. 3. [PROHIBITIONS.] Except as provided in subdivision 4:

(1) neither the commissioner nor a county, town, or home rule or statutory city may award or approve the award of a contract for goods or services to a person who is suspended or debarred;

(2) neither the commissioner nor a county, town, or home rule or statutory city may award or approve the award of a contract for goods or services

under which a debarred or suspended person will serve as a subcontractor or material supplier; and

(3) a person to whom a contract for goods or services has been awarded may not subcontract with or purchase materials or services from a debarred or suspended person for performance of that contract.

Subd. 4. [EXCEPTIONS.] The commissioner may terminate a debarment by order, or the commissioner or a county, town, or home rule or statutory city may award a contract to a debarred or suspended person when:

(1) that person is the sole supplier of a material or service required by the commissioner or a county, town, or home rule or statutory city;

(2) the commissioner determines that an emergency exists as defined in section 161.32, subdivision 3;

(3) the commissioner of administration determines that an emergency exists as defined in section 16B.08, subdivision 6;

(4) in the case of a contract to be awarded by a county, town, or home rule or statutory city, the governing body thereof determines by resolution that an emergency exists that will result in a road, street, or bridge being closed to travel; or

(5) the contract is for purchasing materials or renting equipment for routine road maintenance.

Subd. 5. [DURATION OF DEBARMENT.] A person who has been convicted of a contract crime must be debarred for a period of not less than one year. This subdivision applies to contract crime violations which occur after June 30, 1985.

Subd. 6. [PREEXISTING CONTRACTS.] The disqualification of a contractor or its affiliate does not affect the contractor's or its affiliate's obligations under any preexisting contract.

Sec. 4. Minnesota Statutes 1984, section 162.07, subdivision 2, is amended to read:

Subd. 2. [MONEY NEEDS DEFINED.] For the purpose of this section, money needs of each county are defined as the estimated total annual costs of constructing, over a period of 25 years, the county state-aid highway system in that county. Costs incidental to construction, or a specified portion thereof as set forth in the commissioner's rules and regulations may be included in determining money needs. ~~When a county state-aid highway is located over a street in a city having a population of 5,000 or more, only the construction costs of the center 24 feet of the street shall be included in the money needs of that county; provided, that when traffic volumes warrant multiple or divided lane highways the construction costs of the necessary number of 12 foot lanes required for through traffic may be included in the money needs. When a county state-aid highway is located over a street in any city of less than 5,000 population, the construction costs of the entire width of the roadway or street surface shall be included in the money needs of that county.~~ To avoid variances in costs due to differences in construction policy, construction costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the county engineers of the several

counties. Any variance granted pursuant to section 162.02, subdivision 3a shall be reflected in the estimated construction costs in determining money needs.

Sec. 5. Minnesota Statutes 1984, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR RURAL COUNTIES.] A two-thirds of one mill levy on each rural county's total taxable valuation for the last preceding calendar year shall be computed and shall be subtracted from such county's total estimated construction costs. The result thereof shall be the money needs of such county. For the purpose of this section, rural counties shall be construed to mean all counties having a population of less than ~~200,000~~ 175,000.

Sec. 6. Minnesota Statutes 1984, section 162.07, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION FOR URBAN COUNTIES.] A four-tenths mill levy on each urban county's total taxable valuation for the last preceding calendar year shall be computed and shall be subtracted from such county's total estimated construction costs. The result thereof shall be the money needs of the county. For the purpose of this section urban counties shall be construed to mean all counties having a population of ~~200,000~~ 175,000 or more.

Sec. 7. [162.071] [SPECIAL PROVISIONS.]

The following provisions apply to county state-aid apportionments in calendar years 1986 and 1987 only:

(a) In calendar year 1985 for the 1986 apportionment the definition of "money needs" includes 50 percent of the construction costs beyond the center 24 feet of a county state-aid highway located over a street in a city of 5,000 or more population.

(b) In calendar year 1986 for the 1987 apportionment the definition of "money needs" must include 100 percent of the construction costs beyond the center 24 feet of a county state-aid highway located over a street in a city of 5,000 or more population.

(c) Notwithstanding paragraphs (a) and (b), the commissioner shall make no apportionment of county state-aid highway funds for calendar years 1986 and 1987 which would result in any county receiving a lesser apportionment of such funds than was apportioned to it in calendar year 1985.

(d) Notwithstanding paragraphs (a) and (b), the apportionment of county state-aid funds for either calendar year 1986 or 1987 for any county may not exceed the apportionment to that county for the previous calendar year, increased by a percentage which is the sum of the percentage by which the total funds available for apportionment to all counties increased over the total funds available for apportionment for the previous calendar years, plus five percent. If the provisions of this clause result in more funds being available for distribution to all counties than can be distributed under these provisions, the commissioner shall apportion the excess funds to the counties in proportion to each county's approved money needs as defined in section 162.07, subdivision 2.

The provisions of this section do not apply to apportionments for any year in which the amount of county state-aid highway funds available for apportionment to all counties is less than the amount which was available for apportionment to all counties in calendar year 1985.

Sec. 8. Minnesota Statutes 1984, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On trucks and tractors except those in this chapter defined as farm trucks, and urban trucks, and on truck-tractor and semitrailer combinations except those defined as farm combinations and urban combinations and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

Minnesota Base Rate Schedule

Scheduled taxes include five percent surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS		TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 26,000	270
K	26,001 - 33,000	360
L	33,001 - 39,000	470
M	39,001 - 45,000	590
N	45,001 - 51,000	710
O	51,001 - 57,000	860
P	57,001 - 63,000	1010
Q	63,001 - 69,000	1180
R	69,001 - 73,280	1320
S	73,281 - 78,000	1520
T	78,001 - 81,000	1620

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

Truck-tractors except those herein defined as farm and urban truck-tractors and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to the gross weight tax imposed on the truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one-year period or \$50 for a five-year period whichever the applicant elects.

Commercial zone trucks include only trucks, truck-tractors, and semi-trailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or,

(2) operated by an interstate carrier registered under section ~~221.61~~ or ~~221.62~~ 27, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, except as otherwise provided in this subdivision. On commercial zone trucks, during the ninth and succeeding years of vehicle life, the tax shall be:

(a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided for in this subdivision, the tax for the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision, except as otherwise provided in this subdivision.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those urban trucks and combinations and commercial zone vehicles specifically provided

for in this subdivision, during each of the first eight years of vehicle life the tax shall be:

(a) for the registration year 1982, 83 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 89 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 95 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 9. Minnesota Statutes 1984, section 168.013, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELLATION; EXCESSIVE GROSS WEIGHTS FORBIDDEN.] The applicant for all licenses based on gross weight shall state in writing upon oath, the unloaded weight of the motor vehicle, 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 1-1/4 times the declared unloaded weight of the motor vehicle, 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, 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, trailer or semi-trailer for which the 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, 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, 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 motor vehicle, trailer or semi-trailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.825 by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent, in addition to any penalty imposed 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 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 the vehicle under section 169.825, that additional amount shall nevertheless be paid into the highway fund, but the additional tax thus paid shall not permit the vehicle to be operated with a gross weight in excess of the maximum legal weight as provided by section 169.825. Unless the owner within 30 days after a conviction shall apply to increase the authorized weight and pay the additional tax as provided in this section, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued on that registration.

(2) The owner or driver or user of a motor vehicle, trailer or semi-trailer upon conviction for transporting a gross weight in excess of the gross weight for which the motor vehicle, 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 169.825 by 25 percent or more, in addition to any penalty imposed for the misdemeanor, shall have the reciprocity privileges on the vehicle involved if the vehicle is being operated under reciprocity cancelled by the registrar, or if the vehicle is not being operated under reciprocity, the certificate of registration on the vehicle operated shall be cancelled by the registrar and the registrar shall demand the return of the registration certificate and registration plates. *The registrar may not cancel the registration or reciprocity privileges for any vehicle found in violation of seasonal load restrictions imposed under section 169.87 unless the axle weight exceeds the year-round weight limit for the highway on which the violation occurred.* 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 is paid.

(3) When the registration on a motor vehicle, trailer or semi-trailer is revoked by the registrar according to provisions of this section, the vehicle shall not be 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 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 section 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.

Sec. 10. Minnesota Statutes 1984, section 169.833, is amended to read:

169.833 [ADDITION OF TRUNK HIGHWAYS TO DESIGNATED ROUTE SYSTEM; PRIORITY LIST.]

Subdivision 1. [PRIORITY LIST PREPARED.] (a) By December 31 of each odd-numbered year beginning in 1985, each highway district must submit to the commissioner its list of identified market arteries and recommended priorities for upgrading. The priority list must be prepared in accordance with this section by the district engineer in consultation with county

and city engineers in the district. Each district engineer must hold one or more public meetings on the list and report to the commissioner in detail how the district upgrading priority list reflects testimony received in the public meetings.

(b) In making its priority list each district must consider the priorities of counties, municipalities, regions and adjoining districts. Each district must submit to the commissioner a preliminary list of market arteries identified for upgrading by September 1, 1985.

Subd. 2. [SELECTION OF MARKET ARTERIES.] The district priority list must identify all market arteries and determine those in need of upgrading. Roads considered for identification as market arteries must include roads connecting Minnesota with border states and provinces, roads connecting interstate highways with state trunk highways, and roads connecting trunk highways with one another. In determining the need for upgrading market arteries, the district must consider shippers' needs, community views, road conditions, regional development plans and the plans of adjoining districts. In identifying market arteries and determining the need for upgrading, the district must give priority to roads serving communities without access to rail service or a year-round, ten-ton route.

Subdivision 4 Subd. 3. [IDENTIFICATION OF PROJECTS.] The commissioner shall develop a priority list of trunk highway routes to be added to the system of routes designated under section 169.832 improvements to upgrade market arteries identified in the district priority lists developed under this section. The commissioner shall consult with representatives of the trucking, shipping, and agricultural industries and, local authorities, and regional development commissions in developing the list. A route shall be added to the designated route system after completion of road improvements that provide road strength adequate to carry the permissible weights under section 169.825 or when the commissioner otherwise determines that designation of a route is reasonable. In developing the list the commissioner shall give highest priority to improvements that will eliminate prohibitions or restrictions that interrupt year-round full service on market arteries.

Subd. 2. [FUNDING OF ADDITIONS TO THE SYSTEM.] On July 1 of each year the commissioner of finance shall certify to the commissioner the estimated increase in revenue to the trunk highway fund resulting from the increase in the gasoline and special fuel excise tax under section 296.02. The commissioner shall expend 15 percent of the increase in revenue to the trunk highway fund resulting from the increase in the gasoline and special fuel excise tax under section 296.02 and 15 percent of future increases in gasoline and special fuel excise tax revenues to the trunk highway fund for the purposes of subdivision 1. In the event that actual expenditures during any fiscal year are less or greater than 15 percent when compared to actual revenue the commissioner shall adjust his expenditures for the purpose of subdivision 1 for the following years in order to achieve compliance with this subdivision.

Sec. 11. Minnesota Statutes 1984, section 169.862, is amended to read:

169.862 [PERMITS FOR WIDE LOADS OF BALED HAY AGRICULTURAL PRODUCTS.]

The commissioner of transportation with respect to highways under the

commissioner's jurisdiction, and local authorities with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying round ~~baled hay~~ *bales of agricultural products*, with a total outside width of the vehicle or the load not exceeding 11-1/2 feet, to be operated on public streets and highways. Permits issued under this section are governed by the applicable provisions of section 169.86 except as otherwise provided herein and, in addition, carry the following restrictions:

(a) The vehicles may not be operated between sunset and sunrise, 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 ~~Saturdays, Sundays, and Sunday from noon until sunset, or on the days the following holidays are observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.~~

(b) The vehicles may not be operated on interstate highways.

(c) The vehicles may not be operated on a trunk highway with a pavement less than 24 feet wide.

(d) A vehicle operated under the permit must be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle. ~~Simultaneous flashing amber lights, as provided in section 169.59, subdivision 4, must be displayed to the front and rear of the vehicle. The flashing amber lights must be lighted only when the width of the load exceeds 102 inches. The flashing amber light system is in addition to and separate from the turn signal system and the hazard warning light system.~~

(e) A vehicle operated under the permit must display red, orange, or yellow flags, ~~12~~ 18 inches square, as markers at the front and rear and on both sides of the load. The load must be securely bound to the transporting vehicle.

The fee for the permit is \$24.

Sec. 12. Minnesota Statutes 1984, section 169.871, is amended by adding a subdivision to read:

Subd. 7. [SHIPPER'S GOOD FAITH EXCEPTION.] The penalty imposed by subdivision 1 shall not be imposed on a shipper who in good faith ships goods or tenders goods for shipment in a vehicle that does not exceed the maximum gross weight for which the truck is licensed under section 168.013, subdivision 1e.

For purposes of this section, "good faith" means that (1) the vehicle is licensed pursuant to section 168.013, subdivision 1e, (2) the operator of the vehicle is not under the control of the shipper, (3) the operator has requested that the vehicle be loaded to the maximum gross weight for which the vehicle is licensed, and (4) the road leading from the shipper's immediate place of shipment may be legally used for the allowed gross weight of the vehicle with its legally maximum load.

Sec. 13. Minnesota Statutes 1984, section 169.872, subdivision 1, is amended to read:

Subdivision 1. [RECORD KEEPING.] A person who weighs goods be-

fore or after unloading or a person who loads or unloads goods on the basis of liquid volume measure shall keep a written record of the origin, weight and composition of each shipment, the date of loading or receipt, the name and address of the shipper, the total number of axles on the vehicle or combination of vehicles, and the registration number of the power unit or some other means of identification by which the shipment was transported. The record shall be retained for 30 days and shall be open to inspection and copying by a state law enforcement officer or motor transport representative, except state conservation officers, upon demand. No search warrant is required to inspect or copy the record. This subdivision does not apply to a person weighing goods who is not involved in the shipping, receiving and transporting of those goods, *or to a person weighing raw and unfinished farm products transported in a single unit vehicle with not more than three axles or by a trailer towed by a farm tractor when the transportation is the first haul of the product.*

Sec. 14. Minnesota Statutes 1984, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES OF PUBLIC SERVICE COMMISSION, PUBLIC UTILITIES COMMISSION, AND DEPARTMENT OF TRANSPORTATION.]

Orders and directives heretofore in force, issued or promulgated by the public service commission, public utilities commission, or the department of transportation under authority of chapters 216A, 218, 219, and 221 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the transportation regulation board. Rules adopted by the public service commission, public utilities commission or the department of transportation under authority of the following sections are transferred to the transportation regulation board and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the transportation regulation board:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;

(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, or a local cartage carrier under section 221.296, subdivision 8;

(5) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and

(6) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits *under sections 221.121, 221.151, and 221.296* or certificates of convenience and necessity *under section 221.296, subdivision 2 221.071.*

The board shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives within 18 months of July 1, 1985.

Sec. 15. Minnesota Statutes 1984, section 221.011, subdivision 13, is amended to read:

Subd. 13. "Interstate carrier" means any person engaged in transporting property or passengers *for hire* in interstate commerce *in Minnesota*, from or into Minnesota, or between any point in the state of Minnesota and the Dominion of Canada.

Sec. 16. Minnesota Statutes 1984, section 221.011, subdivision 25, is amended to read:

Subd. 25. "Courier services carrier" means any person who offers expedited door-to-door transportation of packages and articles less than 100 pounds in weight in vehicles with a ~~manufacturer's nominal rating capacity~~ *registered gross vehicle weight and gross vehicle weight rating not exceeding one ton 15,000 pounds.*

Sec. 17. Minnesota Statutes 1984, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator 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;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the

field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office. The carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm. ~~The owner of a truck operating under this provision shall imprint the owner's name and address in prominent visible letters on the outside of the cab of the truck.~~

Sec. 18. Minnesota Statutes 1984, section 221.031, subdivision 2, is amended to read:

Subd. 2. [PRIVATE CARRIERS.] (a) Private carriers operating vehicles licensed and registered for a gross weight of more than 12,000 pounds, shall comply with rules adopted under this section applying to maximum hours of service of drivers, safe operation of vehicles, equipment, parts and accessories, leasing of vehicles or vehicles and drivers, and inspection, repair, and maintenance.

(b) In addition to the requirements in paragraph (a), private carriers operating vehicles licensed and registered for a gross weight in excess of 26,000 pounds shall comply with rules adopted under this section relating to driver qualifications.

(c) The requirements as to driver qualifications and maximum hours of service for drivers do not apply to private carriers who are (1) public utilities as defined in section 216B.02, subdivision 4; (2) cooperative electric associations organized under chapter 308; (3) telephone companies as defined in section 237.01, subdivision 2; or (4) who are engaged in the transportation of construction materials, tools and equipment from shop to job site or job site to job site, for use by the private carrier in the new construction, remodeling, or repair of buildings, structures or their appurtenances.

(d) The driver qualification rule ~~does~~ *and the hours of service rules* do not apply to vehicles controlled by a farmer and operated by a farmer or farm employee to transport agricultural products or farm machinery or supplies to or from a farm if the vehicle is not used in the operations of a motor carrier and not carrying hazardous materials of a type or quantity that requires the vehicle to be marked or placarded in accordance with section 221.033.

Sec. 19. Minnesota Statutes 1984, section 221.031, subdivision 6, is amended to read:

Subd. 6. [VEHICLE IDENTIFICATION RULE.] The following carriers shall comply with the vehicle identification rule of the commissioner:

(1) motor carriers, regardless of the weight of the vehicle;

(2) private carriers operating vehicles licensed and registered for a gross weight of 12,000 pounds or more; and

(3) vehicles providing transportation described in section 221.025 which are licensed and registered for a gross weight of 12,000 pounds or more except those providing transportation described in section 221.025, clauses (a), (c), and (d).

The vehicle identification rule of the commissioner may not be more stringent than the marking requirements imposed on private carriers by the United States department of transportation under Code of Federal Regulations, title 49, section 397.21, clauses (b) and (c).

Vehicles described in clauses (2) and (3) that are operated by farmers or farm employees and have four or fewer axles are not required to comply with the vehicle identification rule of the commissioner.

Sec. 20. Minnesota Statutes 1984, section 221.033, is amended to read:

221.033 [REGULATION OF HAZARDOUS MATERIALS.]

Subdivision 1. [REQUIREMENTS.] Except as provided in subdivisions 2 and 3, no person may transport or have transported or shipped within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 1801 to 1811 and the provisions of Code of Federal Regulations, title 49, sections 171 to 199.

Subd. 2. [EXCEPTION.] Farmers or their employees transporting diesel fuel, gasoline, agricultural chemicals, or agricultural fertilizers for use on the transporter's farm are not required to comply with the driver qualification rules of the commissioner or with the shipping paper requirements of the Code of Federal Regulations, title 49, parts 172.200 and 177.817 or with part 397.7(B) or 397.9(A) of the Federal Motor Carrier Safety Regulations when:

(1) transporting diesel fuel or gasoline in motorized tank truck vehicles of less than 1,500 gallon capacity owned by the transporter, or in tanks securely mounted in other motor vehicles with a gross vehicle weight of less than 12,000 pounds and owned by the transporter; or

(2) transporting agricultural chemicals and agricultural fertilizers.

Subd. 3. [VARIANCE, RULES.] The commissioner shall adopt rules which provide a procedure for granting a variance from those regulations adopted under subdivision 1 which prescribe specifications for tank motor vehicles used to transport gasoline. The variance may be granted only to persons who transport gasoline in tank motor vehicles with a capacity of 3,000 gallons or less which were manufactured between 1950 and 1975 according to American society of mechanical engineers specifications in effect at the time of manufacture. The commissioner shall prescribe alternative requirements to assure the safety of the tank motor vehicles operated under the variance, and shall register each tank motor vehicle operated under the variance.

Sec. 21. Minnesota Statutes 1984, section 221.131, is amended by adding a subdivision to read:

Subd. 6. [COURIER SERVICE CARRIERS; IDENTIFICATION CARDS.] The commissioner shall issue distinct annual identification cab cards for vehicles that provide courier service under a permit issued by the board. A courier service identification cab card may not be issued for a vehicle that has a registered gross vehicle weight or gross vehicle weight rating in excess of 15,000 pounds.

Sec. 22. Minnesota Statutes 1984, section 221.161, subdivision 1, is amended to read:

Subdivision 1. [FILING; HEARING UPON BOARD INITIATIVE.] Every permit carrier, including a livestock carrier *but not including a local cartage carrier*, shall file and maintain with the commissioner a ~~schedule of~~ *tariff showing rates and charges for the transportation of persons or property.* The filing with and acceptance by the commissioner of these tariffs, in accordance with the rules relating to the ~~schedules tariffs~~, constitutes notice to the public and interested parties of the contents of the tariffs. ~~Schedules Tariffs~~ must be prepared and filed in accordance with the rules and regulations of the commissioner. The commissioner shall not accept for filing ~~schedules tariffs~~ which are unjust and unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of the provisions of this section. If the ~~schedules tariffs~~ appear to be unjust or unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of this section, the board after notification and investigation by the department may suspend and postpone the effective date of the ~~schedules tariffs~~ and assign the ~~schedules tariffs~~ for hearing upon notice to the permit carrier filing the proposed ~~schedules tariffs~~ and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the permit carrier filing the proposed ~~schedule of rates and charges tariff~~ to sustain the validity of the proposed schedule of rates and charges. ~~Schedules of rates and charges Tariffs~~ for the transportation of livestock are not subject to rejection, suspension, or postponement by the board, except as provided in subdivisions 2 and 3. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the ~~board commissioner~~.

Sec. 23. Minnesota Statutes 1984, section 221.185, subdivision 4, is amended to read:

Subd. 4. [FAILURE TO COMPLY.] *Except as provided in subdivision 5a, failure to comply with the requirements of sections 221.141 and 221.296 relating to bonds and insurance, 221.131 relating to permit renewal, 221.071, 221.131, or 221.296 relating to annual vehicle registration or permit renewal, or to request a hearing within 45 days of the date of suspension, is deemed an abandonment of the motor carrier's permit or certificate and the permit or certificate must be canceled by the commissioner.*

Sec. 24. Minnesota Statutes 1984, section 221.185, is amended by adding a subdivision to read:

Subd. 5a. [REINSTATEMENT AFTER CANCELLATION.] A motor carrier whose permit or certificate is canceled for failure to comply with sections 221.141 and 221.296 relating to bonds and insurance may ask the

board to review the cancellation. Upon review, the board shall rescind the cancellation if: (1) the motor carrier presents evidence showing that before the effective date of the notice of cancellation issued under section 221.185, subdivision 5, the motor carrier had obtained and paid for the insurance required by sections 221.141 and 221.296, and the rules of the commissioner, and (2) the commissioner informs the board that the motor carrier has complied with the requirements of sections 221.141 and 221.296 and the rules of the commissioner.

Sec. 25. Minnesota Statutes 1984, section 221.231, is amended to read:

221.231 [RECIPROCAL AGREEMENTS.]

The commissioner may enter into reciprocal agreements with the regulatory bodies of other states and the provinces of the Dominion of Canada, whereby the payment of the vehicle fee fees provided in section 221.134 hereof 27 may be waived in whole or in part as to residents of or corporations or partnerships for motor carriers having an established place of business in the that state or province, entering into the reciprocal agreement with the commissioner, provided that reciprocal privileges are extended under such the agreement to residents motor carriers of this state and to corporations or partnerships who have an established place of business in this state.

Sec. 26. Minnesota Statutes 1984, section 221.291, subdivision 1, is amended to read:

Subdivision 1. [VIOLATION.] Except as provided in subdivisions 3 and 4, a person who commits, procures, aids or abets or conspires to commit, or attempts to commit, aid or abet in the violation of a provision of this chapter or a valid order or rule of the commissioner or board issued hereunder, whether individually or in connection with one or other more persons or as principal, agent, or accessory, shall be guilty of a misdemeanor, and every person who falsely, fraudulently, forcibly, or willfully induces, causes, coerces, requires, permits, or directs another to violate a provision of this chapter, is likewise guilty of a misdemeanor. Every distinct violation is a separate offense.

Sec. 27. [221.60] [REGISTRATION OF INTERSTATE CARRIERS.]

Subdivision 1. [PROCEDURE.] A motor carrier may transport persons or property for hire in interstate commerce in Minnesota only if it first:

(1) complies with section 221.141;

(2) either registers with the commissioner the Interstate Commerce Commission operating authority that it intends to exercise, or registers and describes the transportation it performs under an exemption contained in the Interstate Commerce Act, United States Code, title 49; and

(3) purchases an interstate identification stamp or an interstate registration trip permit for each vehicle to be used in interstate transportation in Minnesota.

Subd. 2. [FORM AND FEES.] A motor carrier engaged in interstate commerce shall register its interstate transportation authority or exemption before February 1 of each year on a form prescribed by the commissioner. The fee for the initial registration is \$25. The fee for each identification

stamp is \$5; however, a lesser fee may be collected pursuant to a reciprocal agreement authorized by section 28. No fee may be collected from a local cartage carrier that provides interstate transportation only within the zone described in United States Code, title 49, section 10526(b)(1)(1984). A local cartage carrier shall register its interstate transportation each year when it pays the local cartage carrier permit or annual renewal fee.

Subd. 3. [FAILURE TO REGISTER.] Failure to register for three consecutive years cancels the carrier's registration. The commissioner must give 30 days notice of the cancellation to the carrier at the carrier's last known address.

Subd. 4. [CAB CARD.] A carrier required to register under this section shall obtain the National Association of Regulatory Utility Commissioners cab card described in Code of Federal Regulations, title 49, section 1023.36, and affix the stamp to the cab card. A cab card bearing a current Minnesota interstate identification stamp must be carried in the cab of a vehicle operated for hire in interstate commerce in Minnesota.

Subd. 5. [TEMPORARY INTERSTATE REGISTRATION.] An interstate registration trip permit valid for ten days from the date of issue may be issued to a motor carrier engaged in interstate commerce that:

(1) complies with section 221.141;

(2) either registers its interstate operating authority or registers and describes the transportation it performs under an exemption contained in the Interstate Commerce Act, United States Code, title 49; and

(3) pays a state fee of \$5 for each permit.

Subd. 6. [TRANSFER OF AUTHORIZATION DOCUMENT.] A motor carrier engaged in interstate commerce may not transfer or sell or allow another carrier to use its interstate identification stamp, its interstate registration trip permit, or its cab card. However, a cab card and identification stamp may be transferred to a leased vehicle operated under the authority of the motor carrier to whom the cab card and identification stamp were issued.

Sec. 28. Minnesota Statutes 1984, section 221.65, is amended to read:

221.65 [RECIPROCAL AGREEMENTS.]

Nothing in sections ~~221.64 to 221.68~~ this chapter shall be construed to impair the authority of the commissioner to enter into reciprocal agreements with the regulatory bodies of other states and the provinces of the Dominion of Canada, as provided in section 221.231.

For the purposes of section 221.231, the commissioner shall be deemed to be the successor of the department of public service. The commissioner may exercise any power, duty or function heretofore conferred by law or agreement upon the department of public service to the extent necessary to preserve any reciprocal agreement heretofore concluded under the provisions of section 221.231. Nothing in this section shall be construed to prevent the negotiation of new or replacement agreements as conditions and circumstances may warrant.

Sec. 29. Minnesota Statutes 1984, section 221.67, is amended to read:

221.67 [SERVICE OF PROCESS.]

The use of any of the public highways of this state for the transportation of persons or property for compensation by a motor carrier in interstate commerce shall be deemed an irrevocable appointment by the carrier of the secretary of state to be his true and lawful attorney upon whom may be served all legal process in any action or proceeding brought under ~~section 221.66~~ *this chapter* against him or his executor, administrator, personal representative, heirs, successors or assigns. This use is a signification of agreement by the interstate motor carrier that any process in any action against him or his executor, administrator, personal representative, heirs, successors, or assigns which is so served shall be of the same legal force and validity as if served upon him personally. Service shall be made by serving a copy thereof upon the secretary of state or by filing a copy in his office, together with payment of a fee of \$15, and the service shall be sufficient service upon the absent motor carrier if notice of the service and a copy of the process are within ten days thereafter sent by mail by the plaintiff to the defendant at his last known address and the plaintiff's affidavit of compliance with the provisions of *this section and* sections ~~221.64 to 27~~, 221.65, and 221.68 is attached to the summons.

Sec. 30. Minnesota Statutes 1984, section 221.68, is amended to read:

221.68 [VIOLATIONS; PENALTIES.]

Any person who violates or procures, aids, or abets violation of, or fails to comply with, the provisions of sections ~~221.64 to 221.68~~ 27 to 29 or any valid order or rule of the commissioner or board issued hereunder shall be guilty of a misdemeanor; and, additionally, shall be subject to a penalty of \$50 for each and every day of such failure to so comply, to be recovered for the state in a civil action. Each distinct violation shall be a separate offense.

Sec. 31. Minnesota Statutes 1984, section 221.81, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms used in this section have the meanings given them in this subdivision.

(a) "Building mover" means a person, corporation, or other entity who raises, supports off the foundation, and moves buildings on and over public streets and highways. Building mover does not include a person who moves manufactured homes or modular homes, farmers moving their own farm buildings, or persons moving buildings which are less than 16 feet wide by 20 feet long.

(b) "Political subdivision" means a city, town, or county.

(c) "Road authority" has the meaning given it in section 160.02, subdivision 9.

Sec. 32. Minnesota Statutes 1984, section 505.18, is amended to read:

505.18 [MINNESOTA COORDINATE SYSTEM.]

The system of plane coordinates which has been established by the *National Ocean Survey/National Geodetic Survey, formerly the United States Coast and Geodetic Survey or its successors*, for defining and stating the geographic positions or locations of points on the surface of the earth within the state of Minnesota is hereafter to be known and designated as the "Min-

nesota Coordinate System of 1927 and the Minnesota Coordinate System of 1983.”

For the purpose of the use of this system the state is divided into a “North Zone,” a “Central Zone,” and a “South Zone.”

The area now included in the following counties shall constitute the North Zone: Beltrami, Clearwater, Cook, Itasca, Kittson, Koochiching, Lake, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, Roseau, and Saint Louis.

The area now included in the following counties shall constitute the Central Zone: Aitkin, Becker, Benton, Carlton, Cass, Chisago, Clay, Crow Wing, Douglas, Grant, Hubbard, Isanti, Kanabec, Mille Lacs, Morrison, Otter Tail, Pine, Pope, Stearns, Stevens, Todd, Traverse, Wadena, and Wilkin.

The area now included in the following counties shall constitute the South Zone: Anoka, Big Stone, Blue Earth, Brown, Carver, Chippewa, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Hennepin, Houston, Jackson, Kandiyohi, Lac qui Parle, Le Sueur, Lincoln, Lyon, McLeod, Martin, Meeker, Mower, Murray, Nicollet, Nobles, Olmsted, Pipestone, Ramsey, Redwood, Renville, Rice, Rock, Scott, Sherburne, Sibley, Steele, Swift, Wabasha, Waseca, Washington, Watonwan, Winona, Wright, and Yellow Medicine.

Sec. 33. Minnesota Statutes 1984, section 505.19, is amended to read:

505.19 [ZONES; LAND DESCRIPTIONS.]

As established for use in the North Zone, the Minnesota Coordinate System of 1927 or the Minnesota Coordinate System of 1983 shall be named, and in any land description in which it is used it shall be designated, the “Minnesota Coordinate System of 1927, North Zone or the Minnesota Coordinate System of 1983, North Zone.”

As established for use in the Central Zone, the Minnesota Coordinate System of 1927 or the Minnesota Coordinate System of 1983 shall be named, and in any land description in which it is used it shall be designated, the “Minnesota Coordinate System of 1927, Central Zone or the Minnesota Coordinate System of 1983, Central Zone.”

As established for use in the South Zone, the Minnesota Coordinate System of 1927 or the Minnesota Coordinate System of 1983 shall be named, and in any land description in which it is used it shall be designated, the “Minnesota Coordinate System of 1927, South Zone or the Minnesota Coordinate System of 1983, South Zone.”

Sec. 34. Minnesota Statutes 1984, section 505.20, is amended to read:

505.20 [X- AND Y-COORDINATES.]

The plane ~~coordinates~~ of coordinate values for a point on the earth's surface, to be used in ~~expressing~~ to express the geographic position or location of such point in the appropriate zone of this system, shall consist of two distances, expressed in U.S. Survey feet and decimals of a foot when using the Minnesota Coordinate System of 1927 and expressed in meters and decimals of a meter when using the Minnesota Coordinate System of 1983. One

of these distances, to be known as the "x-coordinate," shall give the position in an east-and-west direction; the other, to be known as the "y-coordinate," shall give the position in a north-and-south direction. These coordinates shall be made to depend upon and conform to the coordinates, on the Minnesota Coordinate System, of the triangulation and traverse stations of the United States Coast and Geodetic Survey within the state of Minnesota, as those coordinates have been determined by the said Survey plane rectangular coordinate values for the monumented horizontal control stations of the North American Horizontal Geodetic Control Network as published by the National Ocean Survey/National Geodetic Survey (NOS/NGS) or its successors and whose plane coordinates have been computed on the systems defined in this chapter. The station may be used for establishing a survey connection to either Minnesota Coordinate System, 1927 or 1983.

Sec. 35. Minnesota Statutes 1984, section 505.22, is amended to read:

505.22 [DEFINITION OF MINNESOTA COORDINATE SYSTEM SYSTEMS DEFINED.]

(a) For purposes of more precisely defining the Minnesota Coordinate System of 1927, the following definition by the United States Coast and National Ocean Survey/National Geodetic Survey is adopted:

The Minnesota Coordinate System of 1927, North Zone, is a Lambert conformal *conic* projection of the Clarke spheroid of 1866, having standard parallels at north latitudes 47 degrees 02 minutes and 48 degrees 38 minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian 93 degrees 06 minutes west of Greenwich and the parallel 46 degrees 30 minutes north latitude. This origin is given the coordinates: x equals 2,000,000 feet and y equals 0 feet.

The Minnesota Coordinate System of 1927, Central Zone, is a Lambert conformal *conic* projection of the Clarke spheroid of 1866, having standard parallels at north latitudes 45 degrees 37 minutes and 47 degrees 03 minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian 94 degrees 15 minutes west of Greenwich and the parallel 45 degrees 00 minutes north latitude. This origin is given the coordinates: x equals 2,000,000 feet and y equals 0 feet.

The Minnesota Coordinate System of 1927, South Zone, is a Lambert conformal *conic* projection of the Clarke spheroid of 1866, having standard parallels at north latitudes 43 degrees 47 minutes and 45 degrees 13 minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian 94 degrees 00 minutes west of Greenwich with the parallel 43 degrees 00 minutes north latitude, such origin being given the coordinates: x equals 2,000,000 feet and y equals 0 feet.

(b) The position of the Minnesota Coordinate System shall be as marked on the ground by triangulation or traverse stations established in conformity with standards adopted by the United States Coast and Geodetic Survey for first order and second order work, whose geodetic positions have been rigidly adjusted on the North American datum of 1927, and whose coordinates have been computed on the system herein defined. Any such station may be used for establishing a survey connection with the Minnesota Coordinate System For purposes of more precisely defining the Minnesota Coordinate

System of 1983, the following definition by the National Ocean Survey/National Geodetic Survey is adopted:

The Minnesota Coordinate System of 1983, North Zone, is a Lambert conformal conic projection of the North American Geocentric Datum of 1983, having standard parallels at north latitudes 47 degrees 02 minutes and 48 degrees 38 minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian 93 degrees 06 minutes west of Greenwich with the parallel 46 degrees 30 minutes north latitude. This origin is given the coordinates: x equals 800,000 meters and y equals 100,000 meters.

The Minnesota Coordinate System of 1983, Central Zone, is a Lambert conformal conic projection of the North American Geocentric Datum of 1983, having standard parallels at north latitudes 45 degrees 37 minutes and 47 degrees 03 minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian 94 degrees 15 minutes west of Greenwich with the parallel 45 degrees 00 minutes north latitude. This origin is given the coordinates: x equals 800,000 meters and y equals 100,000 meters.

The Minnesota Coordinate System of 1983, South Zone, is a Lambert conformal conic projection of the North American Geocentric Datum of 1983, having standard parallels at North latitudes 43 degrees 47 minutes and 45 degrees 13 minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian 94 degrees 00 minutes west of Greenwich with the parallel 43 degrees 00 minutes north latitude. This origin is given the coordinates: x equals 800,000 meters and y equals 100,000 meters.

Sec. 36. Minnesota Statutes 1984, section 505.23, is amended to read:

505.23 [WHERE COORDINATES RECORDED.]

No coordinates based on the Minnesota Coordinate System, purporting to define the position of a point on a land boundary, shall be presented to be recorded in any public land records or deed records unless such point is within one-half mile of a ~~triangulation~~ or ~~traverse~~ horizontal control station established in conformity with the standards prescribed in section ~~505.25~~ 505.20; provided that said one-half mile limitation may be modified by a duly authorized state agency to meet local conditions.

Sec. 37. Minnesota Statutes 1984, section 505.24, is amended to read:

505.24 [LIMITATION OF USE.]

The use of the term "Minnesota Coordinate System of 1927, North, Central, or South Zone or Minnesota Coordinate System of 1983, North, Central, or South Zone" on any map, report of survey, or other document, shall be limited to coordinates based on the Minnesota Coordinate System as defined in this chapter.

Sec. 38. [505.28] [LAST USE OF 1927 COORDINATE SYSTEM.]

The Minnesota Coordinate System of 1927 must not be used after December 31, 1992. The Minnesota Coordinate System of 1983 is the sole coordinate system that may be used after that date.

Sec. 39. Laws 1979, chapter 280, section 2, as amended by Laws 1982, chapter 617, section 25, is amended to read:

Sec. 2. [APPROPRIATION.] Subdivision 1. \$52,000,000, or so much thereof as is determined to be needed, is appropriated from the Minnesota state transportation fund to the department of transportation to be expended for disbursement in the form of grants by the commissioner of transportation for construction and reconstruction of key bridges on the state transportation system and shall be allocated pursuant to subdivisions 2 and 3. The appropriation shall not lapse, but shall remain available until expended.

Subd. 2. \$50,000,000 or so much thereof as is needed, is available for expenditure at a rate not exceeding \$12,500,000 per fiscal year for grants to political subdivisions for construction and reconstruction of key bridges on highways, streets and roads under their jurisdiction. The grants shall not exceed the following aggregate amounts:

(1) To counties _____ ~~\$8,500,000~~ \$11,500,000

(2) To home rule charter and statutory cities _____ ~~\$1,000,000~~
\$1,500,000

(3) To towns _____ \$21,000,000

Additional grants may be made in an aggregate amount not to exceed ~~\$19,500,000~~ \$16,500,000 to the political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdiction. Appropriations made in subdivisions 1, 2, or 3 may also be used for the following purposes:

(1) The costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement will be made.

(2) The costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined to be deficient. The construction of the road or street must be judged to be more cost efficient than the reconstruction or replacement of the existing bridge.

Subd. 3. An additional amount not to exceed ~~\$2,000,000~~ \$1,500,000 is available for grants for preliminary engineering and environmental studies pursuant to section 3.

Sec. 40. [SPECIAL PERMIT.]

Subdivision 1. [PERMIT TO BE ISSUED.] Notwithstanding any law to the contrary the commissioner of transportation shall issue one special permit authorizing the operation for testing purposes of a three vehicle combination consisting of a motor vehicle, a "motorized hitch" and a trailer. The permit is valid for one year from the date of issuance. The annual fee for the permit is \$30. The permit is subject to all applicable provisions of Minnesota Statutes 1984, section 169.86, except as otherwise provided in this subdivision. The holder of the permit is responsible for all liability for personal injury, property damage or time lost, which may occur as a result of the operation of the combination for which the permit is issued, and must, if a claim is made against the state or a department, division officer or employee thereof arising from such operation, defend, indemnify and hold them harmless.

Subd. 2. [REPEALER.] This section is repealed July 31, 1986.

Sec. 41. [161.1231] [PARKING FACILITIES FOR I-394.]

Subdivision 1. [AUTHORITY TO CONSTRUCT.] Notwithstanding section 161.123 or any other law, the commissioner may acquire land by purchase, gift, or eminent domain for parking facilities described in this section and may construct, operate, repair, and maintain parking facilities primarily to serve vehicles traveling the route in the interstate highway system described in section 161.123, clause (2), also known as I-394. Other vehicles may use the parking facilities when space is available.

Subd. 2. [RULES AND PROCEDURES.] The commissioner shall adopt rules and establish procedures for the operation and use of the parking facilities. The rules are exempt from the requirements of chapter 14. A copy of the rules that regulate use of the facilities by drivers must be posted in each parking facility. The rules must:

(1) establish incentives, which must include preferential parking locations, to encourage drivers of vehicles that travel I-394 and that are occupied by two or more persons to use the facilities;

(2) define peak travel hours and provide that during peak travel hours single-occupant vehicles be charged a surcharge to bring the parking fee for those vehicles to approximately the same level as parking fees charged in the private parking ramps located in Minneapolis;

(3) provide preferential parking locations for vehicles licensed and operated under section 168.021;

(4) establish application, permit, and use requirements; and

(5) provide for removal and impoundment of vehicles and assessment of a service fee on vehicles parked in violation of this section and the rules adopted under it.

Subd. 3. [FEDERAL AID.] The commissioner may cooperate with the federal government or any agency of the federal government and may comply with the law of the United States and regulations adopted under those laws so that federal money available for construction of parking ramps described in the Surface Transportation Assistance Act of 1982, section 127, may be obtained.

Subd. 4. [AGREEMENTS; LEASES.] (a) The commissioner may make agreements with or may lease the parking facilities to the city of Minneapolis or to a private party. The agreement or lease may allow the city of Minneapolis or private party to operate the facilities according to the commissioner's rules and procedures and to collect the fees established by the commissioner. The commissioner shall require a private operator to obtain liability insurance in an amount prescribed by the commissioner to insure the operator and the state against all claims occurring because of the existence of the agreement or lease. The agreement may provide for reasonable compensation.

(b) The commissioner may negotiate the agreement or lease without requiring competitive bids. The terms of an agreement or lease must be approved by the federal agency that grants money for the construction of the

facilities.

Subd. 5. [FEES.] The commissioner shall establish and collect fees for use of the parking facilities. The fees must be established and adjusted in compliance with United States Code, title 23, section 137, and are not subject to Minnesota Statutes, chapter 14, including section 14.38, subdivisions 5 to 9, or section 16A.128.

Subd. 6. [ENFORCEMENT.] This section must be enforced in the same manner as parking ordinances or laws are enforced in Minneapolis. The commissioner may revoke the permit or refuse to issue a permit to a person who repeatedly violates subdivision 7 or the rules of the commissioner.

Subd. 7. [PROHIBITION.] A person may not park a motor vehicle in a parking facility described in subdivision 1 except in compliance with subdivision 5 and the rules of the commissioner adopted under subdivision 2. Violation of this subdivision is a misdemeanor.

Subd. 8. [SPECIAL ACCOUNT.] Fees collected by the commissioner under this section must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner to operate, repair, and maintain the parking facilities and the high occupancy vehicle lanes on I-394.

Subd. 9. [LOAN BY MINNEAPOLIS.] Notwithstanding the provisions of any statute or home rule charter to the contrary, the city of Minneapolis may incur indebtedness and may issue and sell bonds and other obligations pledging the full faith and credit of the city to its payment for the purpose of loaning and may loan money to the commissioner for deposit in the state treasury to the credit of the trunk highway fund in an amount sufficient for the construction of parking facilities described in subdivision 1 without submitting the question of the issuance of the bonds to the electors. Except as provided in this subdivision, the bonds shall be issued and sold according to the provisions of chapter 475. When funds are received by the state from federal aid allotted to the construction of the parking facilities described in subdivision 1, the commissioner must pay those funds to the city from the trunk highway fund together with any interest or inflation adjustment thereon which is included in the federal aid.

Subd. 10. [LOCAL APPROVAL.] Subdivisions 1 to 8 are effective the day following final enactment. Subdivision 9 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis.

Sec. 42. [STUDY.]

The transportation committees of the senate and of the house of representatives, the subcommittee on agriculture, transportation and semi-state agencies of the senate finance committee and the division on agriculture, transportation and semi-state agencies of the house of representatives appropriations committee, shall jointly study:

(1) appropriate sizes and weights of vehicles and combinations on streets and highways in the state;

(2) the economic effects of current and proposed limits on sizes and weights; and

(3) the expenditure and revenue implications of current and proposed limits on sizes and weights.

The study shall utilize existing staff of the committees conducting the study. The committees shall jointly report to the legislature on the results of the study by January 15, 1986.

Sec. 43. [REPEALER.]

Minnesota Statutes 1984, sections 221.296, subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66, are repealed. Section 7 is repealed January 1, 1988.

Sec. 44. [EFFECTIVE DATE.]

Sections 1, 2, 8, 9, 12, 13, 14, 17, 18, 19, 20, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42 are effective the day following final enactment. Section 3 is effective June 1, 1985. Section 4 is effective January 1, 1988. Sections 5, 6, and 7 are effective January 1, 1986.

Delete the title and insert:

“A bill for an act relating to transportation; removing the 24-foot restriction on county state-aid money needs; changing the definition of urban and rural counties; providing for apportionments in calendar years 1986 and 1987; establishing conflict of interest requirements for court-appointed commissioners in condemnation; providing for relocation and disposal of historically significant buildings or structures; denying certain contracts to persons convicted of contract crimes; modifying penalties for certain seasonal weight violations; providing for priority list of market artery highways which need upgrading; permitting certain wide loads; establishing good faith exception to excessive gross weight penalties for shippers; providing certain exemptions from weight record requirements; establishing gross vehicle weight limits for courier service vehicles; providing that hours of service rules do not apply to farm vehicles; exempting certain farm vehicles from the vehicle identification rule; exempting certain persons from certain hazardous material rules and allowing variances; providing for rescission of canceled permits if a carrier has insurance coverage; excluding modular home movers from regulation as building movers; creating a new state-surveying coordinate system; providing for a special permit to test certain three-vehicle combinations until July 31, 1986; allowing and prescribing certain parking facilities for interstate highway I-394; removing and modifying certain restrictions on the expenditure of proceeds from state transportation bonds; directing the commissioner of transportation to issue a special permit for a certain combination of vehicles; requiring joint legislative study; prescribing a fee; prescribing a penalty; amending Minnesota Statutes 1984, sections 117.075; 161.20, subdivision 2; 162.07, subdivisions 2, 3, and 4; 168.013, subdivisions 1e and 3; 169.833; 169.862; 169.871, by adding a subdivision; 169.872, subdivision 1; 174A.06; 221.011, subdivisions 13 and 25; 221.025; 221.031, subdivisions 2 and 6; 221.033; 221.131, by adding a subdivision; 221.161, subdivision 1; 221.185, subdivision 4, and by adding a subdivision; 221.231; 221.291, subdivision 1; 221.65; 221.67; 221.68; 221.81, subdivision 1; 505.18; 505.19; 505.20; 505.22; 505.23; 505.24; Laws 1979, chapter 280, section 2, as amended; proposing coding for new law in Minnesota Statutes, chapters

161, 162, 221, and 505; repealing Minnesota Statutes 1984, sections 221.296, subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Keith Langseth, Clarence M. Purfeerst, Gary M. DeCramer, Robert J. Schmitz, Lyle G. Mehrkens

House Conferees: (Signed) Virgil J. Johnson, Douglas W. Carlson, Tony L. Bennett, Terry M. Dempsey, Bernard L. Lieder

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 43 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.

Mr. Langseth moved tha S.F. No. 43 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 676 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 676

A bill for an act relating to towns; authorizing the conduct of town business at places located outside the town; amending Minnesota Statutes 1984, sections 365.51 and 365.52; proposing coding for new law in Minnesota Statutes, chapter 365.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 676, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 676 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 204B.16, subdivision 1, is amended to read:

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 may be located up to 3,000 feet outside one of the boundaries of the precinct if necessary to locate a polling place that is accessible to and usable by elderly and handicapped individuals as required in subdivision 5. 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. *If no suitable place is available within the town, then the polling place for a town may be located outside the town within five miles of one of the boundaries of the town.*

Sec. 2. Minnesota Statutes 1984, 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 designated by the annual town meeting, and if no designation is so made then at the place designated by the town board. *The place designated may be located outside the town within five miles of one boundary of the town.* In the event of inclement weather the meeting shall be held on another March day designated by the board. The clerk shall give ten days' published notice specifying time and place in a qualified newspaper having general circulation within the town, or by posted notice, as the town board shall direct unless the voters at the annual town meeting direct otherwise. All town officers required by law to be elected shall be chosen thereat, and 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. Precincts and polling places shall be designated by the town board in the manner prescribed by sections 204B.14 and 204B.16.

Sec. 3. [TOWN LIQUOR LICENSES.]

Notwithstanding any other law, a town described in section 368.01, subdivision 1a, which erroneously issued an off-sale liquor license pursuant to section 340.11, subdivision 10b, prior to January 1, 1985, may continue to renew the license thus issued and the license shall remain in effect for so long as renewed.

Sec. 4. [OFF-SALE LICENSE.]

Notwithstanding any law to the contrary, the town board of the town of Cannon Falls in Goodhue county may issue an off-sale license to an establishment located within the town, with the approval of the county board and the commissioner of public safety. The license fee shall be fixed by the town board in an amount not to exceed \$500. A license issued pursuant to this section shall be governed by the appropriate provisions of Minnesota Statutes, chapter 340, except as otherwise provided by this section.

Sec. 5. [PINE COUNTY OFF-SALE LICENSE.]

Notwithstanding any law to the contrary, the Pine county board may issue one off-sale liquor license to a premises located within the town of Finlayson, provided that the establishment is not located within three miles of a home rule charter or statutory city with a municipal liquor store and with the approval of the commissioner of public safety. The fee for the license shall be fixed by the county board in an amount not to exceed \$500 per year. A license issued under this section shall otherwise be governed by Minnesota Statutes, chapter 340.

Sec. 6. [KANABEC COUNTY OFF-SALE LICENSE.]

Notwithstanding any law to the contrary, the Kanabec county board may issue one off-sale liquor license to a premises located within the town of Haybrook, provided that the establishment is not located within three miles of a municipality with a municipal liquor store and with the approval of the commissioner of public safety. The fee for the license shall be fixed by the county board in an amount not to exceed \$500 per year. A license issued under this section shall otherwise be governed by Minnesota Statutes, chapter 340.

Sec. 7. [DEFINITIONS.]

Subdivision 1. For the purpose of sections 7 to 17, the terms defined in this section have the following meanings.

Subd. 2. "City" means the city of Mora.

Subd. 3. "Special services" means all services rendered or contracted for by the city, including, but not limited to:

(a) the repair, maintenance, operation, and construction of any improvements authorized by Minnesota Statutes, section 429.021;

(b) parking services rendered or contracted for by the city; and

(c) any other service provided to the public by the city that is authorized by law or charter provision.

Special services do not include any service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 4. "Special service district" means a defined area within the city where special services are rendered and the costs of the special services are paid from revenues collected from taxes and service charges imposed within that area.

Subd. 5. "Assessed value" means the assessed value as most recently certified by the commissioner of revenue before the effective date of the ordinance or resolution adopted pursuant to section 8 or 9.

Subd. 6. "Land area" means the land area in the district which is subject to property taxation.

Sec. 8. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance establishing a special service district. Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a district. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include:

(a) the time and place of hearing;

(b) a map showing the boundaries of the proposed district; and

(c) a statement that all persons owning property in the proposed district will be given opportunity to be heard at the hearing.

Subd. 2. [NOTICE.] Notice of the hearing shall be given by publication in two issues of the official newspaper of the city. The two publications shall be a week apart and the hearing shall be held at least three days after the last publication. Not less than ten days before the hearing, notice shall also be mailed to the owner of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties which are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor, the owners shall be ascertained by any practicable means and mailed notice given them. At the public hearing any person affected by the proposed district may be heard orally in respect to any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Sec. 9. [TAXING AUTHORITY; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [TAXES; HEARING.] Ad valorem taxes may be levied on taxable nonhomestead property or service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services within the district. To determine the appropriate mill rate, nonhomestead taxable property or value shall be determined without regard to captured or original assessed value under Minnesota Statutes, section 273.76 or to the distribution or contribution value under Minnesota Statutes, section 473F.08. Taxes and service charges shall not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level, in which case only an amount to pay for the increased level may be imposed. A service charge shall not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the levy of taxes or imposition of service charges in a district, for each calendar year, notice shall be given and hearing shall be held pursuant to section 8 and notice shall also be mailed to any individual or business organization subject to a service charge. For purposes of this section the notice shall also include:

(a) A statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed tax levy or service charge.

(b) The estimated cost of improvements to be paid for in whole or in part by taxes or service charges imposed pursuant to this section, the estimated cost of operating and maintaining the improvements during the first year after completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements.

(c) The proposed rate or amount of taxes to be extended or the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year.

(d) A statement that the petition requirements of section 14 have either

been met or do not apply to the proposed taxes or service charge.

Within six months of the public hearing, the city may adopt a resolution levying a tax or imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued pursuant to this section.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.] Property exempted from taxation by Minnesota Statutes, section 272.02, is exempt from any ad valorem taxes imposed pursuant to this act.

Subd. 3. [LEVY LIMIT EXEMPTION.] Taxes and service charges imposed pursuant to this act shall not be included in the calculation of levies or limits on levies provided by other law or home rule charter provision.

Subd. 4. [EXCLUSION FROM HOMESTEAD CREDIT.] Taxes levied under this section shall not be reduced pursuant to Minnesota Statutes, section 273.13, subdivision 6, 7, 7d, or 14a.

Sec. 10. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 8 and 9. Notice shall be served in the original district and in the area proposed to be added to the district. Property added to the district shall be subject to all taxes levied and service charges imposed within the district after the property becomes a part of the district. The petition requirement in section 8 and the veto power in section 15 shall only apply to owners, individuals, and business organizations in the area proposed to be added to the district.

Sec. 11. [COLLECTION OF TAXES.]

Ad valorem taxes levied within a special service district shall be collected and paid over as other ad valorem taxes, but shall be spread only upon the assessed value of property described in the ordinance. Service charges imposed shall be collected as provided by ordinance. Taxes collected pursuant to this act shall not be included in computations under Minnesota Statutes, section 273.76, chapter 473F, or any other law that applies to general ad valorem levies.

Sec. 12. [BONDS.]

At any time after a contract for the construction of all or part of an improvement authorized pursuant to this act has been entered into or the work has been ordered done by day labor, the governing body of the city may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations shall be payable primarily out of the proceeds of the tax levied pursuant to section 9, or from any other special assessment or nontax revenues available to be pledged for their payment under charter or other statutory authority, or from any two or more of such sources. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the municipality to assure payment of the principal and interest if the proceeds of the tax levy in the district are insufficient to pay the principal and interest. The obligations shall be issued in accordance with Minnesota Statutes, chapter 475, except that an election

shall not be required, and the amount of the obligations shall not be included in determining the net debt of the city under the provisions of any law or charter limiting debt.

Sec. 13. [ADVISORY BOARD.]

The governing body of the city may create and appoint an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements, and the furnishing of special services in a district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose taxes or service charges within the district, the advisory board of the district shall have an opportunity to review and comment upon the proposal.

Sec. 14. [PETITION REQUIRED.]

No action may be taken pursuant to section 8 unless owners of ten percent or more of the land area of the proposed special service district and owners of ten percent or more of the assessed value of the proposed district file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 8 to impose an ad valorem tax unless owners of ten percent or more of the land area subject to a proposed tax and owners of ten percent or more of the assessed value subject to a proposed tax file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 9 to impose a service charge unless ten percent or more of the individual or business organizations subject to the proposed service charge file a petition requesting a public hearing on the proposed action with the city clerk. If the boundaries of a proposed district are changed or the land area or assessed value subject to a tax or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the tax or service charge may become effective.

Sec. 15. [VETO POWER OF OWNERS.]

Subdivision 1. [NOTICE OF RIGHT TO FILE OBJECTIONS.] Except as provided in section 16, the effective date of any ordinance or resolution adopted pursuant to sections 8 and 9 shall be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a copy of the ordinance or resolution shall be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed pursuant to section 8. The mailing shall include a notice that owners subject to a tax and individuals and business organizations subject to a service charge have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution.

Subd. 2. [REQUIREMENT FOR VETO.] If owners of 35 percent of the land area in the district and owners of 35 percent of the assessed value in the

district file an objection to the ordinance adopted by the city pursuant to section 8 with the city clerk before the effective date of the ordinance, the ordinance shall not become effective. If owners of 35 percent of the land area subject to a tax and owners of 35 percent of the assessed value subject to a tax file an objection to the resolution adopted levying an ad valorem tax pursuant to section 8 with the city clerk before the effective date of the resolution, the resolution shall not become effective. If 35 percent of individuals and business organizations subject to a service charge file an objection to the resolution adopted imposing a service charge pursuant to section 9 with the city clerk before the effective date of the resolution, the resolution shall not become effective.

Sec. 16. [EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.]

The petition requirement of section 14 and the right of owners and those subject to a service charge to veto a resolution in section 15 do not apply to second or subsequent years' applications of a tax or service charge which is authorized to be in effect for more than one year pursuant to a resolution which has met the petition requirements of section 14 and which has not been vetoed under section 15 for the first year's application. A resolution levying a tax or imposing a service charge for more than one year shall not be adopted unless the notice of public hearing required by section 9 and the notice mailed with the adopted resolution pursuant to section 15 include the following information:

(a) In the case of improvements, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years the taxes will be levied or service charges imposed to pay for the improvement.

(b) In the case of operating and maintenance services, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years; or a statement that the tax will be imposed for an indefinite number of years, the taxes will be levied or service charges imposed to pay for operation and maintenance services.

The resolution may provide that the maximum amount of tax to be levied or maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.

Sec. 17. [REPORT TO LEGISLATURE.]

The administrator of the city of Mora shall file a written report with the chairman of the house local and urban affairs committee and the chairman of the senate local and urban government committee on or before January 31, 1986. The report shall apprise the committee as to the activities undertaken pursuant to this act and recommend any changes that should be considered if the legislature were to enact statewide legislation for the establishment of special service districts.

Sec. 18. [164.152] [BARRICADED ROADS; LIABILITY.]

When a town board, by resolution, closes and barricades a road under its

jurisdiction to motor vehicle use, for seasonal recreation use or other purposes, the town board and its officers and employees are exempt from liability for any claim for injury to person or property arising from any use, whether recreational or otherwise, of the barricaded road.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective on approval by the town board of the town of Cannon Falls. Section 5 is effective on approval by the Pine county board. Section 6 is effective on approval by the Kanabec county board. Sections 7 to 17 are effective on approval by the Mora city council. All approvals must comply with section 645.021."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the conduct of town business and elections outside the town; renewal of certain town off-sale liquor licenses; exempting town boards from liability arising from use of certain roads; authorizing the town board of Cannon Falls and the county boards of Pine and Kanabec counties to issue one off-sale liquor license each; permitting the establishment of special service districts in the city of Mora; amending Minnesota Statutes 1984, sections 204B.16, subdivision 1; and 365.51; proposing coding for new law in Minnesota Statutes, chapter 164."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Florian Chmielewski, Betty A. Adkins, Jim Gustafson

House Conferees: (Signed) Sylvester B. Uphus, Dennis C. Frederickson, Lona A. Minne

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on S.F. No. 676 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. 676 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Nelson	Sieloff
Anderson	Diessner	Knaak	Novak	Solon
Belanger	Frank	Kroening	Peterson, D.C.	Spear
Benson	Frederick	Kronebusch	Peterson, D.L.	Storm
Berg	Frederickson	Lantry	Peterson, R.W.	Stumpf
Bernhagen	Freeman	Lessard	Petty	Taylor
Bertram	Hughes	Luther	Purfeerst	Vega
Chmielewski	Isackson	McQuaid	Ramstad	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Reichgott	Wegscheid
Davis	Johnson, D.J.	Merriam	Samuelson	Willet
DeCramer	Jude	Moe, R. D.	Schmitz	

Those who voted in the negative were:

Dieterich

Laidig

Pehler

Peterson, C.C.

Renneke

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1249, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1249: A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; appropriating money; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.14, subdivision 1; 240.15, subdivisions 5 and 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.24; 240.25, subdivisions 1 and 4; 240.29; 541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02.

Senate File No. 1249 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 928: A bill for an act relating to occupations and professions; providing for licensure of persons engaged in the sale of hearing instruments; requiring the commissioner of health to reconsider the application of speech language pathologists and audiologists for credentialing; appropriating money; providing a penalty; proposing coding for new law as Minnesota Statutes, chapter 153A.

Senate File No. 928 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 928 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 928 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knaak	Novak	Samuelson
Anderson	Frank	Kroening	Olson	Schmitz
Belanger	Frederick	Kronebusch	Pehler	Sieloff
Berg	Frederickson	Laidig	Peterson, C.C.	Solon
Bernhagen	Freeman	Langseth	Peterson, D.C.	Spear
Bertram	Gustafson	Lantry	Peterson, D.L.	Storm
Chmielewski	Hughes	Lessard	Peterson, R.W.	Stumpf
Dahl	Isackson	McQuaid	Pogemiller	Taylor
Davis	Johnson, D.E.	Mehrkens	Purfeerst	Vega
DeCramer	Johnson, D.J.	Merriam	Ramstad	Waldorf
Dicklich	Jude	Moe, R. D.	Reichgott	Wegscheid
Diessner	Kamrath	Nelson	Renneke	Willet

Mr. Petty 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. 1140: A bill for an act relating to agriculture; requiring swine herd identification for disease control and meat inspection; proposing coding for new law in Minnesota Statutes, chapter 35.

Senate File No. 1140 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

CONCURRENCE AND REPASSAGE

Ms. Peterson, D.C. moved that the Senate concur in the amendments by the House to S.F. No. 1140 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1140: A bill for an act relating to agriculture; requiring swine herd identification for disease control and meat inspection; proposing coding for new law in Minnesota Statutes, chapter 17A.

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 1, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Novak	Renneke
Anderson	Frank	Kroening	Olson	Samuelson
Belanger	Frédéric	Kronebusch	Pehler	Schmitz
Benson	Frederickson	Laidig	Peterson, C.C.	Sieloff
Berg	Freeman	Lantry	Peterson, D.C.	Solon
Bernhagen	Gustafson	Lessard	Peterson, D.L.	Spear
Bertram	Hughes	Luther	Peterson, R.W.	Storm
Brataas	Isackson	McQuaid	Petty	Vega
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Davis	Johnson, D.J.	Merriam	Purfeerst	Willet
DeCramer	Jude	Moe, R. D.	Ramstad	
Dicklich	Kamrath	Nelson	Reichgott	

Mr. Dieterich voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1159 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1159

A bill for an act relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision; 302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1159, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1159 be further amended as follows:

Page 15, after line 12, insert:

“Sec. 21. [EFFECTIVE DATE.]

The amendments to Minnesota Statutes, section 302A.671, subdivision 1, paragraph (a), made by this act are effective August 1, 1986.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) William P. Luther, Lawrence J. Pogemiller, Eric D. Petty, Fritz Knaak

House Conferees: (Signed) Jim Heap, Marcus M. Marsh, Arthur W. Seaberg, Donald L. Frerichs, Wayne Simoneau

Mr. Luther moved that the foregoing recommendations and Conference

Committee Report on S.F. No. 1159 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. 1159 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Kronebusch	Novak	Renneke
Benson	Frederickson	Laidig	Olson	Samuelson
Bernhagen	Freeman	Langseth	Pehler	Schmitz
Brataas	Gustafson	Lantry	Peterson, C.C.	Solon
Dahl	Hughes	Lessard	Peterson, D.C.	Spear
Davis	Isackson	Luther	Peterson, R.W.	Stumpf
DeCramer	Johnson, D.E.	McQuaid	Petty	Taylor
Dicklich	Johnson, D.J.	Mehrkens	Pogemiller	Vega
Diessner	Jude	Merriam	Purfeerst	Waldorf
Dieterich	Kamrath	Moe, R. D.	Ramstad	Willet
Frank	Knaak	Nelson	Reichgott	

Messrs. Anderson, Belanger, Bertram and Kroening voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Langseth moved that S. F. No. 43 be taken from the table. The motion prevailed.

S.F. No. 43: A bill for an act relating to transportation; regulating motor carriers; establishing gross vehicle weight limits for courier service vehicles; providing that hours of service rules do not apply to farm vehicles; exempting certain farm vehicles from the vehicle identification rule; providing for rescission of canceled permits if a carrier has insurance coverage; excluding modular home movers from regulation as building movers; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 174A.06; 221.011, subdivisions 13 and 25; 221.025; 221.031, subdivisions 2 and 6; 221.131, by adding a subdivision; 221.161, subdivision 1; 221.185, subdivision 4, and by adding a subdivision; 221.231; 221.291, subdivision 1; 221.65; 221.67; 221.68; 221.81, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1984, sections 221.296, subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66.

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 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Laidig	Peterson, C. C.	Solon
Anderson	Frederickson	Langseth	Peterson, D. C.	Spear
Belanger	Freeman	Lantry	Peterson, D. L.	Storm
Benson	Gustafson	Lessard	Peterson, R. W.	Stumpf
Berg	Hughes	Luther	Petty	Taylor
Bernhagen	Isackson	McQuaid	Pogemiller	Vega
Bertram	Johnson, D. E.	Mehrkens	Purfeerst	Waldorf
Dahl	Johnson, D. J.	Merriam	Ramstad	Wegscheid
Davis	Jude	Moe, R. D.	Reichgott	Willet
DeCramer	Kamrath	Nelson	Renneke	
Dicklich	Knaak	Novak	Samuelson	
Diessner	Kroening	Olson	Schmitz	
Frank	Kronebusch	Pehler	Sieloff	

Mr. Dieterich voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1070, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1070 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1070

A bill for an act relating to corrections; authorizing the commissioner of corrections to do background studies on personnel employed by certain licensed facilities; requiring the commissioner of corrections to establish a program to prevent sexual exploitation by psychotherapists; extending the sexual exploitation task force; creating an advisory task force to study the regulation of psychotherapists; amending Minnesota Statutes 1984, section 241.021, by adding a subdivision; Laws 1984, chapter 631, section 1, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 241.

May 20, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1070, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1070 be

further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 241.021, is amended by adding a subdivision to read:

Subd. 6. [BACKGROUND STUDIES.] The commissioner of corrections is authorized to do background studies on personnel employed by any facility serving children or youth that is licensed under this section. A clerk of any court, the bureau of criminal apprehension, a prosecuting attorney, a county sheriff, or a chief of a local police department, shall assist in these studies by providing to the commissioner, or the commissioner's representative, all criminal conviction data available from local, state, and national criminal history record repositories, including the criminal justice data communications network, pertaining to the following individuals: applicants, operators, all persons living in the household, and all staff of any facility subject to background studies under this subdivision.

Sec. 2. [241.80] [PREVENTION OF SEXUAL EXPLOITATION BY PSYCHOTHERAPISTS.]

The commissioner of corrections shall establish, as part of the program for victims of sexual assault, a program of public and professional education concerning sexual exploitation by psychotherapists. To the extent of available appropriations, the commissioner shall, in consultation with the task force established in Laws 1984, chapter 631:

(1) develop policy and procedure models and materials for use by professionals, professional organizations, educational institutions, and employers and supervisors;

(2) develop education and training programs for professionals, professional organizations, educational institutions, and employers and supervisors;

(3) collect and distribute information on the problem of sexual exploitation by psychotherapists;

(4) develop manuals, brochures, and other informational materials for distribution to the public, professionals and professional organizations, educational institutions, and employers and supervisors;

(5) educate participants in the administrative, civil, and criminal complaint systems on the laws concerning sexual exploitation, the rights of victims, and other matters;

(6) provide information and referral services, and facilitate advocacy, crisis intervention, and other assistance to victims of sexual exploitation through existing programs, including the state sexual assault network;

(7) develop a statement of the rights of psychotherapy clients, relating to sexual exploitation, which could be included in existing bills of rights;

(8) promote public awareness of the problem of sexual exploitation and the rights of psychotherapy clients; and

(9) provide recommendations to the legislature concerning the need for services or legislation.

At the request of the legislature, the commissioner shall report on the problem of sexual exploitation by psychotherapists and the activities of the department under this section.

Sec. 3. Laws 1984, chapter 631, section 1, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MEMBERSHIP.] The commissioner of corrections shall appoint a task force to study the problem of sexual exploitation by counselors and therapists. The task force shall consist of not more than 18 members who are broadly representative of the state, including representatives of professional organizations, board of medical examiners, board of psychology, and board of nursing, agencies and individuals offering counseling or therapy services, the legal community, appropriate state agencies, women's organizations, mental health advocacy organizations, men's organizations, and consumers. The terms, compensation, and removal of members are as provided in section 15.059, *except that members shall be reimbursed for expenses at the discretion of the commissioner within the limits of available appropriations.*

Sec. 4. Laws 1984, chapter 631, section 1, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] The task force expires on July 1, ~~1985~~ 1986.

Sec. 5. [ADVISORY TASK FORCE ON THE REGULATION OF PSYCHOTHERAPISTS.]

Subdivision 1. [TASK FORCE ESTABLISHED.] An advisory task force is created to study and report to the commissioner of health and the legislature on the need for licensing or regulation of currently unregulated occupations, professions, and individuals engaging in psychotherapy. The task force consists of no more than 16 members, including a psychologist appointed by the board of psychology, a nurse appointed by the board of nursing, a psychiatrist appointed by the board of medical examiners, and the following members appointed by the commissioner of health:

(1) a social worker recommended by the Coalition for the Legal Regulation of Social Workers;

(2) a chemical dependency counselor recommended by the Institute for Chemical Dependency Professionals in Minnesota;

(3) a marriage and family therapist recommended by the Upper Midwest Association for Marriage and Family Therapy;

(4) a counselor recommended by the Minnesota Association for Counseling and Development;

(5) two public members knowledgeable about psychotherapy or the regulation of occupations and professions; and

(6) up to seven additional members who have knowledge and expertise in the procedures and issues related to the regulation of occupations and professions.

The task force shall report its findings and recommendations to the commissioner of health and the legislature by June 30, 1986. In addition to ad-

addressing the criteria for regulation specified in section 214.001, subdivision 2, and other matters the task force considers appropriate, the report must address (1) the need to create consequences for psychotherapists who exploit, mistreat, or otherwise harm a client, including consequences that are directly related to their practice of psychotherapy including prohibitions of the right to practice; and (2) the need for a system of redress with the state, for victims of misconduct by psychotherapists, that is directly related to the psychotherapist's practice. Nothing in this section affects or delays the status of the application of any group for regulation under section 214.13. The task force expires when its responsibilities under this section are completed, but no later than June 30, 1987.

Sec. 6. [APPROPRIATION.]

\$30,000 is appropriated from the general fund to the commissioner of corrections for purposes of section 2.

Sec. 7. [REPEALER.]

Section 2 is repealed on July 1, 1987."

Delete the title and insert:

"A bill for an act relating to occupations and professions; requiring the commissioner of corrections to establish a program to prevent sexual exploitation by psychotherapists; extending the sexual exploitation task force; establishing a legislative study commission on the regulation of psychotherapists; appropriating money; amending Minnesota Statutes 1984, section 241.021, by adding a subdivision; and Laws 1984, chapter 631, section 1, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 241."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dennis D. Ozment, Kathleen A. Blatz, Daniel J. Knuth

Senate Conferees: (Signed) Donna C. Peterson, Dean E. Johnson, Eric D. Petty

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1070 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. 1070 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were;

Adkins	Diessner	Knaak	Novak	Samuelson
Anderson	Dieterich	Kroening	Olson	Schmitz
Belanger	Frank	Kronebusch	Pehler	Sieloff
Benson	Frederick	Laidig	Peterson, C. C.	Solon
Berg	Frederickson	Langseth	Peterson, D. C.	Spear
Bernhagen	Freeman	Lantry	Peterson, D. L.	Storm
Bertram	Gustafson	Lessard	Peterson, R. W.	Stumpf
Brataas	Hughes	Luther	Petty	Taylor
Chmielewski	Isackson	McQuaid	Pogemiller	Vega
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	Waldorf
Davis	Johnson, D.J.	Merriam	Ramstad	Willet
DeCramer	Jude	Moe, R. D.	Reichgott	
Dicklich	Kamrath	Nelson	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 676, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 676: A bill for an act relating to towns; authorizing the conduct of town business at places located outside the town; amending Minnesota Statutes 1984, sections 365.51 and 365.52; proposing coding for new law in Minnesota Statutes, chapter 365.

Senate File No. 676 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 43, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 43: A bill for an act relating to transportation; regulating motor carriers; establishing gross vehicle weight limits for courier service vehicles; providing that hours of service rules do not apply to farm vehicles; exempting certain farm vehicles from the vehicle identification rule; providing for rescission of canceled permits if a carrier has insurance coverage; excluding modular home movers from regulation as building movers; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 174A.06; 221.011, subdivisions 13 and 25; 221.025; 221.031, subdivisions 2 and 6; 221.131, by adding a subdivision; 221.161, subdivision 1; 221.185, subdivision 4, and by adding a subdivision; 221.231; 221.291, subdivision 1; 221.65; 221.67; 221.68; 221.81, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1984, sections 221.296,

subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66.

Senate File No. 43 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 401, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 401: A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; authorizing the court to allow the respondent in a replevin action to retain or regain possession without posting a bond; authorizing the court to stay an action to recover possession for up to six months; extending the effective period of a garnishee summons; amending Minnesota Statutes 1984, sections 550.37, subdivisions 5, 7, 13, 14, and 24; 565.25, subdivision 2; 571.41, subdivisions 6 and 7; 571.42; 571.495, subdivision 3; and 571.55, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 565.

Senate File No. 401 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 1183, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1183: A bill for an act relating to intoxicating liquor; providing for issuance of licenses within Indian country; allowing the sales between collectors of discontinued brands of beer in cans; authorizing the issuance of on-sale licenses in certain theaters in Minneapolis; amending Minnesota Statutes 1984, section 340.11, subdivision 15, and by adding a subdivision.

Senate File No. 1183 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 719, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 719: A bill for an act relating to wild animals; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed

by order; requiring the removal of elk from the state; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97.

Senate File No. 719 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 472, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 472: A bill for an act relating to taxation; discontinuing enforcement of the unfair cigarette sales act; modifying certain procedures relating to taxpayer appeals; requiring apportionment of levies in specific situations; clarifying the calculation of property tax credits; clarifying the tax treatment of certain pipelines; modifying provisions relating to the payment of property taxes; allowing for sales of sample packs of cigarettes containing 25 cigarettes; altering the eligibility for confessions of judgment; providing for the recording of state deeds; modifying the deed stamp tax procedure; clarifying the computation of gross earnings tax for taconite railroads; clarifying labor credit provisions; modifying the taconite production tax distribution; reducing occupation and royalty tax rates for certain ore; clarifying process of taconite aid guarantee phase out; requiring payment of current taxes before conveyance of registered land; allowing for memorializing of state deeds on certificates of title; amending Minnesota Statutes 1984, sections 270.06; 270.076, subdivision 2; 270.11, subdivision 7; 270.12, subdivision 3; 272.02, subdivision 1; 273.123, subdivision 5; 273.13, subdivision 4; 273.138, subdivision 5; 273.33, subdivisions 1 and 2; 279.01, subdivision 1; 279.37, subdivision 1; 282.01, subdivision 6; 282.014; 282.301; 282.33, subdivision 1; 282.36; 287.25; 294.22; 297.03, subdivision 10; 298.01, subdivision 1; 298.02, subdivision 1; 298.225; 298.28, subdivision 1; 299.01, subdivision 1; 299.012, subdivision 1; 473H.10, subdivision 3; 508.47, subdivision 4; 508.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1984, sections 298.01, subdivision 2; 299.01, subdivision 2; 325D.41; and 477A.04.

Senate File No. 472 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

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. 567: A bill for an act relating to real property; changing notice period required for cancellation of contract for deed; designating vendor's attorney as an agent; eliminating the mortgage registration tax on contracts for deed; extending the provisions authorizing courts to approve postpone-

ments of mortgage foreclosure and contract for deed terminations and making them permanent law in certain cases; abolishing certain exclusionary provisions; clarifying certain provisions; amending Minnesota Statutes 1984, sections 47.20, subdivision 15; 559.21, subdivisions 3, 4, and 6, and by adding subdivisions; 580.031; 583.02; 583.03; 583.04; 583.05; 583.07; and 583.10; repealing Minnesota Statutes 1984, sections 287.02; and 559.21, subdivisions 1, 1a, and 2; and Laws 1983, chapter 215, section 16, as amended.

There has been appointed as such committee on the part of the House:

Halberg, Bishop and Cohen.

Senate File No. 567 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1645.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1645: A bill for an act relating to economic development; creating a special enterprise zone for a large manufacturing facility; providing for the taxation of the facility; authorizing the issuance of bonds; providing assistance to locate a large manufacturing facility in the state; appropriating money; amending Minnesota Statutes 1984, sections 273.1312, subdivisions 3 and 4; and 273.1314, subdivisions 3, 4, 6, 7, 8, 9, and by adding a subdivision.

SUSPENSION OF RULES

Mr. Luther 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. 1645 and that the rules of the Senate be so far suspended as to give H.F. No. 1645 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1645 was read the second time.

Mr. Benson moved to amend H.F. No. 1645 as follows:

Page 3, line 11, delete "single"

Page 3, delete lines 12 and 13 and insert "any project which creates new jobs and which"

Page 3, line 14, delete "least \$3,000,000, and"

Page 3, line 15, delete "new facility" and insert "project"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Isackson	Laidig	Ramstad
Belanger	Brataas	Johnson, D.E.	McQuaid	Renneke
Benson	Frederick	Kamrath	Mehrkens	Sieloff
Berg	Frederickson	Knaak	Olson	Storn
Bernhagen	Gustafson	Kronebusch	Peterson, D.L.	Taylor

Those who voted in the negative were:

Adkins	Frank	Lantry	Peterson, C.C.	Schmitz
Chmielewski	Freeman	Luther	Peterson, D.C.	Solon
Dahl	Hughes	Merriam	Peterson, R.W.	Spear
DeCramer	Johnson, D.J.	Moe, R. D.	Petty	Stumpf
Dicklich	Jude	Nelson	Purfeerst	Vega
Diessner	Kroening	Novak	Reichgott	Waldorf
Dieterich	Langseth	Pehler	Samuelson	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Ramstad moved to amend H.F. No. 1645 as follows:

Page 17, after line 4, insert:

“ARTICLE 4
ALTERNATIVE APPROPRIATION

Section 1.

If the commissioner of energy and economic development does not designate an enterprise zone under section 273.1312, subdivision 4, paragraph (c), clause (4), prior to September 30, 1985, \$45,000,000 is appropriated from the general fund to the economic development fund created in Minnesota Statutes, section 116M.06, subdivision 4, to be used to provide financial support to eligible small businesses as defined in Minnesota Statutes, section 116M.03, subdivision 4.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 44, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	McQuaid	Samuelson
Berg	Johnson, D.E.	Kronebusch	Peterson, D.L.	Storn
Brataas	Kamrath	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Dicklich	Johnson, D.J.	Nelson	Schmitz
Belanger	Diessner	Jude	Olson	Sieloff
Benson	Dieterich	Kroening	Pehler	Solon
Bernhagen	Frank	Langseth	Peterson, C.C.	Spear
Bertram	Frederickson	Lantry	Peterson, R.W.	Stumpf
Chmielewski	Freeman	Lessard	Petty	Vega
Dahl	Gustafson	Luther	Pogemiller	Waldorf
Davis	Hughes	Mehrkens	Purfeerst	Willet
DeCramer	Isackson	Moe, R. D.	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 1645 as follows:

Page 17, after line 4, insert:

"ARTICLE 4
ALTERNATIVE PROPERTY TAX CREDIT

Section 1. [APPROPRIATION.]

If the commissioner of energy and economic development does not designate an enterprise zone under section 273.1312, subdivision 4, paragraph (c), clause (4), prior to September 30, 1985, \$45,000,000 is appropriated from the general fund to the commissioner of revenue to be used to reimburse local units of government for revenue lost as a result of the credit provided in section 2.

Sec. 2. [TAX CREDIT.]

If the commissioner does not designate an enterprise zone under section 273.1312, subdivision 4, paragraph (c), clause (4), prior to September 30, 1985, the county auditor shall reduce the tax on all commercial or industrial property classified as class 4c and employment property classified as class 4d for taxes payable in 1986 only by an amount equal to 16 percent of the property tax on the first \$60,000 of market value of the property and five percent of the property tax on the market value of the property in excess of \$60,000. Reimbursements to local units of government for revenue lost as a result of the property tax reduction provided in this section shall be certified and paid according to the provisions of Minnesota Statutes, section 273.13, subdivision 15a."

Amend the title as follows:

Page 1, line 7, after "state;" insert "providing for an alternative tax credit;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Peterson, D.L.	Stumpf
Belanger	Frederick	Kronebusch	Ramstad	Taylor
Benson	Frederickson	Laidig	Renneke	
Berg	Isackson	McQuaid	Samuelson	
Bernhagen	Johnson, D.E.	Mehrkens	Sieloff	
Bertram	Kamrath	Olson	Storm	

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Peterson, C.C.	Schmitz
Chmielewski	Frank	Lessard	Peterson, D.C.	Solon
Dahl	Freeman	Luther	Peterson, R.W.	Spear
Davis	Hughes	Merriam	Petty	Vega
DeCramer	Johnson, D.J.	Moe, R. D.	Pogemiller	Waldorf
Dicklich	Jude	Nelson	Purfeerst	Wegscheid
Diessner	Kroening	Pehler	Reichgott	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Laidig moved to amend H.F. No. 1645 as follows:

Page 3, line 12, delete "a projected"

Page 3, line 13, delete "5,000" and insert "6,000" and delete "projected"

Page 3, line 14, delete "\$3,000,000,000" and insert "\$3,500,000,000"

Page 12, line 20, after "has" delete "a"

Page 12, line 21, delete "projected" and delete "5,000" and insert "6,000"

Page 12, line 22, delete "projected" and delete "\$3,000,000,000" and insert "\$3,500,000,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Johnson, D.E.	McQuaid	Renneke
Belanger	Brataas	Kamrath	Mehrkens	Sieloff
Benson	Frederick	Knaak	Olson	Storm
Berg	Frederickson	Kronebusch	Peterson, D.L.	
Bernhagen	Isackson	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, R. W.	Stumpf
Berglin	Freeman	Merriam	Petty	Vega
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Wegscheid
Davis	Jude	Nelson	Reichgott	Willet
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	
Dieterich	Lessard	Peterson, D.C.	Spear	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1645 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lessard	Peterson, D.C.	Stumpf
Berglin	Freeman	Luther	Peterson, R. W.	Vega
Chmielewski	Gustafson	Merriam	Petty	Waldorf
Dahl	Hughes	Moe, D. M.	Pogemiller	Wegscheid
Davis	Johnson, D.J.	Moe, R. D.	Purfeerst	Willet
DeCramer	Jude	Nelson	Reichgott	
Dicklich	Kroening	Novak	Samuelson	
Diessner	Langseth	Pehler	Schmitz	
Dieterich	Lantry	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Olson	Storm
Belanger	Frederick	Knutson	Peterson, D.L.	Taylor
Benson	Frederickson	Kronebusch	Ramstad	
Berg	Isackson	Laidig	Renneke	
Bernhagen	Johnson, D.E.	McQuaid	Sieloff	
Bertram	Kamrath	Mehrkens	Spear	

So the bill 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 has adopted the recommendation and report of the Conference Committee on House File No. 1227, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 1227 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1227

A bill for an act relating to crimes; prohibiting sexual contact or penetration based on deception; providing that a psychotherapist who engages in sexual contact or penetration with a patient is guilty of criminal sexual conduct; limiting admissibility of a patient's personal or medical history; amending Minnesota Statutes 1984, sections 609.341, by adding subdivisions; 609.344; 609.345; and 609.347, by adding a subdivision.

May 20, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1227, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendment adopted May 16, 1985, that the Senate recede from its other amendments, and that H.F. No. 1227 be further amended as follows:

Page 1, line 24, after "*the*" insert "*professional*"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) David T. Bishop, Kathleen A. Blatz, Robert E. Vanasek

Senate Conferees: (Signed) Donna C. Peterson, Allan H. Spear, Dean E. Johnson

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1227 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. 1227 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 62 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Novak	Schmitz
Anderson	Dieterich	Knutson	Olson	Solon
Belanger	Frank	Kroening	Pehler	Spear
Benson	Frederick	Langseth	Peterson, C.C.	Storm
Berg	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Luther	Petty	Vega
Bertram	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Isackson	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.E.	Merriam	Ramstad	Willet
Davis	Johnson, D.J.	Moe, D. M.	Reichgott	
DeCramer	Jude	Moe, R. D.	Renneke	
Dicklich	Kamrath	Nelson	Samuelson	

Mrs. Brataas and Mr. Sieloff voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MEMBERS EXCUSED

Mr. Dicklich was excused from the Session of today from 6:00 to 7:30 p.m. Mr. Moe, R.D. was excused from the Session of today from 4:30 to 5:45 p.m. and from 6:00 to 7:10 p.m.

The following members were excused from today's Session for brief periods of time:

Messrs. Lessard, Novak, Mrs. Kronebusch, Mr. Frank, Ms. Reichgott, Messrs. Johnson, D.J.; Peterson, C.C.; Petty and Merriam.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 3, 1986. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

COMMUNICATIONS RECEIVED SUBSEQUENT TO ADJOURNMENT**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

May 17, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 207.

Sincerely,

Rudy Perpich, Governor

May 20, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 71, 82, 118, 228, 375, 583, 693, 709, 781, 800, 814, 954, 1049, 1077, 1131, 1358, 1374, 1388 and 1429.

Sincerely,

Rudy Perpich, Governor

May 20, 1985

The Honorable David Jennings
 Speaker of the House of Representatives

The Honorable Jerome M. Hughes
 President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
207		126	May 17	May 17
219		127	May 17	May 17
352		128	May 17	May 17
661		129	May 17	May 17
1254		130	May 17	May 17
901		131	May 17	May 17
1458		132	May 17	May 17
1485		133	May 17	May 17
	97	134	May 17	May 17
	143	135	May 17	May 17
	191	136	May 17	May 17
	216	137	May 17	May 17
	231	138	May 17	May 17
	308	139	May 17	May 17
	368	140	May 17	May 17
	374	141	May 17	May 17
	385	142	May 17	May 17
	521	143	May 17	May 17
	576	144	May 17	May 17
	835	145	May 17	May 17
1131		146	May 20	May 20
375		147	May 20	May 20
800		148	May 20	May 20
709		149	May 20	May 20
1049		150	May 20	May 20
1077		151	May 20	May 20
954		152	May 20	May 20
	449	153	May 20	May 20

Sincerely,

Joan Anderson Growe
 Secretary of State

May 20, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	18	154	May 20	May 20
71		155	May 20	May 20
82		156	May 20	May 20
118		157	May 20	May 20
228		158	May 20	May 20
583		159	May 20	May 20
693		160	May 20	May 20
781		161	May 20	May 20
814		162	May 20	May 20
1358		163	May 20	May 20
1374		164	May 20	May 20
1388		165	May 20	May 20
1429		166	May 20	May 20

Sincerely,

Joan Anderson Growe
Secretary of State

May 21, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 63, 448, 609, 798, 904, 1347, 1353, 1414, 1499, 45 and 542.

Sincerely,

Rudy Perpich, Governor

May 21, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	274	167	May 21	May 21
	345	168	May 21	May 21
	889	169	May 21	May 21
	937	170	May 21	May 21
	1235	171	May 21	May 21
45		172	May 21	May 21
63		173	May 21	May 21
542		174	May 21	May 21
609		175	May 21	May 21
798		176	May 21	May 21
904		177	May 21	May 21
1347		178	May 21	May 21
1353		179	May 21	May 21
1414		180	May 21	May 21
1499		181	May 21	May 21

Sincerely,

Joan Anderson Growe
Secretary of State

May 23, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 147, 243, 319, 331, 364, 374, 521, 547, 557, 566, 581, 597, 616, 643, 658, 664, 675, 721, 821, 825, 925, 966, 1036, 1148, 1171, 1187, 1202, 1220, 1234, 1238, 1244, 1249, 1278, 1279, 1320, 1404, 1434, 1447 and 1506.

Sincerely,

Rudy Perpich, Governor

May 23, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

JOURNAL OF THE SENATE

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
243		182	May 23	May 23
331		183	May 23	May 23
364		184	May 23	May 23
448		185	May 21	May 21
547		186	May 23	May 23
581		187	May 23	May 23
597		188	May 23	May 23
616		189	May 23	May 23
643		190	May 23	May 23
664		191	May 23	May 23
721		192	May 23	May 23
825		193	May 23	May 23
925		194	May 23	May 23
1036		195	May 23	May 23
1148		196	May 23	May 23
1187		197	May 23	May 23
1202		198	May 23	May 23
1220		199	May 23	May 23
1234		200	May 23	May 23
1238		201	May 23	May 23
1244		202	May 23	May 23
1278		203	May 23	May 23
1404		204	May 23	May 23
1447		205	May 23	May 23
1506		206	May 23	May 23
	58	207	May 23	May 23
	227	208	May 23	May 23
	592	209	May 23	May 23
	1045	210	May 23	May 23
	755	211	May 23	May 23
1249		212	May 23	May 23
147		213	May 23	May 23
1434		214	May 23	May 23
675		215	May 23	May 23
1279		216	May 23	May 23
658		217	May 23	May 23
566		218	May 23	May 23
557		219	May 23	May 23
521		220	May 23	May 23
374		221	May 23	May 23
821		222	May 23	May 23
1320		223	May 23	May 23
319		224	May 23	May 23
1171		225	May 23	May 23
966		226	May 23	May 23

Sincerely,

Joan Anderson Growe
Secretary of State

May 24, 1985

The Honorable Jerome M. Hughes
 President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 274, 455, 919, 1088, 1219, 1225, 1398 and 1357.

Sincerely,
 Rudy Perpich, Governor

May 24, 1985

The Honorable David Jennings
 Speaker of the House of Representatives

The Honorable Jerome M. Hughes
 President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	245	227	May 24	May 24
	533	228	May 24	May 24
	779	229	May 24	May 24
	1645	230	May 24	May 24
274		231	May 24	May 24
455		232	May 24	May 24
919		233	May 24	May 24
986		234		May 24
1088		235	May 24	May 24
1219		236	May 24	May 24
1225		237	May 24	May 24
1357		238	May 24	May 24
1398		239	May 24	May 24

Sincerely,
 Joan Anderson Growe
 Secretary of State

May 28, 1985

The Honorable Jerome M. Hughes
 President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 87, 281, 863, 1045, 1067, 1118, 1130 and 1363.

Sincerely,
 Rudy Perpich, Governor

May 28, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	282	240	May 28	May 28
87		241	May 28	May 28
281		242	May 28	May 28
863		243	May 28	May 28
1045		244	May 28	May 28
1067		245	May 28	May 28
1118		246	May 28	May 28
1130		247	May 28	May 28
1363		248	May 28	May 28

Sincerely,

Joan Anderson Growe
Secretary of State

May 29, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 19, 459, 882 and 916.

Sincerely,

Rudy Perpich, Governor

May 29, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
19		249	May 29	May 29
459		250	May 29	May 29
882		251	May 29	May 29
916		252	May 29	May 29
	186	253	May 29	May 29
	648	254	May 29	May 29
	857	255	May 29	May 29
	957	256	May 29	May 29

Sincerely,

Joan Anderson Growe
Secretary of State

May 30, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 647, 1140 and 1362.

Sincerely,

Rudy Perpich, Governor

May 30, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
647		257	May 30	May 30
1140		258	May 30	May 30
	98	259	May 30	May 30
	155	260	May 30	May 30
	729	261	May 30	May 30
	1070	262	May 30	May 30
	1233	263	May 30	May 30
	1256	264	May 30	May 30
1362		265	May 30	May 30

Sincerely,

Joan Anderson Growe
Secretary of State

May 31, 1985

The Honorable Jerome M. Hughes
 President of the Senate
 Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 196, 251, 276, 279, 565, 650, 719, 862, 866 and 1176.

Sincerely,

Rudy Perpich, Governor

May 31, 1985

The Honorable David Jennings
 Speaker of the House of Representatives

The Honorable Jerome M. Hughes
 President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
196		266	May 31	May 31
51		267	May 31	May 31
76		268	May 31	May 31
79		269	May 31	May 31
65		270	May 31	May 31
50		271	May 31	May 31
19		272	May 31	May 31
62		273	May 31	May 31
66		274	May 31	May 31
76		275	May 31	May 31
	35	276	May 31	May 31
	78	277	May 31	May 31
	83	278	May 31	May 31
	535	279	May 31	May 31
	633	280	May 31	May 31
	646	281	May 31	May 31
	828	282	May 31	May 31
	1175	283	May 31	May 31

Sincerely,

Joan Anderson Growe
 Secretary of State

May 31, 1985

The Honorable David Jennings
 Speaker of the House of Representatives

The Honorable Jerome M. Hughes
 President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	242	284	May 31	May 31
	786	285	May 31	May 31
	848	286	May 31	May 31
	1458	287	May 31	May 31

Sincerely,
 Joan Anderson Growe
 Secretary of State

June 4, 1985

The Honorable Jerome M. Hughes
 President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 35, 295, 928 and 930.

Sincerely,
 Rudy Perpich, Governor

June 4, 1985

The Honorable David Jennings
 Speaker of the House of Representatives

The Honorable Jerome M. Hughes
 President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
35		288	June 4	June 4
295		289	June 4	June 4
928		290	June 4	June 4
930		291	June 4	June 4
	140	292	June 4	June 4
	213	293	June 4	June 4
	264	294	June 4	June 4
	558	295	June 4	June 4
	1109	296	June 4	June 4
	1227	297	June 4	June 4
	1589	298	June 4	June 4

Sincerely,

Joan Anderson Growe
Secretary of State

June 5, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 43, 472 and 743.

Sincerely,

Rudy Perpich, Governor

June 5, 1985

The Honorable David Jennings
Speaker of the House of RepresentativesThe Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
43		299	June 5	June 5
472		300	June 5	June 5
	315	301	June 5	June 5
	384	302	June 5	June 5
743		303	June 5	June 5
	1037	304	June 5	June 5
	1145	305	June 5	June 5

Sincerely,

Joan Anderson Growe
Secretary of State

June 7, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 401, 676 and 1183.

Sincerely,

Rudy Perpich, Governor

June 7, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
401		306	June 7	June 7
676		307	June 7	June 7
1183		308	June 7	June 7
	265	309	June 7	June 7

Sincerely,

Joan Anderson Growe
Secretary of State

May 22, 1985

The Honorable Roger D. Moe
Chairman, Committee on Rules and Administration

Pursuant to Rule 51, the following bills remaining on General Orders after adjournment on May 20, 1985, were returned to the committees indicated:

S.F. Nos. 60, 236, 361, 1070 and 1173 to the Committee on Agriculture and Natural Resources.

S.F. No. 885 and H.F. No. 1236 to the Committee on Economic Development and Commerce.

S.F. Nos. 934 and 1325 to the Committee on Elections and Ethics.

H.F. No. 1280 to the Committee on Employment.

S.F. Nos. 119, 268, 776, 988, 1065, 1125, 1284, 1424, 1510 and H.F. Nos. 701 and 1243 to the Committee on Finance.

S.F. No. 411 to the Committee on Governmental Operations.

S.F. No. 1080 to the Committee on Health and Human Services.

S.F. Nos. 560, 710, 826, 857, 1008 and 1191 to the Committee on Judiciary.

S.F. No. 634 and H.F. No. 585 to the Committee on Local and Urban Government.

S.F. Nos. 107, 418, 1110, 1161, 1300, 1350 and 1423 to the Committee on Taxes and Tax Laws.

S.F. Nos. 269 and 730 to the Committee on Transportation.

Pursuant to Joint Rule 3.02, the following bills were returned to the committees indicated:

S.F. No. 926 to the Committee on Agriculture and Natural Resources.

S.F. No. 357 to the Committee on Health and Human Services.

S.F. No. 1477 to the Committee on Judiciary.

Pursuant to Joint Rule 3.02, the following Conference Committees were discharged and the bills were laid on the table:

S.F. Nos. 33, 42, 567, 615, 623, 818, 952, 1523 and 1525.

Patrick E. Flahaven
Secretary of the Senate

July 19, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

On July 17, 1985, the Subcommittee on Committees met and by appropriate action made the following appointments:

Pursuant to Laws 1985

Chapter 19: Data Collection Task Force - Messrs. Davis and Isackson

Pursuant to Minnesota Statutes, Section 121.83, as amended by Laws 1985, Chapter 285

Minnesota Education Council - Meses. Reichgott, Olson, Messrs. Stumpf and Peterson, R. W.

Pursuant to Special Session Laws 1985

Chapter 13: Council on Asian Pacific Minnesotans - Messrs. Spear and Novak

Chapter 13: Legislative Commission on Economic Development Strategy - Messrs. Luther, Freeman, Pogemiller, Dicklich and Benson

Sincerely,

Roger D. Moe,
Majority Leader

July 19, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to Minnesota Statutes, Section 116L.03, I have made the following appointment:

Minnesota Jobs Skills Partnership - Mr. Frank

Sincerely,

Roger D. Moe
Majority Leader

July 19, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to Minnesota Statutes, Section 116L.03, I have made the following appointment:

Minnesota Jobs Skills Partnership - Mr. Knaak

Sincerely,

Glen Taylor
Minority Leader

JOURNAL
OF THE
SENATE

STATE OF MINNESOTA

SEVENTY-FOURTH LEGISLATURE

SPECIAL SESSION

1985

FIRST DAY

St. Paul, Minnesota, Wednesday, June 19, 1985

The Senate met at 4:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Alan James.

The Secretary called the roll by legislative districts in numerical order as follows:

First District	LeRoy A. Stumpf
Second District	Roger D. Moe
Third District	Bob Lessard
Fourth District	Gerald L. Willet
Fifth District	Ronald R. Dicklich
Sixth District	Douglas J. Johnson
Seventh District	Sam G. Solon
Eighth District	Jim Gustafson
Ninth District	Keith Langseth
Tenth District	Collin C. Peterson
Eleventh District	Charles A. Berg
Twelfth District	Don Anderson
Thirteenth District	Don Samuelson
Fourteenth District	Florian Chmielewski
Fifteenth District	Dean E. Johnson
Sixteenth District	Joe Bertram
Seventeenth District	James C. Pehler
Eighteenth District	Charles R. Davis
Nineteenth District	Randolph W. Peterson
Twentieth District	Randy P. Kamrath
Twenty-first District	John Bernhagen
Twenty-second District	Betty A. Adkins
Twenty-third District	Dennis Frederickson
Twenty-fourth District	Glen Taylor
Twenty-fifth District	Clarence M. Purfeerst
Twenty-sixth District	Lyle G. Mehrkens
Twenty-seventh District	Gary M. DeCramer
Twenty-eighth District	Doran L. Isackson
Twenty-ninth District	Darrel L. Peterson
Thirtieth District	Mel Frederick
Thirty-first District	Tom A. Nelson
Thirty-second District	Duane D. Benson
Thirty-third District	Nancy Brataas
Thirty-fourth District	Patricia Louise Kronebusch
Thirty-fifth District	Earl W. Renneke
Thirty-sixth District	Robert J. Schmitz
Thirty-seventh District	Darril Wegscheid
Thirty-eighth District	Howard A. Knutson

Thirty-ninth District	Conrad M. Vega
Fortieth District	Michael O. Freeman
Forty-first District	William V. Belanger, Jr.
Forty-second District	Donald A. Storm
Forty-third District	Gen Olson
Forty-fourth District	Phyllis W. McQuaid
Forty-fifth District	Jim Ramstad
Forty-sixth District	Ember D. Reichgott
Forty-seventh District	William P. Luther
Forty-eighth District	Tad Jude
Forty-ninth District	Gene Merriam
Fiftieth District	Gregory L. Dahl
Fifty-first District	Don Frank
Fifty-second District	Steven G. Novak
Fifty-third District	Fritz Knaak
Fifty-fourth District	Jerome M. Hughes
Fifty-fifth District	Gary W. Laidig
Fifty-sixth District	A. W. "Bill" Diessner
Fifty-seventh District	Carl W. Kroening
Fifty-eighth District	Lawrence J. Pogemiller
Fifty-ninth District	Allan H. Spear
Sixtieth District	Linda Berglin
Sixty-first District	Donna C. Peterson
Sixty-second District	Eric D. Petty
Sixty-third District	Neil Dieterich
Sixty-fourth District	Ron Sieloff
Sixty-fifth District	Donald M. Moe
Sixty-sixth District	Gene Waldorf
Sixty-seventh District	Marilyn M. Lantry

The President declared a quorum present.

MEMBERS EXCUSED

Mr. Nelson was absent and excused from the Session of today.

STATE OF MINNESOTA PROCLAMATION

WHEREAS: The Minnesota Legislature failed to reach agreement during its regular session on essential legislation affecting the health, safety and welfare of Minnesota citizens; and

WHEREAS: The unfinished business of the Legislature includes essential items dealing with tax reform, education, operations of state government and operations of local governments; and

WHEREAS: It is critical for the long-term fiscal stability of the state government, the economic future of the state and the needs of the people of Minnesota that such issues be resolved; and

WHEREAS: The period of time allowed by the Minnesota Constitution for passage of such legislation has expired and an extraordinary occasion is thereby created; and

WHEREAS: Article IV, Section 12 of the Constitution of the State of Minnesota provides that a Special Session of the Legislature may be called on extraordinary occasions; and

WHEREAS: Elected leaders of the Legislature have agreed on an agenda

and procedures to complete a Special Session in the shortest time possible;

NOW, THEREFORE, I, Rudy Perpich, Governor of the State of Minnesota, do hereby summon you, members of the Legislature, to convene in Special Session on Wednesday, June 19, 1985, at four o'clock in the afternoon on that day, in the Capitol in Saint Paul, Minnesota.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed at the State Capitol this seventeenth day of June in the year of Our Lord one thousand nine hundred and eighty-five, and of the State the one hundred twenty-seventh.

Rudy Perpich,
Governor

Joan Anderson Growe,
Secretary of State

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. introduced—

Senate Resolution No. 1: A Senate resolution relating to organization and operation of the Senate during the Special Session.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Senate is organized under Minnesota Statutes, sections 3.073 and 3.103.

The Rules of the Senate for the 74th Legislature are the Rules for the Special Session, except that Rules 33, 40, and 57 are not operative other than as provided in this resolution.

The Committee on Rules and Administration is established in the same manner and with the same powers as in the 74th Legislature.

With respect to Rule 31, Reconsideration, a notice of intention to move for reconsideration is not in order, but a motion to reconsider may be made, and when made has priority over other business except a motion to adjourn.

Mr. Moe, R.D. 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Olson	Schmitz
Anderson	Frank	Kronebusch	Pehler	Sieloff
Belanger	Frederick	Laidig	Peterson, C.C.	Solon
Benson	Frederickson	Langseth	Peterson, D.C.	Spear
Berg	Freeman	Lantry	Peterson, D.L.	Storm
Berglin	Gustafson	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Hughes	Luther	Petty	Taylor
Bertram	Isackson	Mehrkens	Purfeerst	Vega
Brataas	Johnson, D.E.	Merriam	Ramstad	Waldorf
Davis	Jude	Moe, D.M.	Reichgott	Wegscheid
DeCramer	Kamrath	Moe, R.D.	Renneke	Willet
Dicklich	Knaak	Novak	Samuelson	

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 2: A Senate resolution relating to notifying the House of Representatives and the Governor that the Senate is organized.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Secretary of the Senate shall notify the House of Representatives and the Governor that the Senate is now duly organized under the Minnesota Constitution and Minnesota Statutes.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Wegscheid introduced—

Senate Resolution No. 3: A Senate resolution commending the Hastings Junior High School for having three programs selected as programs of excellence by the Commissioner of Education.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 4: A Senate resolution commending the Hastings Senior High School Gifted and Talented Resource Center for being selected as a program of excellence by the Commissioner of Education.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 5: A Senate resolution congratulating the girls golf team from Willmar High School for winning the 1985 Class AA Girls State High School Golf Championship.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 6: A Senate resolution congratulating Apple Valley High School on qualifying for the National High School Speech and Debate Tournament.

Referred to the Committee on Rules and Administration.

Mr. Anderson introduced—

Senate Resolution No. 7: A Senate resolution congratulating the girls golf team from Long Prairie High School for winning the 1985 Class A Girls State High School Golf Championship.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Messrs. Nelson; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Peterson, D.L. introduced—

S.F. No. 1: A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the state board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of transportation aid, special education aid, secondary vocational aid, and other aids; establishing the Minnesota school of the arts and resource center; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring the state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 5.35; 116J.37, subdivision 1; 120.03, subdivision 1; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.88; 121.882; 121.904, subdivision 4a; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.541, by adding a subdivision; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding a subdivision; 123.58, by adding a subdivision; 123.702, subdivision 1; 123.705, subdivision 1; 123.741, subdivisions 6 and 7; 123.742, subdivisions 1, 3, 4, 5, and by adding subdivisions; 123.7431; 123.935, by adding a subdivision; 124.09; 124.10; 124.14, subdivision 4, and by adding a subdivision; 124.17, subdivision 1, and by adding a subdivision; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.646, subdivision 1; 124.76, subdivision 2; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2, 3, and 5; 124A.037; 124A.06, subdivisions 1, 3a, and by adding subdivisions; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivisions 3 and 5a; 124A.16, subdivision 4; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.02, by adding a subdivision; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 275.125, subdivisions 5, 5b, 5d, 8, 8a, 8b, 11a, 11b, 11c, and by adding a subdivision; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.51, subdivision 5; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.092; 354A.093; 354A.094, subdivisions 2 and 4; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; and 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended, and section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; and Laws 1985, chapter 280, section 4; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 126; 129B; 129C; 136A; and 471; repealing Minnesota Statutes 1984, sections 120.03, sub-

divisions 2, 3, and 4; 120.17, subdivision 1a; 120.172, subdivision 3; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.84; 122.85; 122.89; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.05, subdivision 5; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 2; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47; repealing Laws 1984, chapter 463, article 9, section 9.

Messrs. Wegscheid, Solon and Belanger introduced—

S.F. No. 2: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; authorizing the FDIC to act as receiver or liquidator of a closed financial institution and providing a right of subrogation; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; and providing alternative loan disclosure requirements; providing an inflation adjustment for amounts exempt from creditors; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 49.05, by adding subdivisions; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

Messrs. Moe, D.M.; Spear; Renneke; Wegscheid and Pogemiller introduced—

S.F. No. 3: A bill for an act relating to retirement; making various changes in laws governing public retirement funds; amending Minnesota Statutes 1984, sections 3.85, subdivisions 11 and 12; 176.021, subdivision 7; 352.01, subdivision 11; 352.029; 352.22, subdivision 3; 352.95, subdivision 1; 352B.10; 352E.01, subdivision 2; 352E.04; 353.01, subdivision 16; 353.27, subdivision 12; 353.271, subdivision 2; 353.656, subdivision 1; 353.657, subdivision 2a; 354.44, subdivisions 5 and 6; 354.48, subdivisions 3, 6, and 7; 354.49, subdivision 2; 354.55, subdivision 11; 354.62, subdivision 2;

354A.35, subdivision 1; 356.20, subdivision 4; 356.215, subdivision 4; 356.216; 356.70; and Laws 1984, chapter 501, section 1; proposing coding for new law in Minnesota Statutes, chapter 352D; repealing Minnesota Statutes 1984, sections 352.113, subdivision 5; and 354.621.

Ms. Berglin and Mr. Knutson introduced—

S.F. No. 4: A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; authorizing bingo in nursing homes and senior citizen housing projects; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144A.01, subdivisions 5, 7, and by adding a subdivision; 144A.04, subdivisions 4 and 6; 144A.071, subdivisions 1, 2, and 3; 144A.08, subdivision 3; 144A.10, subdivision 4, and by adding subdivisions; 144A.11, subdivisions 2 and 3a; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.421, subdivision 5; 256B.431, subdivisions 2b, 3, and 4, and by adding subdivisions; 256B.48, by adding a subdivision; 256B.50; 256B.504, subdivision 1; 349.214, by adding a subdivision; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapter 144.

Ms. Berglin, Mr. Knutson and Mrs. Lantry introduced—

S.F. No. 5: A bill for an act relating to human services; providing state hospital revolving fund for chemical dependency; creating a consolidated fund for payment of chemical dependency treatment; appropriating money to counties for treatment; providing for client eligibility, vendor eligibility, and state collections; providing for American Indian special funding; removing chemical dependency treatment from medical assistance, general assistance medical care, and general assistance funding; amending Minnesota Statutes 1984, sections 246.04; 246.18; 246.23; 246.50, by adding a subdivision; 246.51, subdivision 1; 246.54; 256B.02, subdivision 8; 256B.70; and 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 246; and proposing coding for new law as Minnesota Statutes, chapter 254B.

Mr. Willet introduced—

S.F. No. 6: A bill for an act relating to energy; providing for the method of calculating the payback of certain energy conservation investments; amending Minnesota Statutes 1984, section 116J.37, subdivision 1.

Mr. Diessner introduced—

S.F. No. 7: A bill for an act relating to alcoholic beverages; increasing the

age for licensing, sale, consumption, possession, and furnishing; restricting certain promotion; establishing programs for the prevention of alcohol-impaired driving among young drivers and for education on avoidable health risks; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.06, subdivision 3; 171.13, by adding a subdivision; 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.119, subdivision 2; 340.13, subdivision 12; 340.14, subdivision 1a; 340.15, by adding a subdivision; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; and 340.80; repealing Minnesota Statutes 1984, section 340.79.

Mr. Pogemiller introduced—

S.F. No. 8: A bill for an act relating to public safety; providing and enhancing penalties upon conviction of certain hit and run violations; subjecting rules relating to drunk driving to certain provisions of the administrative procedure act; providing for the application of certain traffic regulations; eliminating redundant and surplus language; providing for access to drivers license photographic negatives; providing for crime victim services and reparations; creating a crime victim ombudsman and advisory council; amending Minnesota Statutes 1984, sections 14.02, subdivision 4; 169.02, subdivision 1; 169.09, subdivision 14; 169.121, subdivision 1; 169.123, subdivision 2; 169.128; 169.129; 171.07, subdivision 1a; 611A.52; 611A.53, subdivision 2; 611A.54; 611A.55, subdivisions 1 and 2; and 611A.56, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A.

Messrs. Moe, D.M.; Spear and Wegscheid introduced—

S.F. No. 9: A bill for an act relating to state government; requiring state agencies to provide services and materials in languages other than English; regulating the career executive service; specifying executive branch conflicts of interest; permitting the governor to set salaries for certain full- and part-time officials of metropolitan agencies; providing for review of state trooper arbitration awards; regulating approved complements; regulating liquidation of vacation leave; requiring approval of commissioner of administration to grant right-of-way over state-owned land to railroad company; amending Minnesota Statutes 1984, sections 15.62, subdivision 2; 15A.081, subdivision 1, and by adding a subdivision; 16A.123, subdivision 3; 16B.65, subdivision 3; 43A.17, subdivision 8; 43A.21, subdivision 5; 43A.38, subdivision 5; 62D.22, subdivision 7; 222.025, subdivision 1; and 299D.03, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1984, section 15A.081, subdivision 7.

Messrs. Luther, Freeman and Moe, R.D. introduced—

S.F. No. 10: A bill for an act relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision;

302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.

Mr. Peterson, R.W. introduced—

S.F. No. 11: A bill for an act relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; authorizing the water resources board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the water resources board; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 110B.

Messrs. Merriam; Moe, R.D.; Knaak and Wegscheid introduced—

S.F. No. 12: A bill for an act relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous activity; stating effect of removing certain provisions; creating a hazardous substance injury compensation fund; establishing a board to administer the fund; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; imposing a penalty; appropriating money; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.

Messrs. Merriam, Bernhagen, Frederickson and Johnson, D.J. introduced—

S.F. No. 13: A resolution memorializing the United States Department of Energy of Minnesota's opposition to the siting of a high-level radioactive waste disposal site in Minnesota pursuant to the Nuclear Waste Policy Act of 1982.

Mrs. Brataas and Mr. Frederick introduced—

S.F. No. 14: A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; capping the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; creating a job training program; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.48; 14.51; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25, 29, and 30; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 1, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5,

6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2.

Messrs. Waldorf, Wegscheid and Mrs. Brataas introduced—

S.F. No. 15: A bill for an act relating to occupations and professions; regulating persons who lay out, install, or maintain certain alarm systems; changing membership on the board of electricity; prescribing a penalty; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.241; 326.242, subdivisions 8 and 12; 326.243, as amended; 326.244, subdivisions 4, 5, as amended, and by adding a subdivision; and 326.246, as amended; proposing coding for new law in Minnesota Statutes, chapter 326.

Messrs. Willet, Kroening, Samuelson, Waldorf and Langseth, for the Committee on Finance, introduced—

S.F. No. 16: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivision 2; 115A.49; 115A.52; and 115A.54, by adding a subdivision.

Messrs. Waldorf, Nelson, Hughes, Taylor and Dicklich introduced—

S.F. No. 17: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; authorizing certain boards to establish certain salaries; providing for staff assistance, Indian scholarships and school district grants, tuition determination, average cost of instruction, authority to carry over appropriations, computer sales, financial aid, credit transferability, payroll deductions, surveys, studies, reports, notices, planning, policy development, mission statements, task forces, private proprietary schools, state university parking, annual appropriations, aid payments, review of vocational capital improvements, veterans' vocational program exemptions, vocational budgets and programs, endowed chairs, emergency rules, and pilot programs; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1, and by adding a subdivision; 121.02, by adding a subdivision; 124.48, by adding a subdivision; 135A.01; 135A.03; 135A.04; 135A.05; 135A.06; 136.031; 136.24; 136.67, subdivision 5; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, and 16; 136A.132, subdivisions 3, 4, 5, and 6; 136A.15, subdivision 7; 136A.162; 136A.233, subdivision 2; 136C.04, subdivisions 4a, 15, and by adding a subdivision; 136C.07, by adding a subdivision; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 1, 4, and 5; 136C.28, subdivision 2; 136C.29, subdivision 5; 136C.33, subdivision 1; 136C.34; 136C.36; 137.022; 141.23; 141.25, subdivisions 8, 9, 10, and by adding a subdivision; 141.26, subdivisions 2 and 5; 141.28, subdivision 4; 141.32; proposing coding for new law in Minnesota

Statutes, chapters 124; 135A; 136; and 136A; repealing Minnesota Statutes 1984, sections 135A.07; 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

Messrs. Kroening, Willet, Luther and Dahl introduced—

S.F. No. 18: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1, and by adding a subdivision; 3.099, subdivision 1; 3.21; 3.302, subdivision 3; 3.303, by adding a subdivision; 3.351, subdivision 3; 3.736, subdivision 3; 3.85, subdivision 11; 3.9223, subdivision 1; 3C.12, subdivision 7; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.32; 14.40; 14.47, subdivision 8; 14.48; 14.51; 14.55; 15.0597, subdivision 1; 15.50, subdivision 3; 15A.081, subdivisions 1 and 7; 15A.082, subdivisions 2 and 3; 16A.055, subdivision 1; 16A.123, subdivision 3; 16A.127, subdivisions 1, 3, and 5, and by adding a subdivision; 16A.128; 16A.1281; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.641, subdivision 10, and by adding a subdivision; 16A.672, subdivisions 1, 2, and 3; 16B.08, subdivision 7; 16B.09, by adding a subdivision; 16B.21, subdivision 1; 16B.22, as amended; 16B.24, subdivision 5; 16B.29; 16B.36, subdivision 1; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.54, subdivision 2; 16B.70; 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.03, subdivision 2; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2, and by adding a subdivision; 40A.13, subdivision 1; 40A.15, subdivision 4; 41A.01; 41A.02, subdivisions 5, 7, 8, and 11, and by adding a subdivision; 41A.03, subdivisions 1 and 3, and by adding a subdivision; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, and 3, and by adding a subdivision; 41A.06, subdivisions 1 and 5; 43A.04, subdivision 3; 43A.07, subdivision 2; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.15, by adding a subdivision; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.30, subdivision 4, and by adding a subdivision; 46.07, subdivision 2, and by adding a subdivision; 47.015, subdivision 1; 47.0151, subdivision 3; 47.0152; 48.13; 49.05, by adding subdivisions; 52.02, subdivision 3; 52.24, subdivisions 1 and 2; 53.04, by adding a subdivision; 53.10; 55.095; 65B.49, subdivision 4, as amended; 69.031, subdivision 1; 84.86, subdivision 1; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85.43; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, and 16, and by adding subdivisions; 85A.04, subdivision 1; 97.4841, subdivision 3; 97.4842, subdivision 2; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and 15; 100.271, subdivision 2; 105.42, by adding a subdivision; 115.03, by adding a subdivision; 115A.904; 115A.908, subdivision 2; 115A.914, subdivision 1; 116.07, subdivision 4d; 116.12, subdivision 1; 116C.69, subdivision 3; 116C.71, by adding a subdivision; 116C.723; 116C.724; 116J.36, subdivision 6, as amended; 116J.76; 116M.03, subdivision 17, and by adding a subdivision; 116M.04, subdivisions 8a and 9; 116M.05, subdivision 8; 116M.06, subdivisions 2 and 5; 116M.07, subdivisions 2, 4, 8, 9, 11, and 13; 116M.08, subdivisions 11, 12, 14, and 15; 116M.10, subdivision 8; 116M.11; 116M.12, subdivisions 3

and 4; 176.102, by adding a subdivision; 177.23, subdivisions 4 and 7; 177.24, subdivisions 3, 4, and 5; 177.27; 177.28, subdivision 4; 177.32, subdivision 1; 180.03, subdivisions 2, 3, and 4; 180.10; 181.79, subdivision 1; 181A.04, subdivision 3; 181A.12, subdivision 1; 183.545, by adding a subdivision; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.38, subdivisions 1, 2, 6, 7, and 8; 270.75, by adding a subdivision; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 298.2211, by adding a subdivision; 326.52; 331A.02, subdivision 1; 334.021; 352.01, subdivision 2B; 361.03, subdivision 5; 361.27; 363.01, subdivision 24, and by adding subdivisions; 363.05, subdivision 2; 363.06, subdivision 8; 363.116; 403.11, subdivision 1; 422A.101, subdivision 3, and by adding a subdivision; 462A.03, subdivision 14; 462A.05, subdivisions 11, 12, and 15a, and by adding subdivisions; 462A.07, subdivisions 14 and 15; 462A.08, subdivision 3; 462A.20, subdivision 3; 462A.21, subdivision 6, and by adding a subdivision; 462C.09, by adding a subdivision; 466.03, by adding a subdivision; 471.345, by adding a subdivision; 472.03, subdivision 9; 472.11, subdivisions 3 and 9; 472.125; 472.13; 473.123, subdivision 5; 473.141, subdivision 7; 473.605, subdivision 2; 473.606, subdivision 1; 473.714; 477A.014, by adding a subdivision; 486.05, subdivision 1, as amended; 487.01, subdivision 5; 494.01, by adding a subdivision; 609.101; 611.216, subdivision 1, and by adding a subdivision; and 626.861, by adding a subdivision; Laws 1984, chapter 502, article 5, section 19, subdivision 1; Laws 1985, chapter 4, section 6, subdivision 3, as amended; chapter 221, sections 1 and 12; and chapter 258, section 1, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 3C; 5; 8; 16A; 40A; 41A; 43A; 47; 84; 85; 85A; 88; 97; 116; 116C; 116J; 116M; 139; 179; 181; 198; 270; 363; 473; and 480; repealing Minnesota Statutes, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 40.19, subdivisions 3, 4, 10, 12, 14, and 15; 40A.13, subdivisions 2, 3, 4, and 5; 43A.19, subdivision 2; 46.15; 47.20, subdivisions 11 and 12; 48.19; 48.57; 48.58; 48.87; 69.031, subdivision 2; 84.088; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 3; 124.471; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; and 360.389; and Laws 1982, chapter 489, section 11; Laws 1984, chapter 502, article 10, section 12; and chapter 654, article 2, section 151.

Messrs. Samuelson, Solon, Ms. Berglin, Messrs. Spear and Knutson introduced—

S.F. No. 19: A bill for an act relating to the organization and operation of state government; appropriating money for human services, corrections, health, economic security, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62E.06, subdivision 1; 129A.01; 129A.03; 129A.07, subdivision 1; 129A.08, subdivision 5; 144.70; 145.912, subdivision 15; 145.917, subdivision 2; 145.917, subdivisions 3 and 4; 145.921; 145.922; 171.29, subdivision 2; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 252.28, subdivision 1; 254.05; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.871, subdivision 4; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.092, subdivisions 1, 2, 7, 8, and by adding subdivisions; 256B.19, subdivision 1; 256B.41, by adding a subdivision; 256B.421, subdivision 1; 256B.48, by adding subdivisions; 256B.503; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4

and 6; 256D.05, subdivision 1; 256D.09, subdivision 1, and by adding a subdivision; 256D.111, subdivision 5; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 256E.12, subdivision 3; 260.311; subdivision 5; 260.38; 268.672, subdivisions 6 and 11; 268.673, subdivision 2; 268.674, subdivision 1; 268.675; 268.676, subdivisions 1 and 2; 268.677; 268.678, subdivision 2; 268.679, subdivision 1; 268.68; 268.685; 390.11, by adding subdivisions; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.34, subdivision 1; and 624.713, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A, 129A, 144, 145, 256B, 256D, and 256F; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 145.912, subdivisions 16, 17, and 18; 256.967; 256D.111, subdivisions 1, 2, 3, and 4; 259.405; and 268.686.

Mr. Peterson, R.W. introduced—

S.F. No. 20: A bill for an act relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; providing additional authorities to counties; providing additional duties of the water resources board; proposing coding for new law as Minnesota Statutes, chapter 110B.

Messrs. Jude, Knaak, Schmitz, Berg and Sieloff introduced—

S.F. No. 21: A bill for an act relating to the legislature; making legislative offices nonpartisan; providing for disbursement of state election campaign funds to nonpartisan legislative candidates in 1986; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 5 and 7; 10A.32, subdivision 4; 204D.08, subdivisions 4 and 6; 204D.11, subdivision 5; 204D.13, subdivision 1; and 204D.20, subdivision 1.

Messrs. Johnson, D.J.; Peterson, C.C.; Novak; Merriam and Petty introduced—

S.F. No. 22: A bill for an act relating to financing and operation of state and local government; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; reducing the estate tax; changing corporate income tax provisions; rescheduling payments and increasing the budget reserve; reducing sales tax rate on farm machinery and providing sales tax exemptions; changing taxation of agricultural gasoline; changing the tax credit on fermented malt beverages; changing motor vehicle excise taxes for certain automobiles; authorizing lodging taxes for towns and unorganized territories; recodifying property tax law; changing property tax exemptions, classes, classification ratios, and credits; changing the taxation of telephone companies; providing for the allocation of industrial revenue bonds; providing economic development incentives; establishing a jobs program; providing for retention of mortgage registration and deed taxes by counties; altering provisions relating to the iron range resources and rehabilitation board; changing mining taxes; authorizing reimbursement to local units of government for certain railroad property tax abatements; giving enforcement powers to the department of revenue; changing provisions relating to leased state lands; increasing ciga-

rette taxes and allocating the proceeds; providing for studies; imposing duties on the commissioner of revenue, commissioner of natural resources, and the state auditor; changing property tax provisions relating to collection of property tax, confessions of judgment, special assessments, and sale of tax forfeit lands; changing property tax refund benefit schedules and definitions; changing local government aids; authorizing the issuance of bonds; changing computation of adjusted levy limit base; changing tax court jurisdiction; changing certain dates; changing and adding definitions; changing provisions relating to the Hennepin county park reserve district; updating income tax provisions to changes in the Internal Revenue Code; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 13.58; 15A.081, subdivisions 1 and 8; 16A.128, subdivision 2; 16A.15, subdivisions 1 and 6; 16A.641, subdivision 11; 16B.60, subdivision 5; 18.023, subdivision 7; 37.17, subdivision 1; 41.55; 47.58, subdivisions 2 and 3; 60A.15, subdivision 12; 60A.199, subdivision 8; 84B.08, subdivision 6; 85A.05, subdivision 5; 86.33; 92.46, subdivision 1; 93.55, subdivision 2; 97.488, subdivision 1a; 110A.28, subdivisions 11 and 12; 115A.58, subdivision 6; 116.16, subdivisions 1 and 2; 116.17, subdivision 6; 116.18, subdivisions 1, 2a, and 3a; 116C.63, subdivision 4; 116J.035, by adding a subdivision; 116J.64, subdivision 6; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 116M.03, by adding a subdivision; 116M.06, subdivisions 2 and 3; 116M.07, subdivision 11, and by adding subdivisions; 116M.08, subdivision 11; 117.55; 121.904, subdivision 4c, and by adding a subdivision; 124.155, subdivision 2; 124.2131, subdivision 3; 124.2137, subdivision 1; 124.2138, subdivision 4; 124.2139; 124.46, subdivision 3; 124A.02, subdivisions 11 and 12; 129A.02, subdivision 2; 136.40, subdivision 7; 136.63, by adding a subdivision; 136C.06; 136C.43, subdivision 6; 145.882; 145.883, subdivision 8, and by adding a subdivision; 145.884, subdivision 1; 145.885; 145.886; 167.52; 168.012, subdivision 9; 174.51, subdivision 6; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.01, subdivision 4; 256.736, subdivisions 1, 3, 4, 5, 7, and by adding subdivisions; 256.737; 256C.24; 256C.25, subdivision 1; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivisions 6 and 12; 268.673, subdivisions 3, 4, 5, and 6; 268.676; 268.677; 268.678, subdivisions 1, 3, 4, 5, and 6; 268.679; 268.681; 268.682; 270.68, subdivision 4; 270A.07, subdivision 5; 271.01, subdivision 5; 271.12; 272.02, subdivision 1, as amended, and by adding a subdivision; 272.03, subdivision 1; 272.039; 272.04, subdivision 1; 272.115, subdivision 4; 273.11, subdivision 8; 273.1104, subdivision 1; 273.1105, subdivision 2; 273.111, subdivision 11; 273.115, subdivision 7; 273.116, subdivision 7; 273.118; 273.121; 273.123, subdivisions 1 and 4; 273.13, subdivisions 4, as amended, 6, 7, 7a, 8a, 9, 14a, 15a, 17b, 19, and by adding subdivisions; 273.1311; 273.1313, subdivisions 1, 2, 3, and by adding a subdivision; 273.1314, subdivisions 8 and 16a; 273.1315; 273.133, by adding a subdivision; 273.135; subdivisions 1 and 2; 273.136, subdivisions 1, 2, 3, and 4; 273.1391, subdivisions 1 and 2; 273.1392; 273.1393, as added; 273.38; 273.42, subdivision 2; 273.74, subdivision 2, and by adding a subdivision; 273.75, subdivision 4; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 275.50, subdivision 5; 275.51, subdivision 3h; 276.04; 277.03; 277.10; 278.01, subdivisions 1 and 2; 278.05, subdivision 5; 279.01, subdivision 1, as amended; 279.06; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.17; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2; 287.23; 287.25;

287.27; 287.28; 287.29, subdivision 1; 287.33; 287.35; 290.01, subdivisions 19, 20, as amended, 20a, 20b, 20d, 20e, 20f, and 21; 290.032, subdivisions 1 and 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 2f, 3f, 3g, and 11; 290.067, subdivision 1; 290.068, subdivisions 1, 2, 3, 4, and 5; 290.069, subdivisions 2, 2a, 4a, 4b, 5, 6, and 7; 290.07, subdivisions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.088; 290.089, subdivisions 2, 3, and 7; 290.09, subdivisions 1, 2, 7, and 19; 290.091; 290.095, subdivisions 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.18, subdivision 2; 290.19, subdivision 1; 290.21, subdivisions 4 and 8; 290.23, subdivision 5; 290.26, subdivision 2; 290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.38; 290.41, subdivisions 1, 2, and by adding a subdivision; 290.50, subdivisions 1, 5, and 6; 290.53, subdivisions 9 and 11; 290.65, subdivision 16; 290.92, subdivisions 2a, 11, 13, 15, 18, 19, as amended, and 21; 290.93, subdivisions 1, 3, 5, 6, 7, 9, and 10; 290.931, subdivision 1; 290.936; 290A.03, subdivisions 3, as amended, 6, 12, 13, and 14; 290A.04, subdivisions 1, 2, and 3; 290A.06; 290A.07, subdivisions 2a and 3; 290A.19, as amended; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.01, subdivision 10; 295.34, subdivision 1; 296.01, subdivision 24; 296.02, subdivisions 7 and 8; 296.18, subdivision 1, as amended; 296.22, subdivision 13; 297.02, subdivision 1; 297.03, subdivisions 5 and 6; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding a subdivision; 297.35, subdivision 1; 297A.01, subdivisions 14 and 15; 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; 297A.25, subdivision 1; 297A.35, subdivision 1; 297A.39, subdivision 8; 297B.02; 297B.03; 297C.02, as added; 298.01, subdivision 1, as amended; 298.03; 298.031, subdivisions 2 and 3; 298.09, subdivision 4; 298.223; 298.225, as amended; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1, as amended, and 2; 298.282, subdivisions 1, 4, and 5; 298.292; 298.293; 299.01, subdivision 1, as amended; 299.05; 299F.26, subdivision 1; 325D.41; 360.301, subdivision 1; 462.445, subdivision 13; 462A.22, subdivision 1, as amended; 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a, 3, and by adding a subdivision; 473.556, subdivision 4; 473F.02, subdivisions 3 and 4; 474.16, subdivision 3, and by adding subdivisions; 474.17; 474.19; 474.20; 474.22; 474.23; 475.52, subdivision 6; 475.54, subdivision 1, and by adding a subdivision; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; 475.67, subdivision 8, and by adding a subdivision; 475.754; 475A.06, subdivision 6; 477A.011, subdivisions 3, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.018; 514.03, subdivision 3; 524.3-1202; and 583.02; Laws 1967, chapter 721, section 2, as amended; Laws 1979, chapter 288, section 2, subdivisions 2, 3, and 4, and section 3; Laws 1981, chapter 223, section 4, subdivisions 2 and 3; Laws 1982, chapter 523, article XXX, section 4, subdivision 1, as amended; Laws 1984, chapter 502, article 5, section 19, subdivision 1, and article 11, section 6; Laws 1985, chapter 83, section 7; proposing coding for new law in Minnesota Statutes, chapters 16A; 116; 124; 144; 145; 248; 256C; 256D; 268; 270; 272; 273; 290; 297A; 297B; 298; 325E; 462C; and 474; proposing coding for new law as Minnesota Statutes, section 267; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2;

116.18, subdivision 2; 129A.02, subdivision 4; 145.884, subdivision 2; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.671; 268.672, subdivisions 2, 8, 10, and 11; 268.673, subdivisions 1 and 2; 268.674; 268.675; 268.676, subdivision 3; 268.678, subdivisions 2, 7, and 8; 268.679, subdivisions 1 and 2; 268.68; 268.683; 268.684; 268.685; 268.686; 268.80; 268.81; 268.82; 268.83; 268.84; 270.75, subdivision 7; 273.1105; 273.13, subdivisions 2, 2a, 3, 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 10, 11, 12, 14a, 16, 17, 17a, 17b, 17c, 17d, 19, 20, and 21; 273.133; 273.15; 287.27; 287.29, subdivision 3; 287.32; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 3d, as amended, 3e, 14, 16, 17, 18, and 19; 290.069, subdivision 4; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 4 and 6; 290.09, subdivision 29; 290.101, as amended; 290.18, subdivision 4; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34; 297.02, subdivision 2; 385.36; 462C.09, subdivision 2; 474.16, subdivision 4; 474.18; 474.24; and 477A.0131; Laws 1982, chapter 523, article VII, section 3; and Laws 1984, chapter 502, article 2, section 4, and chapter 582, section 23.

Mr. Wegscheid introduced—

S.F. No. 23: A bill for an act relating to energy; providing that electric utilities may allow farmers to defer utility payments during the peak season under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 216B.

Mr. Langseth, Mrs. Lantry, Messrs. Purfeerst, Schmitz and Mehrkens introduced—

S.F. No. 24: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; requiring studies, reports, plans, and fiscal notes; prescribing and providing for certain funds, accounts, bonding, taxes, fares, and fees; amending Minnesota Statutes 1984, sections 12.14; 14.131; 15.0591, subdivision 2; 15A.081, subdivisions 1 and 7; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11, as amended; 25.39, subdivision 4; 40.03, subdivision 1; 43A.18, subdivision 5; 60A.02, subdivision 7; 60A.10; 60A.131, subdivision 1; 60A.17, subdivision 1a; 60A.1701, subdivisions 5 and 10; 60C.08, subdivision 1; 61B.05, subdivision 1; 62A.141; 62A.146; 62A.17, subdivision 6; 62B.05; 62D.19; 62E.10, subdivision 2; 62E.12; 62E.16; 65B.03; 65B.43, by adding a subdivision; 65B.44, subdivision 4; 65B.48, subdivision 3a; 65B.49, by adding a subdivision; 65B.63, subdivision 1; 67A.25, subdivision 1; 72A.20, by adding a subdivision; 79.252, subdivision 4; 79.62; 138.94; 168.012, subdivision 1; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 240.04, subdivision 4; 240.24, as amended; 297A.25, subdivision 1; 299A.01, subdivision 6;

352D.02, subdivision 1; 360.018, subdivision 6; 360.024; 453.51; 453.54, subdivision 15; 453.58, by adding a subdivision; 473.373, subdivisions 4 and 6; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 7; 473.386, subdivision 2; 473.39, subdivisions 1, 2, and by adding a subdivision; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivision; 473.435, subdivision 2; 473.436, subdivision 6; 473.446, subdivisions 1, 1a, 2a, and 3; 500.24, subdivision 3; 626.861, by adding a subdivision; and 626.88, subdivision 3; Laws 1985, chapter 168, section 14; chapter 290, section 14; and chapter 309, section 14; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 61A; 219; 240; and 473; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 60A.15, subdivision 14; 62A.025; 65B.49, subdivision 4, as amended; 473.373, subdivisions 2 and 7; 473.408, subdivisions 3, 3a, 3b, and 5; 473.436, subdivisions 1, 4, and 5; 473.438; 473.39, subdivision 3; 473.446, subdivision 6; and Laws 1985, chapter 241, section 2.

Mr. Jude, Ms. Reichgott and Mr. Knaak introduced—

S.F. No. 25: A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; correcting various legislative enactments; amending Minnesota Statutes 1984, sections 3.736, subdivision 3; 60A.11, subdivision 21; 65B.44, subdivision 6; 152.19, subdivision 5, as amended; 160.25, subdivision 3, as amended; 164.06, as amended; 181.13; 290.01, subdivision 20f; 290.091; 365.37, as amended; 429.061, subdivision 1; 444.075, subdivisions 1, as amended, and 1a, as added; 609.531, subdivision 6, as amended; and 631.09; Laws 1979, chapter 280, section 2, subdivision 2, as amended; Laws 1985, chapters 37, section 2; 152, section 1, subdivision 1; 172, sections 74, subdivisions 4, 5, and 7; 80, by adding a subdivision; 217, section 7; 225, section 1, subdivision 2; 259, sections 6 and 8; 261, sections 31 and 38; and 305, article 12, section 5; House File No. 3, article 11, section 23, subdivision 2, of the first special session; repealing Laws 1985, chapters 102, section 2; and 248, section 85.

Messrs. Luther, DeCramer and Sieloff introduced—

S.F. No. 26: A bill for an act relating to real property; changing notice period required for termination of contracts for the conveyance of real estate; designating seller's attorney as an agent; clarifying the application of the mortgage registry tax; modifying provisions relating to persons defaulting on homesteads; imposing a penalty; amending Minnesota Statutes 1984, sections 47.20, subdivision 15, as amended; 287.10; 336.9-402, as amended; 336.9-403, as amended; 559.21, subdivisions 3, 4, and 6, as amended, and by adding subdivisions; 580.031, as amended; 583.03, subdivision 2, as amended; 583.05, as amended; and 583.07, as amended; and Laws 1985, chapter 233, section 6, as amended; repealing Minnesota Statutes 1984, section 559.21, subdivisions 1, 1a, 2, and 8, as amended.

Messrs. Lessard; Peterson, C.C.; Bernhagen; Merriam and Novak introduced—

S.F. No. 27: A bill for an act relating to charitable gambling; exempting certain organizations from regulation and tax; amending Minnesota Statutes

1984, sections 297A.25, by adding a subdivision; and 349.214, subdivision 2.

Mr. Moe, R.D. moved that S.F. Nos. 1 through 27 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform the Senate that the House of Representatives of the State of Minnesota is now duly organized for the 1985 Special Session pursuant to law.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 19, 1985

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Wegscheid moved that the names of Mrs. Adkins and Mr. Benson be added as co-authors to S.F. No. 2. The motion prevailed.

Mr. Merriam moved that the name of Mr. Peterson, C.C. be added as a co-author to S.F. No. 12. The motion prevailed.

Mr. Merriam moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 13. The motion prevailed.

Mr. Merriam moved that S.F. No. 13 be taken from the table. The motion prevailed.

S.F. No. 13: A resolution memorializing the United States Department of Energy of Minnesota's opposition to the siting of a high-level radioactive waste disposal site in Minnesota pursuant to the Nuclear Waste Policy Act of 1982.

SUSPENSION OF RULES

Mr. Merriam 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. 13 and that the rules of the Senate be so far suspended as to give S.F. No. 13 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 13 was read the second time.

S.F. No. 13 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Novak	Samuelson
Anderson	Dieterich	Kroening	Olson	Schmitz
Belanger	Frank	Kronebusch	Pehler	Sieloff
Benson	Frederick	Laidig	Peterson, C.C.	Solon
Berg	Frederickson	Langseth	Peterson, D.C.	Spear
Berglin	Freeman	Lantry	Peterson, D.L.	Storm
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Stumpf
Bertram	Hughes	Luther	Petty	Taylor
Brataas	Isackson	McQuaid	Pogemiller	Vega
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	Waldorf
Davis	Johnson, D.J.	Merriam	Ramstad	Wegscheid
DeCramer	Jude	Moe, D.M.	Reichgott	Willet
Dicklich	Kamrath	Moe, R.D.	Renneke	

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that S.F. No. 8 be taken from the table. The motion prevailed.

S.F. No. 8: A bill for an act relating to public safety; providing and enhancing penalties upon conviction of certain hit and run violations; subjecting rules relating to drunk driving to certain provisions of the administrative procedure act; providing for the application of certain traffic regulations; eliminating redundant and surplus language; providing for access to drivers license photographic negatives; providing for crime victim services and reparations; creating a crime victim ombudsman and advisory council; amending Minnesota Statutes 1984, sections 14.02, subdivision 4; 169.02, subdivision 1; 169.09, subdivision 14; 169.121, subdivision 1; 169.123, subdivision 2; 169.128; 169.129; 171.07, subdivision 1a; 611A.52; 611A.53, subdivision 2; 611A.54; 611A.55, subdivisions 1 and 2; and 611A.56, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A.

SUSPENSION OF RULES

Mr. Pogemiller 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. 8 and that the rules of the Senate be so far suspended as to give S.F. No. 8 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 8 was read the second time.

S.F. No. 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Olson	Schmitz
Anderson	Dieterich	Kroening	Pehler	Sieloff
Belanger	Frank	Kronebusch	Peterson, C.C.	Solon
Benson	Frederick	Langseth	Peterson, D.C.	Spear
Berg	Frederickson	Lantry	Peterson, D.L.	Storm
Berglin	Freeman	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Gustafson	Luther	Petty	Taylor
Bertram	Hughes	McQuaid	Pogemiller	Vega
Brataas	Isackson	Mehrrens	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Davis	Johnson, D.J.	Moe, D.M.	Reichgott	Willet
DeCramer	Jude	Moe, R.D.	Renneke	
Dicklich	Kamrath	Novak	Samuelson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that S.F. No. 10 be taken from the table. The motion prevailed.

S.F. No. 10: A bill for an act relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision; 302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.

SUSPENSION OF RULES

Mr. Luther 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. 10 and that the rules of the Senate be so far suspended as to give S.F. No. 10 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 10 was read the second time.

S.F. No. 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 58 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Laidig	Pehler	Schmitz
Benson	Frank	Langseth	Peterson, C.C.	Sieloff
Berg	Frederickson	Lantry	Peterson, D.C.	Solon
Berglin	Freeman	Lessard	Peterson, D.L.	Spear
Bernhagen	Gustafson	Luther	Peterson, R.W.	Storm
Bertram	Hughes	McQuaid	Petty	Taylor
Brataas	Isackson	Mehrrens	Pogemiller	Vega
Dahl	Johnson, D.E.	Merriam	Purfeerst	Waldorf
Davis	Johnson, D.J.	Moe, D.M.	Ramstad	Wegscheid
DeCramer	Jude	Moe, R.D.	Reichgott	Willet
Dicklich	Knaak	Novak	Renneke	
Diessner	Kronebusch	Olson	Samuelson	

Messrs. Anderson, Belanger, Kroening and Stumpf voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Waldorf moved that S.F. No. 15 be taken from the table. The motion prevailed.

S.F. No. 15: A bill for an act relating to occupations and professions; regulating persons who lay out, install, or maintain certain alarm systems; changing membership on the board of electricity; prescribing a penalty; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.241; 326.242, subdivisions 8 and 12; 326.243, as amended; 326.244, subdivisions 4, 5, as amended, and by adding a subdivision; and 326.246, as amended; proposing coding for new law in Minnesota Statutes, chapter 326.

SUSPENSION OF RULES

Mr. Waldorf 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. 15 and that the rules of the Senate be so far suspended as to give S.F. No. 15 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 15 was read the second time.

Mr. Waldorf moved to amend S.F. No. 15 as follows:

Page 7, line 32, before "*alarm*" insert "*fire*"

Page 7, line 35, after "*with*" insert "*the applicable provisions of*"

Page 8, line 7, delete "*conducted*" and insert "*made*"

Page 8, line 16, after "*standards*" insert "*when the work was performed,*"

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend S.F. No. 15 as follows:

Page 1, line 19, before "*810*" insert "*and*" and delete "*, and*"

Page 1, line 20, delete "*820*"

Page 3, line 27, after "*800,*" insert "*and*"

Page 3, line 28, delete "*, and 820*"

Page 7, line 35, before "*810*" insert "*and*" and delete "*, and 820*"

Page 8, line 5, before "*810*" insert "*and*" and delete "*, and 820*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Kamrath	Merriam	Purfeerst
Belanger	Frank	Kroening	Novak	Ramstad
Bernhagen	Frederick	Laidig	Olson	Samuelson
Bertram	Frederickson	Langseth	Pehler	Solon
Dahl	Isackson	Lessard	Peterson, C.C.	Storm
Davis	Johnson, D.E.	McQuaid	Peterson, D.L.	Stumpf
DeCramer	Johnson, D.J.	Mehrkens	Pogemiller	Vega

Those who voted in the negative were:

Adkins	Diessner	Knaak	Peterson, D.C.	Spear
Benson	Dieterich	Kronebusch	Peterson, R.W.	Taylor
Berg	Gustafson	Lantry	Petty	Waldorf
Berglin	Hughes	Moe, D.M.	Renneke	Wegscheid
Brataas	Jude	Moe, R.D.	Schmitz	Willet

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved that S.F. No. 15 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 5. The motion prevailed.

Mr. Diessner moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 7. The motion prevailed.

Mr. Pogemiller moved that the names of Messrs. Diessner, Knaak, Ms. Peterson, D.C. and Mr. Spear be added as co-authors to S.F. No. 8. The motion prevailed.

Mr. Merriam moved that the name of Mr. Peterson, C.C. be stricken and the name of Mr. Berg be added as a co-author to S.F. No. 12. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:45 p.m. The motion prevailed.

The hour of 6:45 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 4 be taken from the table. The motion prevailed.

S.F. No. 4: A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; authorizing bingo in nursing homes and senior citizen housing projects; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; appropriating money; amending Minnesota Statutes

1984, sections 144.50, subdivision 2; 144A.01, subdivisions 5, 7, and by adding a subdivision; 144A.04, subdivisions 4 and 6; 144A.071, subdivisions 1, 2, and 3; 144A.08, subdivision 3; 144A.10, subdivision 4, and by adding subdivisions; 144A.11, subdivisions 2 and 3a; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.421, subdivision 5; 256B.431, subdivisions 2b, 3, and 4, and by adding subdivisions; 256B.48, by adding a subdivision; 256B.50; 256B.504, subdivision 1; 349.214, by adding a subdivision; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapter 144.

SUSPENSION OF RULES

Ms. Berglin 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. 4 and that the rules of the Senate be so far suspended as to give S.F. No. 4 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 4 was read the second time.

S.F. No. 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Novak	Renneke
Anderson	Dieterich	Kroening	Olson	Schmitz
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederickson	Laidig	Peterson, C.C.	Spear
Berglin	Freeman	Langseth	Peterson, D.C.	Storm
Bernhagen	Gustafson	Lantry	Peterson, D.L.	Stumpf
Bertram	Hughes	Lessard	Peterson, R.W.	Taylor
Brataas	Isackson	McQuaid	Petty	Vega
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Davis	Johnson, D.J.	Merriam	Purfeerst	Wegscheid
DeCramer	Jude	Moe, D.M.	Ramstad	Willet
Dicklich	Kamrath	Moe, R.D.	Reichgott	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House and First Reading of House Bills. The motion prevailed.

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. 2 and 5.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 19, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 2: A bill for an act relating to retirement; making various changes in laws governing public retirement funds; amending Minnesota Statutes 1984, sections 3.85, subdivisions 11 and 12; 176.021, subdivision 7; 352.01, subdivision 11; 352.029; 352.22, subdivision 3; 352.95, subdivision 1; 352B.10; 352E.01, subdivision 2; 352E.04; 353.01, subdivision 16; 353.27, subdivision 12; 353.271, subdivision 2; 353.656, subdivision 1; 353.657, subdivision 2a; 354.44, subdivisions 5 and 6; 354.48, subdivisions 3, 6, and 7; 354.49, subdivision 2; 354.55, subdivision 11; 354.62, subdivision 2; 354A.35, subdivision 1; 356.20, subdivision 4; 356.215, subdivision 4; 356.216; 356.70; and Laws 1984, chapter 501, section 1; proposing coding for new law in Minnesota Statutes, chapter 352D; repealing Minnesota Statutes 1984, sections 352.113, subdivision 5; and 354.621.

SUSPENSION OF RULES

Mr. Moe, D.M. 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. 2 and that the rules of the Senate be so far suspended as to give H.F. No. 2 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2 was read the second time.

H.F. No. 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:

Adkins	Dicklich	Kamrath	Novak	Schmitz
Anderson	Diessner	Knaak	Olson	Solon
Belanger	Dieterich	Knutson	Pehler	Spear
Benson	Frank	Kroening	Peterson, C.C.	Storm
Berg	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berglin	Frederickson	Laidig	Peterson, R.W.	Taylor
Bernhagen	Freeman	Langseth	Petty	Vega
Bertram	Gustafson	Lantry	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Purfeerst	Wegscheid
Chmielewski	Isackson	Mehrrens	Ramstad	Willet
Dahl	Johnson, D.E.	Merriam	Reichgott	
Davis	Johnson, D.J.	Moe, D.M.	Renneke	
DeCramer	Jude	Moe, R.D.	Samuelson	

So the bill passed and its title was agreed to.

FIRST READING OF HOUSE BILLS - CONTINUED

The following bill was read the first time.

H.F. No. 5: A bill for an act relating to state government; requiring state agencies to provide services and materials in languages other than English; regulating the career executive service; specifying executive branch conflicts of interest; permitting the governor to set salaries for certain full- and part-time officials of metropolitan agencies; providing for review of state trooper

arbitration awards; regulating approved complements; regulating liquidation of vacation leave; requiring approval of commissioner of administration to grant right-of-way over state-owned land to railroad company; amending Minnesota Statutes 1984, sections 15.62, subdivision 2; 15A.081, subdivision 1, and by adding a subdivision; 16A.123, subdivision 3; 16B.65, subdivision 3; 43A.17, subdivision 8; 43A.21, subdivision 5; 43A.38, subdivision 5; 62D.22, subdivision 7; 222.025, subdivision 1; and 299D.03, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1984, section 15A.081, subdivision 7.

SUSPENSION OF RULES

Mr. Moe, D.M. 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. 5 and that the rules of the Senate be so far suspended as to give H.F. No. 5 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 5 was read the second time.

H.F. No. 5 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Renneke
Anderson	Diessner	Knaak	Novak	Samuelson
Belanger	Dieterich	Knutson	Olson	Schmitz
Benson	Frank	Kroening	Pehler	Solon
Berg	Frederick	Kronebusch	Peterson, C.C.	Spear
Berglin	Frederickson	Laidig	Peterson, D.C.	Storm
Bernhagen	Freeman	Langseth	Peterson, D.L.	Stumpf
Bertram	Gustafson	Lantry	Peterson, R.W.	Taylor
Brataas	Hughes	Lessard	Petty	Vega
Chmielewski	Isackson	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Merriam	Ramstad	Willet
DeCramer	Jude	Moe, D.M.	Reichgott	

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages from the House and First Reading of House Bills. The motion prevailed.

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. 8.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 19, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 8: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; authorizing the FDIC to act as receiver or liquidator of a closed financial institution and providing a right of subrogation; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; and providing alternative loan disclosure requirements; providing an inflation adjustment for amounts exempt from creditors; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 49.05, by adding subdivisions; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

SUSPENSION OF RULES

Mr. Wegscheid moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 8 and that the rules of the Senate be so far suspended as to give H.F. No. 8 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 8 was read the second time.

H.F. No. 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:

Adkins	Dicklich	Kamrath	Moe, D.M.	Reichgott
Anderson	Diessner	Knaak	Moe, R.D.	Renneke
Belanger	Dieterich	Knutson	Novak	Samuelson
Benson	Frank	Kroening	Olson	Schmitz
Berg	Frederick	Kronebusch	Pehler	Solon
Berglin	Frederickson	Laidig	Peterson, C.C.	Spear
Bernhagen	Freeman	Langseth	Peterson, D.C.	Storm
Bertram	Gustafson	Lantry	Peterson, D.L.	Stumpf
Brataas	Hughes	Lessard	Peterson, R.W.	Taylor
Chmielewski	Isackson	Luther	Petty	Vega
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
DeCramer	Jude	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Waldorf moved that S.F. No. 17 be taken from the table. The motion prevailed.

S.F. No. 17: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; authorizing certain boards to establish certain salaries; providing for staff assistance, Indian scholarships and school district grants, tuition determination, average cost of instruction, authority to carry over appropriations, computer sales, financial aid, credit transferability, payroll deductions, surveys, studies, reports, notices, planning, policy development, mission statements, task forces, private proprietary schools, state university parking, annual appropriations, aid payments, review of vocational capital improvements, veterans' vocational program exemptions, vocational budgets and programs, endowed chairs, emergency rules, and pilot programs; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1, and by adding a subdivision; 121.02, by adding a subdivision; 124.48, by adding a subdivision; 135A.01; 135A.03; 135A.04; 135A.05; 135A.06; 136.031; 136.24; 136.67, subdivision 5; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, and 16; 136A.132, subdivisions 3, 4, 5, and 6; 136A.15, subdivision 7; 136A.162; 136A.233, subdivision 2; 136C.04, subdivisions 4a, 15, and by adding a subdivision; 136C.07, by adding a subdivision; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 1, 4, and 5; 136C.28, subdivision 2; 136C.29, subdivision 5; 136C.33, subdivision 1; 136C.34; 136C.36; 137.022; 141.23; 141.25, subdivisions 8, 9, 10, and by adding a subdivision; 141.26, subdivisions 2 and 5; 141.28, subdivision 4; 141.32; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; 136; and 136A; repealing Minnesota Statutes 1984, sections 135A.07; 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

SUSPENSION OF RULES

Mr. Waldorf 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. 17 and that the rules of the Senate be so far suspended as to give S.F. No. 17 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 17 was read the second time.

S.F. No. 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Samuelson
Anderson	Dieterich	Knutson	Olson	Schmitz
Belanger	Frank	Kroening	Pehler	Sieloff
Benson	Frederick	Kronebusch	Peterson, C.C.	Solon
Berg	Frederickson	Laidig	Peterson, D.C.	Spear
Berglin	Freeman	Langseth	Peterson, D.L.	Storm
Bernhagen	Gustafson	Lantry	Peterson, R.W.	Stumpf
Bertram	Hughes	Lessard	Petty	Taylor
Brataas	Isackson	Luther	Pogemiller	Vega
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Waldorf
Dahl	Johnson, D.J.	Mehrrens	Ramstad	Wegscheid
Davis	Jude	Merriam	Reichgott	Willet
DeCramer	Kamrath	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Messrs. Petty, Spear, Meses. Berglin; Peterson, D.C., and Mr. Kroening introduced—

S.F. No. 28: A bill for an act relating to a Minnesota convention center and related facilities; authorizing the metropolitan council and the city where the center is located to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain a convention center and related facilities and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city and the metropolitan council to issue bonds to finance the acquisition and betterment of the convention center and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip the convention center; authorizing the transfer of certain city property to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property; authorizing the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; amending Minnesota Statutes 1984, section 473.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.

Mr. Moe, R.D. moved that S.F. No. 28 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr.

Moe, R.D. moved that the Senate revert to the Orders of Business of Messages from the House and First Reading of House Bills. 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. 10, 8, 13 and 4.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned June 19, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 9.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 19, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 9: A bill for an act relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; providing additional authorities to counties; providing additional duties of the water resources board; proposing coding for new law as Minnesota Statutes, chapter 110B.

SUSPENSION OF RULES

Mr. Peterson, R.W. 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. 9 and that the rules of the Senate be so far suspended as to give H.F. No. 9 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 9 was read the second time.

H.F. No. 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 52 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Kronebusch	Pehler	Solon
Belanger	Frederickson	Laidig	Peterson, D.C.	Spear
Berglin	Gustafson	Langseth	Peterson, R.W.	Storm
Brataas	Hughes	Lantry	Petty	Taylor
Chmielewski	Isackson	Luther	Pogemiller	Vega
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ramstad	Wegscheid
DeCramer	Jude	Merriam	Reichgott	Willet
Dicklich	Knaak	Moe, R.D.	Renneke	
Diessner	Knutson	Novak	Schmitz	
Frank	Kroening	Olson	Sieloff	

Those who voted in the negative were:

Anderson
Benson
Berg

Bernhagen
Bertram

Dieterich
Kamrath

Lessard
Peterson, C.C.

Peterson, D.L.
Stumpf

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 7.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 19, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 7: A resolution memorializing the President and Congress to retain the federal income tax deduction for state and local taxes.

Mr. Jude moved that H.F. No. 7 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Messrs. Chmielewski and Frank introduced—

S.F. No. 29: A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; amending Minnesota Statutes 1984, sections 268.04, subdivisions 24, 29, and 30, and by adding a subdivision; 268.06, subdivisions 3a, 8, and 24; 268.07, subdivisions 2 and 2a; 268.071, subdivision 1; 268.08, subdivision 1, and by adding a subdivision; 268.09, by adding a subdivision; 268.10, subdivisions 1 and 2; and 268.15, subdivision 3.

Mr. Moe, R.D. moved that S.F. No. 29 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Samuelson moved that S.F. No. 19 be taken from the table. The motion prevailed.

S.F. No. 19: A bill for an act relating to the organization and operation of state government; appropriating money for human services, corrections,

health, economic security, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62E.06, subdivision 1; 129A.01; 129A.03; 129A.07, subdivision 1; 129A.08, subdivision 5; 144.70; 145.912, subdivision 15; 145.917, subdivision 2; 145.917, subdivisions 3 and 4; 145.921; 145.922; 171.29, subdivision 2; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 252.28, subdivision 1; 254.05; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.871, subdivision 4; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.092, subdivisions 1, 2, 7, 8, and by adding subdivisions; 256B.19, subdivision 1; 256B.41, by adding a subdivision; 256B.421, subdivision 1; 256B.48, by adding subdivisions; 256B.503; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.05, subdivision 1; 256D.09, subdivision 1, and by adding a subdivision; 256D.111, subdivision 5; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 256E.12, subdivision 3; 260.311, subdivision 5; 260.38; 268.672, subdivisions 6 and 11; 268.673, subdivision 2; 268.674, subdivision 1; 268.675; 268.676, subdivisions 1 and 2; 268.677; 268.678, subdivision 2; 268.679, subdivision 1; 268.68; 268.685; 390.11, by adding subdivisions; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.34, subdivision 1; and 624.713, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A, 129A, 144, 145, 256B, 256D, and 256F; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 145.912, subdivisions 16, 17, and 18; 256.967; 256D.111, subdivisions 1, 2, 3, and 4; 259.405; and 268.686.

SUSPENSION OF RULES

Mr. Samuelson 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. 19 and that the rules of the Senate be so far suspended as to give S.F. No. 19 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 19 was read the second time.

S.F. No. 19 was read the third time 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:

Adkins	Diessner	Knaak	Olson	Schmitz
Anderson	Dieterich	Knutson	Pehler	Sieloff
Belanger	Frank	Kroening	Peterson, C.C.	Solon
Benson	Frederick	Kronebusch	Peterson, D.C.	Spear
Berg	Frederickson	Laidig	Peterson, D.L.	Storm
Bernhagen	Freeman	Lantry	Peterson, R.W.	Stumpf
Bertram	Gustafson	Lessard	Petty	Taylor
Brataas	Hughes	Luther	Pogemiller	Vega
Chmielewski	Isackson	McQuaid	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Mehrrens	Ramstad	Wegscheid
Davis	Johnson, D.J.	Merriam	Reichgott	Willet
DeCramer	Jude	Moe, R.D.	Renneke	
Dicklich	Kamrath	Novak	Samuelson	

Ms. Berglin voted in the negative.

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today from 4:00 to 7:45 p.m. Mr. Sieloff was excused from the Session of today from 5:50 to 7:10 p.m. Ms. Peterson, D.C. was excused from the Session of today from 7:30 to 7:50 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, June 20, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SECOND DAY

St. Paul, Minnesota, Thursday, June 20, 1985

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Kenneth L. O'Hotto.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MOTIONS AND RESOLUTIONS

Ms. Reichgott introduced—

Senate Resolution No. 8: A Senate resolution congratulating the Falcons from Robbinsdale-Armstrong High School for winning the 1985 Class AA Boys State High School Track and Field Championship.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 9: A Senate resolution congratulating the chess team from Pilgrim Lane Elementary School for their twelfth place finish in the National Elementary Chess Tournament.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 10: A Senate resolution congratulating the Hawks from Robbinsdale-Cooper High School for winning the 1985 Class AA Girls State High School Fast-Pitch Softball Championship.

Referred to the Committee on Rules and Administration.

Mr. Pehler introduced—

Senate Resolution No. 11: A Senate resolution congratulating the Eagles baseball team from St. Cloud Apollo High School for winning the 1985 Class AA State High School Baseball Championship.

Referred to the Committee on Rules and Administration.

Mr. Langseth moved that S.F. No. 24 be taken from the table. The motion prevailed.

S.F. No. 24: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; requiring studies, reports, plans, and fiscal notes; prescribing and providing for certain funds, accounts, bonding, taxes, fares, and fees; amending Minnesota Statutes 1984, sections 12.14; 14.131; 15.0591, subdivision 2; 15A.081, subdivisions 1 and 7; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11, as amended; 25.39, subdivision 4; 40.03, subdivision 1; 43A.18, subdivision 5; 60A.02, subdivision 7; 60A.10; 60A.131, subdivision 1; 60A.17, subdivision 1a; 60A.1701, subdivisions 5 and 10; 60C.08, subdivision 1; 61B.05, subdivision 1; 62A.141; 62A.146; 62A.17, subdivision 6; 62B.05; 62D.19; 62E.10, subdivision 2; 62E.12; 62E.16; 65B.03; 65B.43, by adding a subdivision; 65B.44, subdivision 4; 65B.48, subdivision 3a; 65B.49, by adding a subdivision; 65B.63, subdivision 1; 67A.25, subdivision 1; 72A.20, by adding a subdivision; 79.252, subdivision 4; 79.62; 138.94; 168.012, subdivision 1; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 240.04, subdivision 4; 240.24, as amended; 297A.25, subdivision 1; 299A.01, subdivision 6; 352D.02, subdivision 1; 360.018, subdivision 6; 360.024; 453.51; 453.54, subdivision 15; 453.58, by adding a subdivision; 473.373, subdivisions 4 and 6; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 7; 473.386, subdivision 2; 473.39, subdivisions 1, 2, and by adding a subdivision; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivision; 473.435, subdivision 2; 473.436, subdivision 6; 473.446, subdivisions 1, 1a, 2a, and 3; 500.24, subdivision 3; 626.861, by adding a subdivision; and 626.88, subdivision 3; Laws 1985, chapter 168, section 14; chapter 290, section 14; and chapter 309, section 14; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 61A; 219; 240; and 473; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 60A.15, subdivision 14; 62A.025; 65B.49, subdivision 4, as amended; 473.373, subdivisions 2 and 7; 473.408, subdivisions 3, 3a, 3b, and 5; 473.436, subdivisions 1, 4, and 5; 473.438;

473.39, subdivision 3; 473.446, subdivision 6; and Laws 1985, chapter 241, section 2.

SUSPENSION OF RULES

Mr. Langseth 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. 24 and that the rules of the Senate be so far suspended as to give S.F. No. 24 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 24 was read the second time.

S.F. No. 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Novak	Samuelson
Anderson	Dieterich	Kronebusch	Olson	Schmitz
Belanger	Frank	Laidig	Pehler	Sieloff
Benson	Frederick	Langseth	Peterson, C.C.	Solon
Berg	Frederickson	Lantry	Peterson, D.C.	Spear
Berglin	Gustafson	Lessard	Peterson, D.L.	Storm
Bernhagen	Hughes	Luther	Peterson, R.W.	Stumpf
Bertram	Isackson	McQuaid	Petty	Taylor
Brataas	Johnson, D.E.	Mehrken	Pogemiller	Vega
Chmielewski	Johnson, D.J.	Merriam	Purfeerst	Waldorf
Davis	Jude	Moe, D.M.	Ramstad	Wegscheid
DeCramer	Kamrath	Moe, R.D.	Reichgott	Willet
Dicklich	Knaak	Nelson	Renneke	

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages from the House and First Reading of House Bills. The motion prevailed.

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. 3.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 20, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 3: A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the state

board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of transportation aid, special education aid, secondary vocational aid, and other aids; establishing the Minnesota school of the arts and resource center; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring the state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 5.35; 116J.37, subdivision 1; 120.03, subdivision 1; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.88; 121.882; 121.904, subdivision 4a; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.541, by adding a subdivision; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding a subdivision; 123.58, by adding a subdivision; 123.702, subdivision 1; 123.705, subdivision 1; 123.741, subdivisions 6 and 7; 123.742, subdivisions 1, 3, 4, 5, and by adding subdivisions; 123.7431; 123.935, by adding a subdivision; 124.09; 124.10; 124.14, subdivision 4, and by adding a subdivision; 124.17, subdivision 1, and by adding a subdivision; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.646, subdivision 1; 124.76, subdivision 2; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2, 3, and 5; 124A.037; 124A.06, subdivisions 1, 3a, and by adding subdivisions; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivisions 3 and 5a; 124A.16, subdivision 4; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.02, by adding a subdivision; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 275.125, subdivisions 5, 5b, 5d, 8, 8a, 8b, 11a, 11b, 11c, and by adding a subdivision; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.51, subdivision 5; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.092; 354A.093; 354A.094, subdivisions 2 and 4; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; and 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended, and section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; and Laws 1985, chapter 280, section 4; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 126; 129B; 129C; 136A; and 471; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.17, subdivision 1a; 120.172, subdivision 3; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.84; 122.85; 122.89; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 124A.035,

subdivision 6; 124A.037; 125.05, subdivision 5; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47; repealing Laws 1984, chapter 463, article 9, section 9.

Mr. Moe, R.D. moved that H.F. No. 3 be laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:00 p.m. The motion prevailed.

The hour of 1:00 p.m. having arrived, the President called the Senate to order.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Messrs. Luther, DeCramer and Sieloff introduced—

S.F. No. 30: A bill for an act relating to real property; changing notice period required for termination of contracts for the conveyance of real estate; designating seller's attorney as an agent; clarifying the application of the mortgage registry tax; modifying provisions relating to persons defaulting on homesteads; imposing a penalty; amending Minnesota Statutes 1984, sections 47.20, subdivision 15, as amended; 287.10; 336.9-402, as amended; 336.9-403, as amended; 559.21, subdivisions 3, 4, and 6, as amended, and by adding subdivisions; 580.031, as amended; 583.03, subdivision 2, as amended; 583.04, as amended; 583.05, as amended; and 583.07, as amended; and Laws 1985, chapter 233, section 6, as amended; repealing Minnesota Statutes 1984, section 559.21, subdivisions 1, 1a, 2, and 8, as amended.

Mr. Moe, R.D. moved that S.F. No. 30 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Nelson moved that H.F. No. 3 be taken from the table. The motion prevailed.

H.F. No. 3: A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the state board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill

rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of transportation aid, special education aid, secondary vocational aid, and other aids; establishing the Minnesota school of the arts and resource center; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring the state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 5.35; 116J.37, subdivision 1; 120.03, subdivision 1; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.88; 121.882; 121.904, subdivision 4a; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.541, by adding a subdivision; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding a subdivision; 123.58, by adding a subdivision; 123.702, subdivision 1; 123.705, subdivision 1; 123.741, subdivisions 6 and 7; 123.742, subdivisions 1, 3, 4, 5, and by adding subdivisions; 123.7431; 123.935, by adding a subdivision; 124.09; 124.10; 124.14, subdivision 4, and by adding a subdivision; 124.17, subdivision 1, and by adding a subdivision; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.646, subdivision 1; 124.76, subdivision 2; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2, 3, and 5; 124A.037; 124A.06, subdivisions 1, 3a, and by adding subdivisions; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivisions 3 and 5a; 124A.16, subdivision 4; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60; subdivisions 3 and 7; 126.64, subdivision 2; 129B.02, by adding a subdivision; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 275.125, subdivisions 5, 5b, 5d, 8, 8a, 8b, 11a, 11b, 11c, and by adding a subdivision; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.51, subdivision 5; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.092; 354A.093; 354A.094, subdivisions 2 and 4; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; and 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended, and section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; and Laws 1985, chapter 280, section 4; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 126; 129B; 129C; 136A; and 471; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.17, subdivision 1a; 120.172, subdivision 3; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.84; 122.85; 122.89; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.05, subdivision 5; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19;

129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47; repealing Laws 1984, chapter 463, article 9, section 9.

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. 3 and that the rules of the Senate be so far suspended as to give H.F. No. 3 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3 was read the second time.

H.F. No. 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 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Renneke
Anderson	Diessner	Knaak	Nelson	Samuelson
Belanger	Dieterich	Knutson	Novak	Schmitz
Benson	Frank	Kroening	Olson	Sieloff
Berg	Frederick	Kronebusch	Pehler	Spear
Berglin	Frederickson	Laidig	Peterson, D.C.	Storm
Bernhagen	Freeman	Langseth	Peterson, D.L.	Stumpf
Bertram	Gustafson	Lessard	Peterson, R.W.	Taylor
Brataas	Hughes	Luther	Petty	Vega
Chmielewski	Isackson	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Merriam	Ramstad	Willet
DeCramer	Jude	Moe, D.M.	Reichgott	

Mrs. Lantry voted in the negative.

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby H.F. No. 3 was passed by the Senate on June 20, 1985, be now reconsidered. The motion prevailed.

H.F. No. 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 1, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Olson	Sieloff
Anderson	Dieterich	Kroening	Pehler	Solon
Belanger	Frank	Kronebusch	Peterson, C.C.	Spear
Benson	Frederick	Laidig	Peterson, D.C.	Storm
Berg	Frederickson	Langseth	Peterson, D.L.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Luther	Petty	Vega
Bertram	Hughes	McQuaid	Pogemiller	Waldorf
Brataas	Isackson	Mehrrens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Johnson, D.J.	Moe, D.M.	Reichgott	
Davis	Jude	Moe, R.D.	Renneke	
DeCramer	Kamrath	Nelson	Samuelson	
Dicklich	Knaak	Novak	Schmitz	

Mrs. Lantry voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Jude moved that H.F. No. 7 be taken from the table. The motion prevailed.

H.F. No. 7: A resolution memorializing the President and Congress to retain the federal income tax deduction for state and local taxes.

SUSPENSION OF RULES

Mr. Jude 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. 7 and that the rules of the Senate be so far suspended as to give H.F. No. 7 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 7 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 7 as follows:

Page 1, delete lines 20 to 24

Page 2, delete line 1

The motion prevailed. So the amendment was adopted.

H.F. No. 7 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the resolution, as amended.

The roll was called, and there were yeas 56 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R.D.	Schmitz
Anderson	Dicklich	Knaak	Novak	Solon
Belanger	Diessner	Kroening	Olson	Spear
Benson	Dieterich	Kronebusch	Pehler	Storm
Berg	Frank	Laidig	Peterson, D.C.	Stumpf
Berglin	Frederick	Langseth	Peterson, D.L.	Vega
Bernhagen	Frederickson	Lantry	Petty	Wegscheid
Bertram	Freeman	Lessard	Purfeerst	Willet
Brataas	Hughes	Luther	Ramstad	
Chmielewski	Isackson	McQuaid	Reichgott	
Dahl	Johnson, D.E.	Mehrrens	Renneke	
Davis	Johnson, D.J.	Merriam	Samuelson	

Messrs. Peterson, C.C.; Peterson, R.W. and Waldorf voted in the nega-

tive.

So the resolution, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that S.F. No. 30 be taken from the table. The motion prevailed.

S.F. No. 30: A bill for an act relating to real property; changing notice period required for termination of contracts for the conveyance of real estate; designating seller's attorney as an agent; clarifying the application of the mortgage registry tax; modifying provisions relating to persons defaulting on homesteads; imposing a penalty; amending Minnesota Statutes 1984, sections 47.20, subdivision 15, as amended; 287.10; 336.9-402, as amended; 336.9-403, as amended; 559.21, subdivisions 3, 4, and 6, as amended, and by adding subdivisions; 580.031, as amended; 583.03, subdivision 2, as amended; 583.04, as amended; 583.05, as amended; and 583.07, as amended; and Laws 1985, chapter 233, section 6, as amended; repealing Minnesota Statutes 1984, section 559.21, subdivisions 1, 1a, 2, and 8, as amended.

SUSPENSION OF RULES

Mr. Luther 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. 30 and that the rules of the Senate be so far suspended as to give S.F. No. 30 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 30 was read the second time.

S.F. No. 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 47 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Moe, D.M.	Reichgott
Anderson	Dieterich	Knaak	Moe, R.D.	Renneke
Belanger	Frederick	Knutson	Novak	Schmitz
Benson	Frederickson	Kronebusch	Olson	Solon
Bernhagen	Gustafson	Laidig	Pehler	Taylor
Bertram	Hughes	Langseth	Peterson, C.C.	Waldorf
Brataas	Isackson	Lessard	Peterson, R.W.	Wegscheid
Chmielewski	Johnson, D.E.	Luther	Petty	
DeCramer	Johnson, D.J.	McQuaid	Purfeerst	
Dicklich	Jude	Mehrrens	Ramstad	

Those who voted in the negative were:

Berg	Frank	Merriam	Pogemiller	Vega
Berglin	Freeman	Nelson	Samuelson	Willet
Dahl	Kroening	Peterson, D.C.	Spear	
Davis	Lantry	Peterson, D.L.	Stumpf	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that S.F. No. 12 be taken from the table. The motion

prevailed.

S.F. No. 12: A bill for an act relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous activity; stating effect of removing certain provisions; creating a hazardous substance injury compensation fund; establishing a board to administer the fund; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; imposing a penalty; appropriating money; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.

SUSPENSION OF RULES

Mr. Merriam 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. 12 and that the rules of the Senate be so far suspended as to give S.F. No. 12 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 12 was read the second time.

Pursuant to Rule 22, Mr. Freeman moved to be excused from voting on S.F. No. 12. The motion prevailed.

S.F. No. 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 46 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Storm
Anderson	Dieterich	Knaak	Olson	Stumpf
Benson	Frederick	Knutson	Pehler	Taylor
Berg	Frederickson	Kronebusch	Peterson, D.L.	Waldorf
Bernhagen	Gustafson	Laidig	Petty	Wegscheid.
Bertram	Hughes	Langseth	Purfeerst	Willet
Brataas	Isackson	Lessard	Ramstad	
Chmielewski	Johnson, D.E.	Mehrkens	Renneke	
Davis	Johnson, D.J.	Merriam	Schmitz	
DeCramer	Jude	Moe, D.M.	Solon	

Those who voted in the negative were:

Berglin	Kroening	Nelson	Peterson, R.W.	Vega
Dahl	Lantry	Novak	Pogemiller	
Diessner	Luther	Peterson, C.C.	Reichgott	
Frank	McQuaid	Peterson, D.C.	Spear	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 17.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned June 20, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 10.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 20, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 10: A bill for an act relating to financing and operation of state and local government; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; reducing the estate tax; changing corporate income tax provisions; rescheduling payments and increasing the budget reserve; reducing sales tax rate on farm machinery and providing sales tax exemptions; changing taxation of agricultural gasoline; changing the tax credit on fermented malt beverages; changing motor vehicle excise taxes for certain automobiles; authorizing lodging taxes for towns and unorganized territories; recodifying property tax law; changing property tax exemptions, classes, classification ratios, and credits; changing the taxation of telephone companies; providing for the allocation of industrial revenue bonds; providing economic development incentives; establishing a jobs program; providing for retention of mortgage registration and deed taxes by counties; altering provisions relating to the iron range resources and rehabilitation board; changing mining taxes; authorizing reimbursement to local units of government for certain railroad property tax abatements; giving enforcement powers to the department of revenue; changing provisions relating to leased state lands; increasing cigarette taxes and allocating the proceeds; providing for studies; imposing duties on the commissioner of revenue, commissioner of natural resources, and the state auditor; changing property tax provisions relating to collection of property tax, confessions of judgment, special assessments, and sale of tax forfeit lands; changing property tax refund benefit schedules and definitions; changing local government aids; authorizing the issuance of bonds; changing computation of adjusted levy limit base; changing tax court jurisdiction; changing certain dates; changing and adding definitions; changing provisions relating to the Hennepin county park reserve district; updating income tax provisions to changes in the Internal Revenue Code; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 13.58; 15A.081, subdivisions 1 and 8; 16A.128, subdivision 2; 16A.15, subdivisions 1 and 6; 16A.641,

subdivision 11; 16B.60, subdivision 5; 18.023, subdivision 7; 37.17, subdivision 1; 41.55; 47.58, subdivisions 2 and 3; 60A.15, subdivision 12; 60A.199, subdivision 8; 84B.08, subdivision 6; 85A.05, subdivision 5; 86.33; 92.46, subdivision 1; 93.55, subdivision 2; 97.488, subdivision 1a; 110A.28, subdivisions 11 and 12; 115A.58, subdivision 6; 116.16, subdivisions 1 and 2; 116.17, subdivision 6; 116.18, subdivisions 1, 2a, and 3a; 116C.63, subdivision 4; 116J.035, by adding a subdivision; 116J.64, subdivision 6; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 116M.03, by adding a subdivision; 116M.06, subdivisions 2 and 3; 116M.07, subdivision 11, and by adding subdivisions; 116M.08, subdivision 11; 117.55; 121.904, subdivision 4c, and by adding a subdivision; 124.155, subdivision 2; 124.2131, subdivision 3; 124.2137, subdivision 1; 124.2138, subdivision 4; 124.2139; 124.46, subdivision 3; 124A.02, subdivisions 11 and 12; 129A.02, subdivision 2; 136.40, subdivision 7; 136.63, by adding a subdivision; 136C.06; 136C.43, subdivision 6; 145.882; 145.883, subdivision 8, and by adding a subdivision; 145.884, subdivision 1; 145.885; 145.886; 167.52; 168.012, subdivision 9; 174.51, subdivision 6; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.01, subdivision 4; 256.736, subdivisions 1, 3, 4, 5, 7, and by adding subdivisions; 256.737; 256C.24; 256C.25, subdivision 1; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivisions 6 and 12; 268.673, subdivisions 3, 4, 5, and 6; 268.676; 268.677; 268.678, subdivisions 1, 3, 4, 5, and 6; 268.679; 268.681; 268.682; 270.68, subdivision 4; 270A.07, subdivision 5; 271.01, subdivision 5; 271.12; 272.02, subdivision 1, as amended, and by adding a subdivision; 272.03, subdivision 1; 272.039; 272.04, subdivision 1; 272.115, subdivision 4; 273.11, subdivision 8; 273.1104, subdivision 1; 273.1105, subdivision 2; 273.111, subdivision 11; 273.115, subdivision 7; 273.116, subdivision 7; 273.118; 273.121; 273.123, subdivisions 1 and 4; 273.13, subdivisions 4, as amended, 6, 7, 7a, 8a, 9, 14a, 15a, 17b, 19, and by adding subdivisions; 273.1311; 273.1313, subdivisions 1, 2, 3, and by adding a subdivision; 273.1314, subdivisions 8 and 16a; 273.1315; 273.133, by adding a subdivision; 273.135; subdivisions 1 and 2; 273.136, subdivisions 1, 2, 3, and 4; 273.1391, subdivisions 1 and 2; 273.1392; 273.1393, as added; 273.38; 273.42, subdivision 2; 273.74, subdivision 2, and by adding a subdivision; 273.75, subdivision 4; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 275.50, subdivision 5; 275.51, subdivision 3h; 276.04; 277.03; 277.10; 278.01, subdivisions 1 and 2; 278.05, subdivision 5; 279.01, subdivision 1, as amended; 279.06; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.17; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2; 287.23; 287.25; 287.27; 287.28; 287.29, subdivision 1; 287.33; 287.35; 290.01, subdivisions 19, 20, as amended, 20a, 20b, 20d, 20e, 20f, and 21; 290.032, subdivisions 1 and 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 2f, 3f, 3g, and 11; 290.067, subdivision 1; 290.068, subdivisions 1, 2, 3, 4, and 5; 290.069, subdivisions 2, 2a, 4a, 4b, 5, 6, and 7; 290.07, subdivisions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.088; 290.089, subdivisions 2, 3, and 7; 290.09, subdivisions 1, 2, 7, and 19; 290.091; 290.095, subdivisions 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.18, subdivision 2; 290.19, subdivision 1; 290.21, subdivisions 4 and 8; 290.23, subdivision 5; 290.26, subdivision 2;

290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.38; 290.41, subdivisions 1, 2, and by adding a subdivision; 290.50, subdivisions 1, 5, and 6; 290.53, subdivisions 9 and 11; 290.65, subdivision 16; 290.92, subdivisions 2a, 11, 13, 15, 18, 19, as amended, and 21; 290.93, subdivisions 1, 3, 5, 6, 7, 9, and 10; 290.931, subdivision 1; 290.936; 290A.03, subdivisions 3, as amended, 6, 12, 13, and 14; 290A.04, subdivisions 1, 2, and 3; 290A.06; 290A.07, subdivisions 2a and 3; 290A.19, as amended; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.01, subdivision 10; 295.34, subdivision 1; 296.01, subdivision 24; 296.02, subdivisions 7 and 8; 296.18, subdivision 1, as amended; 296.22, subdivision 13; 297.02, subdivision 1; 297.03, subdivisions 5 and 6; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding a subdivision; 297.35, subdivision 1; 297A.01, subdivisions 14 and 15; 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; 297A.25, subdivision 1; 297A.35, subdivision 1; 297A.39, subdivision 8; 297B.02; 297B.03; 297C.02, as added; 298.01, subdivision 1, as amended; 298.03; 298.031, subdivisions 2 and 3; 298.09, subdivision 4; 298.223; 298.225, as amended; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1, as amended, and 2; 298.282, subdivisions 1, 4, and 5; 298.292; 298.293; 299.01, subdivision 1, as amended; 299.05; 299F.26, subdivision 1; 325D.41; 360.301, subdivision 1; 462.445, subdivision 13; 462A.22, subdivision 1, as amended; 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a, 3, and by adding a subdivision; 473.556, subdivision 4; 473F.02, subdivisions 3 and 4; 474.16, subdivision 3, and by adding subdivisions; 474.17; 474.19; 474.20; 474.22; 474.23; 475.52, subdivision 6; 475.54, subdivision 1, and by adding a subdivision; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; 475.67, subdivision 8, and by adding a subdivision; 475.754; 475A.06, subdivision 6; 477A.011, subdivisions 3, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.018; 514.03, subdivision 3; 524.3-1202; and 583.02; Laws 1967, chapter 721, section 2, as amended; Laws 1979, chapter 288, section 2, subdivisions 2, 3, and 4, and section 3; Laws 1981, chapter 223, section 4, subdivisions 2 and 3; Laws 1982, chapter 523, article XXX, section 4, subdivision 1, as amended; Laws 1984, chapter 502, article 5, section 19, subdivision 1, and article 11, section 6; Laws 1985, chapter 83, section 7; proposing coding for new law in Minnesota Statutes, chapters 16A; 116; 124; 144; 145; 248; 256C; 256D; 268; 270; 272; 273; 290; 297A; 297B; 298; 325E; 462C; and 474; proposing coding for new law as Minnesota Statutes, section 267; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2; 116.18, subdivision 2; 129A.02, subdivision 4; 145.884, subdivision 2; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.671; 268.672, subdivisions 2, 8, 10, and 11; 268.673, subdivisions 1 and 2; 268.674; 268.675; 268.676, subdivision 3; 268.678, subdivisions 2, 7, and 8; 268.679, subdivisions 1 and 2; 268.68; 268.683; 268.684; 268.685; 268.686; 268.80; 268.81; 268.82; 268.83; 268.84; 270.75, subdivision 7; 273.1105; 273.13, subdivisions 2, 2a, 3, 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 10, 11, 12, 14a, 16, 17, 17a, 17b, 17c, 17d, 19, 20, and 21; 273.133; 273.15; 287.27; 287.29, subdivision 3; 287.32; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 3d, as amended, 3e, 14, 16, 17, 18, and 19; 290.069, subdivision 4; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 4 and 6;

290.09, subdivision 29; 290.101, as amended; 290.18, subdivision 4; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34; 297.02, subdivision 2; 385.36; 462C.09, subdivision 2; 474.16, subdivision 4; 474.18; 474.24; and 477A.0131; Laws 1982, chapter 523, article VII, section 3; and Laws 1984, chapter 502, article 2, section 4, and chapter 582, section 23.

SUSPENSION OF RULES

Mr. Johnson, D.J. 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. 10 and that the rules of the Senate be so far suspended as to give H.F. No. 10 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 10 was read the second time.

H.F. No. 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Solon
Belanger	Frank	Kronebusch	Pehler	Spear
Benson	Frederick	Laidig	Peterson, C.C.	Storm
Berg	Frederickson	Langseth	Peterson, D.C.	Stumpf
Berglin	Freeman	Lantry	Peterson, D.L.	Taylor
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Vega
Bertram	Hughes	Luther	Petty	Waldorf
Brataas	Isackson	McQuaid	Pogemiller	Wegschied
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willet
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House and First Reading of House Bills. The motion prevailed.

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. 1.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 20, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivision 2; 115A.49; 115A.52; and 115A.54, by adding a subdivision.

SUSPENSION OF RULES

Mr. Willet 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. 1 and that the rules of the Senate be so far suspended as to give H.F. No. 1 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1 was read the second time.

H.F. No. 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 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Nelson	Renneke
Anderson	Diessner	Knutson	Novak	Samuelson
Belanger	Dieterich	Kroening	Olson	Schmitz
Benson	Frank	Kronebusch	Pehler	Sieloff
Berg	Frederick	Laidig	Peterson, C.C.	Solon
Berglin	Frederickson	Langseth	Peterson, D.C.	Spear
Bernhagen	Freeman	Lantry	Peterson, D.L.	Stumpf
Bertram	Gustafson	Lessard	Peterson, R.W.	Taylor
Brataas	Hughes	Luther	Petty	Vega
Chmielewski	Isackson	Mehrkens	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Merriam	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Moe, D.M.	Ramstad	Willet
DeCramer	Jude	Moe, R.D.	Reichgott	

Mr. Kamrath and Mrs. McQuaid voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pehler introduced—

Senate Resolution No. 12: A Senate resolution congratulating the St. Cloud Tech boys tennis team upon winning the 1985 state championship.

Referred to the Committee on Rules and Administration.

Mr. Petty moved that S.F. No. 28 be taken from the table. The motion prevailed.

S.F. No. 28: A bill for an act relating to a Minnesota convention center and

related facilities; authorizing the metropolitan council and the city where the center is located to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain a convention center and related facilities and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city and the metropolitan council to issue bonds to finance the acquisition and betterment of the convention center and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip the convention center; authorizing the transfer of certain city property to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property; authorizing the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; amending Minnesota Statutes 1984, section 473.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.

SUSPENSION OF RULES

Mr. Petty 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. 28 and that the rules of the Senate be so far suspended as to give S.F. No. 28 its second and third reading and place it on its final passage.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 28. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Petty.

The roll was called, and there were yeas 39 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Luther	Peterson, C.C.	Schmitz
Berglin	Hughes	Merriam	Peterson, D.C.	Solon
Chmielewski	Johnson, D.J.	Moe, D.M.	Petty	Spear
Dahl	Jude	Moe, R.D.	Pogemiller	Stumpf
Davis	Kroening	Nelson	Purfeerst	Vega
DeCramer	Langseth	Novak	Ramstad	Waldorf
Dicklich	Lantry	Olson	Reichgott	Willet
Diessner	Lessard	Pehler	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Isackson	Laidig	Sieloff
Belanger	Dieterich	Johnson, D.E.	McQuaid	Taylor
Benson	Frederick	Kamrath	Mehrkens	Wegscheid
Berg	Frederickson	Knaak	Peterson, D.L.	
Bernhagen	Freeman	Knutson	Peterson, R.W.	
Bertram	Gustafson	Kronebusch	Renneke	

The motion did not prevail.

Mr. Moe, R.D. moved that S.F. No. 28 be given its second reading. The motion prevailed.

S.F. No. 28 was read the second time.

Mr. Moe, R.D. moved that S.F. No. 28 be laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

RECESS

Mr. Moe R.D. moved that the Senate do now recess until 8:00 p.m. The motion prevailed.

The hour of 8:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Mr. Wegscheid introduced—

S.F. No. 31: A bill for an act relating to occupations and professions; extending the licensing exemption for persons installing certain power limited circuits; amending Laws 1984, chapter 470, section 2.

Mr. Wegscheid moved that S.F. No. 31 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House and First Reading of House Bills. 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. 19 and 24.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned June 20, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 15.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 20, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 15: A bill for an act relating to occupations and professions; extending the licensing exemption for persons installing certain power limited circuits; amending Laws 1984, chapter 470, section 2.

SUSPENSION OF RULES

Mr. Wegscheid moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 15 and that the rules of the Senate be so far suspended as to give H.F. No. 15 its second and third reading and place it on its final passage.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Laidig	Novak	Solon
Belanger	Frederick	Langseth	Olson	Storm
Benson	Gustafson	Lessard	Peterson, C.C.	Stumpf
Berg	Isackson	McQuaid	Peterson, D.L.	Taylor
Bernhagen	Johnson, D.E.	Mehrkens	Petty	Willet
Bertram	Johnson, D.J.	Merriam	Ramstad	
Brataas	Kamrath	Moe, D.M.	Renneke	
Davis	Kronebusch	Moe, R.D.	Sieloff	

Those who voted in the negative were:

Adkins	Dieterich	Knutson	Peterson, R.W.	Spear
Berglin	Frank	Kroening	Pogemiller	Vega
Chmielewski	Freeman	Lantry	Purfeerst	Waldorf
Dahl	Hughes	Luther	Reichgott	Wegscheid
DeCramer	Jude	Nelson	Samuelson	
Diessner	Knaak	Peterson, D.C.	Schmitz	

The motion did not prevail.

Mr. Wegscheid moved that H.F. No. 15 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Brataas moved that S.F. No. 14 be taken from the table and given its

second reading.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kamrath	Mehrkens	Storm
Belanger	Frederick	Knaak	Olson	Stumpf
Benson	Frederickson	Knutson	Peterson, D.L.	Taylor
Berg	Gustafson	Kronebusch	Purfeerst	Wegscheid
Bernhagen	Isackson	Laidig	Ramstad	
Bertram	Johnson, D.E.	Langseth	Renneke	
Brataas	Jude	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Pehler	Samuelson
Berglin	Frank	Luther	Peterson, C.C.	Spear
Chmielewski	Freeman	Merriam	Peterson, D.C.	Vega
Dahl	Hughes	Moe, D.M.	Peterson, R.W.	Waldorf
Davis	Johnson, D.J.	Moe, R.D.	Petty	Willet
Dicklich	Kroening	Nelson	Pogemiller	
Diessner	Lantry	Novak	Reichgott	

The motion did not prevail.

Mr. Waldorf moved that S.F. No. 15 be taken from the table. The motion prevailed.

S.F. No. 15: A bill for an act relating to occupations and professions; regulating persons who lay out, install, or maintain certain alarm systems; changing membership on the board of electricity; prescribing a penalty; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.241; 326.242, subdivisions 8 and 12; 326.243, as amended; 326.244, subdivisions 4, 5, as amended, and by adding a subdivision; and 326.246, as amended; proposing coding for new law in Minnesota Statutes, chapter 326.

RECONSIDERATION

Having voted on the prevailing side, Mr. Frederick moved that the vote whereby the Storm amendment to S.F. No. 15 was adopted on June 19, 1985, be now reconsidered. The motion prevailed.

The question recurred on the Storm amendment.

Mr. Storm moved to amend S.F. No. 15 as follows:

Page 1, line 19, before "810" insert "and" and delete ", and"

Page 1, line 20, delete "820"

Page 3, line 27, after "800," insert "and"

Page 3, line 28, delete ", and 820"

Page 7, line 35, before "810" insert "and" and delete ", and 820"

Page 8, line 5, before "810" insert "and" and delete ", and 820"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 45, as follows:

Those who voted in the affirmative were:

Bernhagen	Frank	Langseth	Pehler	Solon
Dahl	Johnson, D.J.	Lessard	Peterson, C.C.	Storm
Davis	Kamrath	Merriam	Peterson, D.L.	Stumpf
Dicklich	Laidig	Novak	Pogemiller	Wilfet

Those who voted in the negative were:

Adkins	DeCramer	Jude	Moe, D.M.	Renneke
Anderson	Diessner	Knaak	Moe, R.D.	Samuelson
Belanger	Dieterich	Knutson	Nelson	Schmitz
Benson	Frederick	Kroening	Olson	Sieloff
Berg	Frederickson	Kronebusch	Peterson, D.C.	Spear
Berglin	Gustafson	Lantry	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Purfeerst	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	Wegscheid

The motion did not prevail. So the amendment was not adopted.

S.F. No. 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 55 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, D.M.	Renneke
Belanger	Diessner	Knutson	Moe, R.D.	Samuelson
Benson	Dieterich	Kroening	Nelson	Schmitz
Berg	Frank	Kronebusch	Olson	Sieloff
Berglin	Frederick	Laidig	Pehler	Solon
Bernhagen	Frederickson	Langseth	Peterson, D.C.	Spear
Bertram	Gustafson	Lantry	Peterson, R.W.	Stumpf
Brataas	Hughes	Lessard	Petty	Taylor
Chmielewski	Isackson	Luther	Purfeerst	Vega
Dahl	Johnson, D.E.	McQuaid	Ramstad	Waldorf
Davis	Jude	Mehrkens	Reichgott	Wegscheid

Those who voted in the negative were:

Anderson	Kamrath	Novak	Peterson, D.L.	Storm
Dicklich	Merriam	Peterson, C.C.	Pogemiller	Wilfet
Johnson, D.J.				

So the bill passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 9:45 p.m. The motion prevailed.

The hour of 9:45 p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Mr. Sieloff was excused from the Session of today from 2:45 to 4:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m.,

Friday, June 21, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRD DAY

St. Paul, Minnesota, Friday, June 21, 1985

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Senator Dean E. Johnson.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	
Dicklich	Knaak	Nelson	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Frank was excused from the Session of today from 9:00 to 10:05 a.m.
 Mr. Spear was excused from the Session of today from 9:00 to 11:30 a.m.
 Ms. Berglin was excused from the Session of today from 12:30 to 1:45 p.m.

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. 16.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 20, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 16: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1, and by adding a subdivision; 3.099, subdivision 1; 3.21; 3.302, subdivision 3; 3.303, by adding a subdivision; 3.351, subdivision 3; 3.736, subdivision 3; 3.85, subdivision 11; 3.9223, subdivision 1; 3C.12, subdivision 7; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.32; 14.40; 14.47, subdivision 8; 14.48; 14.51; 14.55; 15.0597, subdivision 1; 15.50, subdivision 3; 15A.081, subdivisions 1 and 7; 15A.082, subdivisions 2 and 3; 16A.055, subdivision 1; 16A.123, subdivision 3; 16A.127, subdivisions 1, 3, and 5, and by adding a subdivision; 16A.128; 16A.1281; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.641, subdivision 10, and by adding a subdivision; 16A.672, subdivisions 1, 2, and 3; 16B.08, subdivision 7; 16B.09, by adding a subdivision; 16B.21, subdivision 1; 16B.22, as amended; 16B.24, subdivision 5; 16B.29; 16B.36, subdivision 1; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.54, subdivision 2; 16B.70; 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.03, subdivision 2; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2, and by adding a subdivision; 40A.13, subdivision 1; 40A.15, subdivision 4; 41A.01; 41A.02, subdivisions 5, 7, 8, and 11, and by adding a subdivision; 41A.03, subdivisions 1 and 3, and by adding a subdivision; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, and 3, and by adding a subdivision; 41A.06, subdivisions 1 and 5; 43A.04, subdivision 3; 43A.07, subdivision 2; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.15, by adding a subdivision; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.30, subdivision 4, and by adding a subdivision; 46.07, subdivision 2, and by adding a subdivision; 47.015, subdivision 1; 47.0151, subdivision 3; 47.0152; 48.13; 49.05, by adding subdivisions; 52.02, subdivision 3; 52.24, subdivisions 1 and 2; 53.04, by adding a subdivision; 53.10; 55.095; 65B.49, subdivision 4, as amended; 69.031, subdivision 1; 84.86, subdivision 1; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85.43; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, and 16, and by adding subdivisions; 85A.04, subdivision 1; 97.4841, subdivision 3; 97.4842, subdivision 2; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and 15; 100.271, subdivision 2; 105.42, by adding a subdivision; 115.03, by adding a subdivision; 115A.904; 115A.908, subdivision 2; 115A.914, subdivision 1; 116.07, subdivision 4d; 116.12, subdivision 1; 116C.69, subdivision 3; 116C.71, by adding a subdivision; 116C.723; 116C.724; 116J.36, subdivision 6, as amended; 116J.76; 116M.03, subdivision 17, and by adding a subdivision; 116M.04, subdivisions 8a and 9; 116M.05, subdivision 8; 116M.06, subdivisions 2 and 5; 116M.07, subdivisions 2, 4, 8, 9, 11, and 13; 116M.08, subdivisions 11, 12, 14, and 15; 116M.10, subdivision 8; 116M.11; 116M.12, subdivisions 3 and 4; 176.102, by adding a subdivision; 177.23, subdivisions 4 and 7; 177.24, subdivisions 3, 4, and 5; 177.27; 177.28, subdivision 4; 177.32, subdivision 1; 180.03, subdivisions 2, 3, and 4; 180.10; 181.79, subdivision 1; 181A.04, subdivision 3; 181A.12, subdivision 1; 183.545, by adding a

subdivision; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.38, subdivisions 1, 2, 6, 7, and 8; 270.75, by adding a subdivision; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 298.2211, by adding a subdivision; 326.52; 331A.02, subdivision 1; 334.021; 352.01, subdivision 2B; 361.03, subdivision 5; 361.27; 363.01, subdivision 24, and by adding subdivisions; 363.05, subdivision 2; 363.06, subdivision 8; 363.116; 403.11, subdivision 1; 422A.101, subdivision 3, and by adding a subdivision; 462A.03, subdivision 14; 462A.05, subdivisions 11, 12, and 15a, and by adding subdivisions; 462A.07, subdivisions 14 and 15; 462A.08, subdivision 3; 462A.20, subdivision 3; 462A.21, subdivision 6, and by adding a subdivision; 462C.09, by adding a subdivision; 466.03, by adding a subdivision; 471.345, by adding a subdivision; 472.03, subdivision 9; 472.11, subdivisions 3 and 9; 472.125; 472.13; 473.123, subdivision 5; 473.141, subdivision 7; 473.605, subdivision 2; 473.606, subdivision 1; 473.714; 477A.014, by adding a subdivision; 486.05, subdivision 1, as amended; 487.01, subdivision 5; 494.01, by adding a subdivision; 609.101; 611.216, subdivision 1, and by adding a subdivision; and 626.861, by adding a subdivision; Laws 1984, chapter 502, article 5, section 19, subdivision 1; Laws 1985, chapter 4, section 6, subdivision 3, as amended; chapter 221, sections 1 and 12; and chapter 258, section 1, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 3C; 5; 8; 16A; 40A; 41A; 43A; 47; 84; 85; 85A; 88; 97; 116; 116C; 116J; 116M; 139; 179; 181; 198; 270; 363; 473; and 480; repealing Minnesota Statutes, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 40.19, subdivisions 3, 4, 10, 12, 14, and 15; 40A.13, subdivisions 2, 3, 4, and 5; 43A.19, subdivision 2; 46.15; 47.20, subdivisions 11 and 12; 48.19; 48.57; 48.58; 48.87; 69.031, subdivision 2; 84.088; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 3; 124.471; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; and 360.389; and Laws 1982, chapter 489, section 11; Laws 1984, chapter 502, article 10, section 12; and chapter 654, article 2, section 151.

SUSPENSION OF RULES

Mr. Kroening 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. 16 and that the rules of the Senate be so far suspended as to give H.F. No. 16 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 16 was read the second time.

H.F. No. 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 36 and nays 26, as follows:

Those who voted in the affirmative were:

Belanger	Diessner	Lantry	Peterson, C.C.	Stumpf
Berg	Dieterich	Lessard	Peterson, D.C.	Vega
Berglin	Freeman	Luther	Peterson, R.W.	Wegscheid
Bernhagen	Gustafson	Merriam	Petty	Willet
Chmielewski	Hughes	Moe, R. D.	Pogemiller	
Dahl	Johnson, D.J.	Nelson	Purfeerst	
Davis	Kroening	Novak	Reichgott	
Dicklich	Langseth	Pehler	Schmitz	

Those who voted in the negative were:

Adkins	Frederick	Knaak	Olson	Taylor
Anderson	Frederickson	Knutson	Peterson, D.L.	Waldorf
Benson	Isackson	Kronebusch	Ramstad	
Bertram	Johnson, D.E.	Laidig	Renneke	
Brataas	Jude	McQuaid	Samuelson	
DeCramer	Kamrath	Mehrkens	Sieloff	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS

Mr. Lessard moved that S.F. No. 27 be taken from the table. The motion prevailed.

S.F. No. 27: A bill for an act relating to charitable gambling; exempting certain organizations from regulation and tax; amending Minnesota Statutes 1984, sections 297A.25, by adding a subdivision; and 349.214, subdivision 2.

SUSPENSION OF RULES

Mr. Lessard 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. 27 and that the rules of the Senate be so far suspended as to give S.F. No. 27 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 27 was read the second time.

Mr. Lessard moved to amend S.F. No. 27 as follows:

Page 2, line 2, after the period insert "*The total prizes awarded in the raffle, pull-tab, paddlewheel, or tipboards at the event may not exceed \$50,000.*"

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend S.F. No. 27 as follows:

Page 2, after line 6, insert:

"Sec. 3. Laws 1985, chapter 305, article 6, section 10, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the ~~use of the licensee is a club and gambling equipment is~~ *activities are* authorized under chapter 349.

(c) *Gambling may be conducted in a licensed on-sale establishment if authorized under chapter 349 when conducted in connection with a banquet or comparable event held in the establishment.*"

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 5, before the period, insert “; and Laws 1985, chapter 305, article 6, section 10, subdivision 5”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knaak	Olson	Renneke
Anderson	Frederick	Knutson	Pehler	Sieloff
Belanger	Frederickson	Kronebusch	Peterson, D. C.	Taylor
Benson	Freeman	Laidig	Peterson, D. L.	Vega
Berglin	Gustafson	Lantry	Peterson, R. W.	Waldorf
Brataas	Isackson	Luther	Pogemiller	
Diessner	Jude	Moe, D. M.	Ramstad	
Dieterich	Kamrath	Nelson	Reichgott	

Those who voted in the negative were:

Berg	DeCramer	Langseth	Novak	Solon
Bernhagen	Dicklich	Lessard	Peterson, C. C.	Storm
Bertram	Hughes	McQuaid	Petty	Stumpf
Chmielewski	Johnson, D. E.	Mehrkens	Purfeerst	Willet
Dahl	Johnson, D. J.	Merriam	Samuelson	
Davis	Kroening	Moe, R. D.	Schmitz	

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved that S.F. No. 27 be laid on the table. The motion prevailed.

Ms. Berglin moved that S.F. No. 5 be taken from the table. The motion prevailed.

S.F. No. 5: A bill for an act relating to human services; providing state hospital revolving fund for chemical dependency; creating a consolidated fund for payment of chemical dependency treatment; appropriating money to counties for treatment; providing for client eligibility, vendor eligibility, and state collections; providing for American Indian special funding; removing chemical dependency treatment from medical assistance, general assistance medical care, and general assistance funding; amending Minnesota Statutes 1984, sections 246.04; 246.18; 246.23; 246.50, by adding a subdivision; 246.51, subdivision 1; 246.54; 256B.02, subdivision 8; 256B.70; and 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 246; and proposing coding for new law as Minnesota Statutes, chapter 254B.

SUSPENSION OF RULES

Ms. Berglin 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. 5 and that the rules of the Senate be so far suspended as to give S.F. No. 5 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 5 was read the second time.

S.F. No. 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 58 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Nelson	Renneke
Anderson	Dieterich	Kroening	Novak	Schmitz
Benson	Frank	Kronebusch	Olson	Sieloff
Berg	Frederick	Langseth	Pehler	Solon
Berglin	Freeman	Lantry	Peterson, C.C.	Storm
Bernhagen	Gustafson	Lessard	Peterson, D.C.	Stumpf
Bertram	Hughes	Luther	Peterson, D.L.	Taylor
Brataas	Isackson	McQuaid	Peterson, R.W.	Vega
Dahl	Johnson, D.J.	Mehrkens	Petty	Wegscheid
Davis	Jude	Merriam	Pogemiller	Willet
DeCramer	Kamrath	Moe, D. M.	Ramstad	
Dicklich	Knaak	Moe, R. D.	Reichgott	

Those who voted in the negative were:

Belanger	Frederickson	Johnson, D.E.	Laidig	Purfeerst
Chmielewski				

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Jude moved that S.F. No. 25 be taken from the table. The motion prevailed.

S.F. No. 25: A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; correcting various legislative enactments; amending Minnesota Statutes 1984, sections 3.736, subdivision 3; 60A.11, subdivision 21; 65B.44, subdivision 6; 152.19, subdivision 5, as amended; 160.25, subdivision 3, as amended; 164.06, as amended; 181.13; 290.01, subdivision 20f; 290.091; 365.37, as amended; 429.061, subdivision 1; 444.075, subdivisions 1, as amended, and 1a, as added; 609.531, subdivision 6, as amended; and 631.09; Laws 1979, chapter 280, section 2, subdivision 2, as amended; Laws 1985, chapters 37, section 2; 152, section 1, subdivision 1; 172, sections 74, subdivisions 4, 5, and 7; 80, by adding a subdivision; 217, section 7; 225, section 1, subdivision 2; 259, sections 6 and 8; 261, sections 31 and 38; and 305, article 12, section 5; House File No. 3, article 11, section 23, subdivision 2, of the first special session; repealing Laws 1985, chapters 102, section 2; and 248, section 85.

SUSPENSION OF RULES

Mr. Jude 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. 25 and that the rules of the Senate be so far suspended as to give S.F. No. 25 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 25 was read the second time.

Mr. Jude moved to amend S.F. No. 25 as follows:

Pages 3 and 4, delete section 2

Renumber the sections of Article 1 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Jude then moved to amend S.F. No. 25, as follows:

Page 29, after line 9, insert:

“Sec. 29. [CORRECTION.] Subdivision 1. [INCORRECT SECTION REFERENCE.] Minnesota Statutes 1984, section 121.912, if amended by H.F. No. 3, article 7, section 7 by the 1985 first special session, is amended to read:

Sec. 7. Minnesota Statutes 1984, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, section 7 8 of this article, and sections 123.36, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following final enactment of H.F. No. 3 at the 1985 first special session.*

Sec. 30. [CORRECTION.] Subdivision 1. [ENTITLEMENT FIGURES WRONG.] H.F. No. 3, article 3, section 28, subdivision 2, if enacted by the 1985 first special session, is amended to read:

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:

\$137,986,300	1986,
\$142,755,600	1987.

The appropriation for 1986 includes \$20,719,600 for aid for fiscal year 1985 payable in fiscal year 1986, and \$117,266,700 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$21,082,300 for aid for fiscal year 1986 payable in fiscal year 1987 and \$121,673,300 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of ~~\$137,960,800~~ \$138,349,000 for fiscal year 1986 and ~~\$143,145,000~~ \$143,548,700 for fiscal

year 1987.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1985.*

Sec. 31. [CORRECTION.] Subdivision 1. [INCORRECT FIGURE.] H.F. No. 3, article 3, section 28, subdivision 4, if enacted by the 1985 first special session, is amended to read:

Subd. 4. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services for handicapped children under age five and their families there is appropriated:

\$198,600 1987.

The appropriation is based on aid entitlement of ~~\$536,400~~ \$233,700.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1985.*

Sec. 32. [CORRECTION.] Subdivision 1. [CLARIFICATION.] H.F. No. 3, article 5, section 1, subdivision 6, if enacted at the 1985 first special session, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions that enroll pupils under this section. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program charged for the secondary pupil enrolling in a course or program under this section; or

(2) an amount equal to the difference between the formula allowance plus the total tier revenue attributable to that pupil and an amount computed by multiplying the formula allowance plus the total tier revenue attributable to that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours *per pupil* in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the foundation aid paid to the pupil's resident district. If the amount to be subtracted is greater than the amount of foundation aid due the district, the excess reduction shall be made from other state aids due to the district.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1985.*

Sec. 33. [CORRECTION.] Subdivision 1. [CLARIFICATION.] H.F. No. 3, article 8, section 63, subdivision 3, if enacted at the 1985 first special session, is amended to read:

Subd. 3. [EXEMPLARY TEACHER EDUCATION PROGRAMS.] For development of exemplary teacher education programs there is appropriated:

\$150,000 1986,

\$150,000 1987.

Up to \$30,000 of ~~this sum~~ the total appropriation for both years may be used for evaluation. ~~The sum is available until June 30, 1987~~ Any unex-

pending balance remaining from the appropriation for fiscal year 1986 shall not cancel, and shall be available for fiscal year 1987.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1985.*

Sec. 34. [CORRECTION.] Subdivision 1. [WRONG SECTION REFERENCE.] H.F. No. 3, article 8, section 66, if enacted at the 1985 first special session, is amended to read:

Sec. 66. [EFFECTIVE DATES.]

Section 9 is effective for the 1986-1987 school year and thereafter.

~~Sections 10 and 14 are~~ *Section 14 is effective for the 1987-1988 school year and thereafter.*

Section 19 is effective for licenses issued on April 4, 1988, and thereafter.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1985.*

Sec. 35. [CORRECTION.] Subdivision 1. [INCORRECT SUBDIVISION REFERENCE.] H.F. No. 3, article 11, section 3, subdivision 1, if enacted by the 1985 first special session, is amended to read:

Subdivision 1. [CALCULATION.] For an intermediate school district, a joint vocational technical school district or for other employing units, for each fiscal year the teacher retirement and F.I.C.A. aid is the product of (1) the sum of (A) teacher retirement obligations in the base year, multiplied by the teacher retirement inflation factor, and (B) F.I.C.A. obligations in the base year, multiplied by the F.I.C.A. inflation factor, times (2) the ratio of the number of full-time equivalent teachers or employees as defined in section 1, subdivisions ~~11~~ and 12 and 13 in the current year, to the number of full-time equivalent teachers or employees in the base year.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1985.*

Sec. 36. [CORRECTION.] Subdivision 1. [INCORRECT SECTION REFERENCE.] H.F. No. 3, article 11, section 21, subdivision 3, if enacted by the 1985 first special session, is amended to read:

Subd. 3. [TO DEPARTMENT OF EDUCATION.] To the department of education to make the aid payments required by ~~section sections~~ 2 and 3, there is appropriated:

195,462,000 1987.

This appropriation is for aid for fiscal year 1987 payable in fiscal year 1987. The appropriation is based on an aid entitlement of \$229,955,300 for fiscal year 1987.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1985.*

Sec. 37. [CORRECTION.] Subdivision 1. [INCORRECT TERMINOLOGY.] Minnesota Statutes 1984, section 49.05, subdivision 6, if added by H.F. No. 8, at the 1985 first special session, is amended to read:

Subd. 6. [RIGHT OF SUBROGATION.] When a financial institution has been closed, and the federal deposit insurance corporation has paid or made available for payment the insured deposit liabilities of the closed institution, the corporation, whether or not it has or shall thereafter become a liquidating

agent of the closed institution is subrogated, by operation of law with like force and effect as if the closed institution were a national bank, to all rights of the owners of these deposits against the closed financial institution in the same manner and to the same extent as now or hereafter necessary to enable the federal deposit insurance corporation under federal law to make insurance payments available to depositors of closed insured banks; provided, that the rights of depositors and other creditors of the closed institution shall be determined in accordance with the laws of this state. The commissioner may, in his or her discretion, in the event of the closing of any financial institution pursuant to section 49.04, subdivision 1, the deposits of which ~~banking~~ *financial* institution are to any extent insured by the corporation, tender to the corporation the appointment as liquidating agent of this financial institution and, if the corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a special deputy examiner of the department of commerce in the management and liquidation of this institution, and be subject to all of the duties of the special deputy examiner; provided, that nothing contained in this subdivision shall be construed as a surrender of the right of the commissioner to liquidate financial institutions under his or her supervision pursuant to the statute in such case made and provided; and the commissioner may waive the filing of a bond by the corporation as the special deputy examiner.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following final enactment of H.F. No. 8 passed by the 1985 first special session.*

Sec. 38. [CORRECTION.]

Subdivision 1. [TAX ERROR.] Laws 1984, chapter 502, article 9, section 5, is amended to read:

There is appropriated from the general fund to the commissioner of revenue the amounts necessary to make certain refunds of property taxes to railroads for assessment years 1981 and 1982 as a result of a change in the assessed valuation of railroad property. For purposes of this section, the term "property taxes" includes any interest which is required to be paid to the railroads; and the terms "refund" and "abatement" include only reductions in property tax made from the original assessment certified by the commissioner of revenue, as the result of a court order.

The county auditor shall certify to the commissioner of revenue the dollar amount of the refunds paid to the railroads by the county and each city, town, school district, and special taxing district or portion thereof which is located within the county. The certification must be made on the forms and completed by the date prescribed by the commissioner. The commissioner of revenue shall review the certification and make changes in the certification that he determines are necessary. The amounts of the abatements for a taxing district which is located in more than one county shall be aggregated. The commissioner shall determine the amount to be paid to each county, city, town, and special taxing district which shall be equal to the amount of the abatement in excess of 20 cents per capita for each county, city, town, and special taxing district. The commissioner shall determine the amount to be paid to each school district which shall be equal to the amount of the abatement in excess of one dollar per pupil unit for the school district. The 20 cents per capita and the one dollar per pupil unit shall relate to the combined

abatement amount for all railroads for both 1981 and 1982 for each county, city, town, school district, and special taxing district. The commissioner shall pay each taxing district as soon as practicable after certification, but not before January 1, 1985.

This appropriation is available the day after final enactment until expended.

A county, city, town, school district, and special taxing district may include an additional amount in its property tax levy for taxes payable in 1985 equal to the difference between the amount of tax and interest refunded to a railroad company whose valuation was ordered reduced by the tax court and the amount reimbursed to the taxing district by the state pursuant to this section. Amounts levied for this purpose shall be considered outside of any levy limitations applicable to the taxing district. In the case of a school district, only the amount of abatement not reimbursed under this section may be considered in the computation of abatement aid under section 124.214, subdivision 2.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day after final enactment and applies to assessment years 1981 and 1982.*

Sec. 39. [CORRECTION.] Subdivision 1. [REPEALER.] *Minnesota Statutes 1984, section 15A.081, subdivision 7a, if added by H.F. No. 5, section 4, at the 1985 first special session, is repealed.*

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following final enactment of H.F. No. 5, section 4, by the 1985 first special session.*

Sec. 40. [CORRECTION.] Subdivision 1. [REPEALER AND REENACTMENT.] *H.F. No. 5, section 13, if enacted by the 1985 first special session, is repealed. Minnesota Statutes 1984, section 15A.081, subdivision 7, as amended, is reenacted.*

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following its final enactment.*

Sec. 41. [CORRECTION.] Subdivision 1. [COMPLEMENT STATED INCORRECTLY.] *First Special Session H.F. No. 16, section 37, subdivision 1, is amended to read:*

Subdivision 1. Total Appropriation	12,739,700	12,667,600
Approved Complement - 366.5		
General - 74.8	41.1	
Special - 291.7	325.4	
Summary by Fund		
General	\$ 6,095,800	\$ 5,802,900
Special	\$10,229,800	\$10,324,500
Transfers to Other Direct	(\$ 3,585,900)	(\$ 3,459,800)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1985."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 25 as follows:

Page 29, after line 9, insert:

“Sec. 29.

Subdivision 1. [REPEALER.] Special Session H.F. No. 16, section 230, is repealed and, notwithstanding Minnesota Statutes, section 645.34, Minnesota Statutes 1984, section 115A.904, is reenacted.

Subd. 2. [EFFECTIVE DATE.] Subdivision 1 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 22, delete “and” and before the period, insert “; and H.F. No. 16, section 230, of the first special session”

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend S.F. No. 25 as follows:

Page 29, after line 9, insert:

“Sec. 29. [CORRECTION.] Subdivision 1. [NOTICE IN WRONG SECTION.] Minnesota Statutes 1984, section 47.20, subdivision 15, as amended by Laws 1985, chapter 306, section 1, is amended to read:

Subd. 15. (a) Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 583.02 mailed after May 24, 1983 and prior to May 1, 1985, or after the effective date of this section and prior to May 1, 1987, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale under sections 583.01 to 583.12.

(b) The statement must be in bold type, capitalized letters, or other form sufficient for the reader to quickly and easily distinguish the statement from the rest of the notice. The requirements of this paragraph must be followed on notices mailed under this subdivision on or after August 1, 1985. A violation of this paragraph is a petty misdemeanor.

Subd. 2. [EFFECTIVE DATE.] Subdivision 1 is effective retroactive to the day following final enactment of Laws 1985, chapter 306.

Sec. 30. [CORRECTION.] Subdivision 1. [INCORRECT TERMS.] Minnesota Statutes 1984, section 559.21, subdivision 6, as amended by Laws 1985, chapter 306, section 7, is amended to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] (a) Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 583.02, shall terminate until 60 days after service of notice if the notice is served after May 24, 1983, and prior to May 1, 1985 or after the effective date of this section and prior to May 1, 1987, or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60- or 90-day period. The notice shall include a statement that the ~~borrower~~ purchaser may be eligible for an

extension of the time prior to foreclosure and execution sale termination under sections 583.01 to 583.12.

(b) The ~~notice~~ statement must be in bold type, capitalized letters, or other form sufficient for the reader to quickly and easily distinguish the ~~notice~~ statement from the rest of the ~~writing~~; notice. The requirements of this paragraph must be followed on notices served under this subdivision on or after August 1, 1985. A violation of this ~~requirement~~ paragraph is a petty misdemeanor.

(c) This ~~section~~ subdivision does not apply to earnest money contracts, purchase agreements or exercised options.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective retroactive to the day following final enactment of Laws 1985, chapter 306.*

Sec. 31. [CORRECTION.] Subdivision 1. [NOTICE IN WRONG SECTION.] Minnesota Statutes 1984, section 580.031, as amended by Laws 1985, chapter 306, section 15, is amended to read:

580.031 [MINIMUM NOTICE.]

(a) Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead, as defined in section 583.02, if the notice is published for the first time after May 24, 1983 and prior to May 1, 1985 or after the effective date of this section and prior to May 1, 1987. The notice must contain the information specified in section 580.04.

(b) The notice must be in bold type, capitalized letters, or other form sufficient for the reader to quickly and easily distinguish the notice from the rest of the ~~writing~~; violation of this requirement is a petty misdemeanor.

(c) At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective retroactive to the day following final enactment of Laws 1985, chapter 306.'*

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "47.20, subdivision 15, as amended;"

Page 1, line 12, after the first semicolon, insert "559.21, subdivision 6, as amended; 580.031, as amended;"

The motion prevailed. So the amendment was adopted.

Mr. Jude moved to amend S.F. No. 25 as follows:

Page 29, after line 9, insert:

"Sec. 29. [CORRECTION.] Subdivision 1. [AVAILABILITY OF MONEY.] H.F. No. 10, article 9, section 77, if enacted at the 1985 first special session, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding any other provision of this article, money available under this article to support the office of full productivity and opportu-

nity is available to the full productivity and opportunity coordinator August 1, 1985.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following final enactment.*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 25: A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; correcting various legislative enactments; amending Minnesota Statutes 1984, sections 3.736, subdivision 3; 47.20, subdivision 15, as amended; 49.05, subdivision 6, if added; 60A.11, subdivision 21; 121.912, if amended; 152.19, subdivision 5, as amended; 160.25, subdivision 3, as amended; 164.06, as amended; 181.13; 290.01, subdivision 20f; 290.091; 365.37, as amended; 429.061, subdivision 1; 444.075, subdivisions 1, as amended, and 1a, as added; 559.21, subdivision 6, as amended; 580.031, as amended; 609.531, subdivision 6, as amended; and 631.09; Laws 1979, chapter 280, section 2, subdivision 2, as amended; Laws 1984, chapter 502, article 9, section 5; Laws 1985, chapters 37, section 2; 152, section 1, subdivision 1; 172, sections 74, subdivisions 4, 5, and 7; 80, by adding a subdivision; 217, section 7; 225, section 1, subdivision 2; 259, sections 6 and 8; 261, sections 31 and 38; and 305, article 12, section 5; House File Nos. 3, article 3, section 28, subdivisions 2, if enacted, and 4, if enacted; article 5, section 1, subdivision 6, if enacted; article 8, section 63, subdivision 3, if enacted and section 66, if enacted; article 11, section 3, subdivision 1, if enacted; section 21, subdivision 3, if enacted; section 23, subdivision 2, if enacted; 10, article 9, section 77, if enacted; 16, and section 37, subdivision 1, of the first special session; repealing Minnesota Statutes 1984, section 15A.081, subdivision 7a, if added; Laws 1985, chapters 102, section 2; 248, section 85; House File Nos. 5, section 13, if enacted; and 16, section 230, of the first special session.

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 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Renneke
Anderson	Diessner	Knaak	Novak	Samuelson
Belanger	Dieterich	Knutson	Olson	Schmitz
Benson	Frank	Kroening	Pehler	Sieloff
Berg	Frederick	Kronebusch	Peterson, C.C.	Solon
Berglin	Frederickson	Laidig	Peterson, D.C.	Storm
Bernhagen	Freeman	Langseth	Peterson, D.L.	Stumpf
Bertram	Gustafson	Lantry	Peterson, R.W.	Taylor
Brataas	Hughes	Lessard	Petty	Vega
Chmielewski	Isackson	Luther	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Mehrkens	Ramstad	Willet
DeCramer	Jude	Merriam	Reichgott	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Petty moved that S.F. No. 28 be taken from the table: The motion

prevailed.

S.F. No. 28: A bill for an act relating to a Minnesota convention center and related facilities; authorizing the metropolitan council and the city where the center is located to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain a convention center and related facilities and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city and the metropolitan council to issue bonds to finance the acquisition and betterment of the convention center and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip the convention center; authorizing the transfer of certain city property to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property; authorizing the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; amending Minnesota Statutes 1984, section 473.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.

CALL OF THE SENATE

Mr. Belanger imposed a call of the Senate for the balance of the proceedings on S.F. No. 28. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Belanger moved to amend S.F. No. 28 as follows:

Page 12, lines 27 and 28, delete "*or, if the council is the issuer, enter into an agreement with the council pledging or applying*"

Page 12, delete lines 35 and 36, and insert "*convention center.*"

Page 13, delete lines 1 to 3

Page 13, line 4, delete the remainder of the sentence

Page 13, lines 18 and 19, delete "*Either or both of the city and the council*" and insert "*The city*"

Page 13, line 23, delete "*or the council*"

Page 13, lines 25 and 26, delete "*bonds issued by the council shall be general obligation bonds, and*"

Page 13, line 34, delete everything after the period

Page 13, delete lines 35 and 36

Page 14, line 1, delete "*increments of the city.*"

Page 15, line 7, delete "*, the council,*"

Page 15, lines 11 and 12, delete “, *the council,*”

Page 15, line 14, delete “, *and the council*” and insert a period

Page 15, delete lines 15 and 16

Page 17, delete lines 26 to 36

Page 18, delete lines 1 to 8

Page 20, line 6, delete “*If*”

Page 20, delete lines 7 to 12

Page 20, line 13, delete “COUNCIL TAX AND”

Page 20, delete lines 14 to 36

Page 21, delete lines 1 to 6

Page 21, line 7, delete “*Subd. 3. [STATE APPROPRIATION.]*”

Page 21, line 24, delete “*council or*”

Page 21, line 25, delete “*and council*”

Page 21, delete lines 27 to 33 and insert “*The legislature*”

Page 22, line 6, delete “*the council,*”

Page 22, delete lines 22 to 36

Page 23, delete lines 1 to 11

Amend the title as follows:

Page 1, line 3, delete “the metropolitan council and”

Page 1, line 13, delete “and the metropolitan council”

Page 1, line 27, delete “authorizing the council to”

Page 1, delete lines 28 and 29

The question was taken on the adoption of the amendment.

Mr. Belanger moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Jude	McQuaid	Renneke
Belanger	Dieterich	Kamrath	Mehrkens	Schmitz
Benson	Frederick	Knaak	Olson	Sieloff
Berg	Frederickson	Knutson	Peterson, D.L.	Storm
Bernhagen	Freeman	Kronebusch	Peterson, R.W.	Taylor
Bertram	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	Lantry	Reichgott	

Those who voted in the negative were:

Adkins	Gustafson	Merriam	Peterson, D.C.	Stumpf
Berglin	Hughes	Moe, D. M.	Petty	Vega
Chmielewski	Johnson, D.J.	Moe, R. D.	Pogemiller	Waldorf
Dahl	Kroening	Nelson	Purfeerst	Wegscheid
Davis	Langseth	Novak	Samuelson	Willet
Dicklich	Lessard	Pehler	Solon	
Frank	Luther	Peterson, C.C.	Spear	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 28 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Luther	Peterson, D.C.	Stumpf
Berglin	Frederick	Merriam	Petty	Vega
Chmielewski	Gustafson	Moe, D. M.	Pogemiller	Wegscheid
Dahl	Hughes	Moe, R. D.	Purfeerst	Willet
Davis	Johnson, D.J.	Nelson	Reichgott	
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Langseth	Pehler	Solon	
Diessner	Lessard	Peterson, C.C.	Spear	

Those who voted in the negative were:

Anderson	Dieterich	Knaak	Olson	Storm
Belanger	Frederickson	Knutson	Peterson, D.L.	Taylor
Benson	Freeman	Kronebusch	Peterson, R.W.	Waldorf
Berg	Isackson	Laidig	Ramstad	
Bernhagen	Johnson, D.E.	Lantry	Renneke	
Bertram	Jude	McQuaid	Schmitz	
Brataas	Kamrath	Mehrkens	Sieloff	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages from the House and First Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 15.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned June 20, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 30.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned June 21, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 6.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 21, 1985

FIRST READING OF HOUSE BILLS

The following bill was read the first time:

H.F. No. 6: A bill for an act relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous activity; stating effect of removing certain provisions; creating a hazardous substance injury compensation fund; establishing a board to administer the fund; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; imposing a penalty; appropriating money; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.

SUSPENSION OF RULES

Mr. Merriam 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. 6 and that the rules of the Senate be so far suspended as to give H.F. No. 6 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 6 was read the second time.

Pursuant to Rule 22, Mr. Freeman moved that he be excused from voting on H.F. No. 6. The motion prevailed.

H.F. No. 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 46 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Olson	Storm
Anderson	Dieterich	Knutson	Pehler	Stumpf
Benson	Frederick	Kronebusch	Peterson, D.L.	Taylor
Berg	Frederickson	Laidig	Purfeerst	Waldorf
Bernhagen	Gustafson	Langseth	Ramstad	Wegscheid
Bertram	Hughes	Lessard	Renneke	Willet
Brataas	Johnson, D.E.	Mehrkens	Samuelson	
Chmielewski	Johnson, D.J.	Merriam	Schmitz	
Davis	Jude	Moe, D. M.	Sieloff	
DeCramer	Kamrath	Moe, R. D.	Solon	

Those who voted in the negative were:

Dahl	Luther	Novak	Pogemiller	Vega
Frank	McQuaid	Peterson, D.C.	Reichgott	
Lantry	Nelson	Peterson, R.W.	Spear	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. introduced—

Senate Resolution No. 13: A Senate resolution relating to postage.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Secretary of the Senate may purchase postage to furnish each member of the Senate an additional 1,500 stamps.

Each member of the Senate shall receipt to the Secretary of the Senate for the postage received.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 57 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Nelson	Solon
Anderson	Diessner	Kronebusch	Olson	Spear
Belanger	Frank	Laidig	Pehler	Storm
Benson	Frederickson	Langseth	Peterson, D.C.	Stumpf
Berg	Freeman	Lantry	Peterson, D.L.	Taylor
Berglin	Hughes	Lessard	Peterson, R.W.	Vega
Bernhagen	Isackson	Luther	Pogemiller	Waldorf
Bertram	Johnson, D.E.	McQuaid	Reichgott	Wegscheid
Brataas	Jude	Mehrkens	Renneke	Willet
Chmielewski	Kamrath	Merriam	Samuelson	
Dahl	Knaak	Moe, D. M.	Schmitz	
Davis	Knutson	Moe, R. D.	Sieloff	

Messrs. Dicklich, Dieterich and Johnson, D.J. voted in the negative.

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 14: A Senate resolution relating to adjournment of the Special Session.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Secretary of the Senate shall notify the Governor and the House of Representatives that the Senate is about to adjourn the Special Session sine die.

The Secretary of the Senate may correct and approve the Journal of the Senate for the Special Session.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

COMMUNICATIONS RECEIVED SUBSEQUENT TO ADJOURNMENT

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. 25.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned June 21, 1985

Mr. President:

I have the honor to inform the Senate that the House of Representatives of the State of Minnesota is about to adjourn the 1985 Special Session sine die.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted June 21, 1985

EXECUTIVE AND OFFICIAL COMMUNICATIONS

June 24, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, Special Session S.F. Nos. 4, 8 and 10.

Sincerely,

Rudy Perpich, Governor

June 24, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Special 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.	Special Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	8	1	June 24	June 24
	9	2	June 24	June 24
4		3	June 24	June 24
8		4	June 24	June 24
10		5	June 24	June 24

Sincerely,

Joan Anderson Growe
Secretary of State

June 25, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, Special Session S.F. No: 15.

Sincerely,

Rudy Perpich, Governor

June 25, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Special 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.	Special Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
15		6	June 25	June 25
	2	7	June 25	June 25
	6	8	June 25	June 25

Sincerely,

Joan Anderson Growe
Secretary of State

June 27, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, Special Session S.F. Nos. 17, 19 and 24.

Sincerely,

Rudy Perpich, Governor

June 27, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Special 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: to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Special Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
13		Res. No. 1		June 27
	7	Res. No. 2		June 27
19		9	June 27	June 27
24		10	June 27	June 27
17		11	June 27	June 27
	3	12	June 27	June 27
	16	13	June 27	June 27

Sincerely,

Joan Anderson Growe
Secretary of State

June 28, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, Special Session S.F. No. 25.

Sincerely,

Rudy Perpich, Governor

June 28, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Special 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.	Special Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	10	14	June 28	June 28
	1	15	June 28	June 28
25		16	June 28	June 28
	5	17	June 28	June 28

Sincerely,

Joan Anderson Growe
Secretary of State

July 5, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, Special Session S.F. No. 30.

Sincerely,

Rudy Perpich, Governor

July 5, 1985

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1985 Special Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Special Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
30		18	July 5	July 5

Sincerely,

Joan Anderson Growe
Secretary of State

INDEX

FIRST SPECIAL SESSION 1985

BILLS OF THE SENATE
FIRST SPECIAL SESSION 1985

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
1.	relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the state board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of transportation aid, special education aid, secondary vocational aid, and other aids; establishing the Minnesota school of the arts and resource center; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring the state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 5.35; 116J.37, subdivision 1; 120.03, subdivision 1; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.88; 121.882; 121.904, subdivision 4a; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.541, by adding a subdivision; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding a subdivision; 123.58, by adding a subdivision; 123.702, subdivision 1; 123.705, subdivision 1; 123.741, subdivisions 6 and 7; 123.742, subdivisions 1, 3, 4, 5, and by adding subdivisions; 123.7431; 123.935, by adding a subdivision; 124.09; 124.10; 124.14, subdivision 4, and by adding a subdivision; 124.17, subdivision 1, and by adding a subdivision; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.646, subdivision 1; 124.76, subdivision 2; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2, 3, and 5; 124A.037; 124A.06, subdivisions 1, 3a, and by adding subdivisions; 124A.08, subdivi-	7		20 (H3)					

a Indicates Amendment

() Indicates House File Substitution
*Denotes Conference Committee Report

BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
1— Continued	<p>vision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivisions 3 and 5a; 124A.16, subdivision 4; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.02, by adding a subdivision; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 275.125, subdivisions 5, 5b, 5d, 8, 8a, 8b, 11a, 11b, 11c, and by adding a subdivision; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.51, subdivision 5; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.092; 354A.093; 354A.094, subdivisions 2 and 4; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; and 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended, and section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; and Laws 1985, chapter 280, section 4; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 126; 129B; 129C; 136A; and 471; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.17, subdivision 1a; 120.172, subdivision 3; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.84; 122.85; 122.89; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.05, subdivision 5; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47; repealing Laws 1984, chapter 463, article 9, section 9.</p>	8		20, 20 (H8)					
2	relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; authorizing the FDIC to act as								

a Indicates Amendment

() Indicates House File Substitution
*Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
2—	Continued								
	<p>receiver or liquidator of a closed financial institution and providing a right of subrogation; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; and providing alternative loan disclosure requirements; providing an inflation adjustment for amounts exempt from creditors; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 49.05, by adding subdivisions; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.</p>								
3	<p>relating to retirement; making various changes in laws governing public retirement funds; amending Minnesota Statutes 1984, sections 3.85, subdivisions 11 and 12; 176.021, subdivision 7; 352.01, subdivision 11; 352.029; 352.22, subdivision 3; 352.95, subdivision 1; 352B.10; 352E.01, subdivision 2; 352E.04; 353.01, subdivision 16; 353.27, subdivision 12; 353.271, subdivision 2; 353.656, subdivision 1; 353.657, subdivision 2a; 354.44, subdivisions 5 and 6; 354.48, subdivisions 3, 6, and 7; 354.49, subdivision 2; 354.55, subdivision 11; 354.62, subdivision 2; 354A.35, subdivision 1; 356.20, subdivision 4; 356.215, subdivision 4; 356.216; 356.70; and Laws 1984, chapter 501, section 1; proposing coding for new law in Minnesota Statutes, chapter 352D; repealing Minnesota Statutes 1984, sections 352.113, subdivision 5; and 354.621.</p>	8		20 (H2)					

a Indicates Amendment

() Indicates House File Substitution
 *Denotes Conference Committee Report

BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
4	relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; authorizing bingo in nursing homes and senior citizen housing projects; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144A.01, subdivisions 5, 7, and by adding a subdivision; 144A.04, subdivisions 4 and 6; 144A.071, subdivisions 1, 2, and 3; 144A.08, subdivision 3; 144A.10, subdivision 4, and by adding subdivisions; 144A.11, subdivisions 2 and 3a; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.421, subdivision 5; 256B.431, subdivisions 2b, 3, and 4, and by adding subdivisions; 256B.48, by adding a subdivision; 256B.50; 256B.504, subdivision 1; 349.214, by adding a subdivision; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapter 144.	9	25	20, 24	25	76	31	75	3
5	relating to human services; providing state hospital revolving fund for chemical dependency; creating a consolidated fund for payment of chemical dependency treatment; appropriating money to counties for treatment; providing for client eligibility, vendor eligibility, and state collections; providing for American Indian special funding; removing chemical dependency treatment from medical assistance, general assistance medical care, and general assistance funding; amending Minnesota Statutes 1984, sections 246.04; 246.18; 246.23; 246.50, by adding a subdivision; 246.51, subdivision 1; 246.54; 256B.02, subdivision 8; 256B.70; and 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 246; and proposing coding for new law as Minnesota Statutes, chapter 254B.	9	60	20, 24, 60	60				

a Indicates Amendment

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BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
6	relating to energy; providing for the method of calculating the payback of certain energy conservation investments; amending Minnesota Statutes 1984, section 116J.37, subdivision 1.	9		20					
7	relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession, and furnishing; restricting certain promotion; establishing programs for the prevention of alcohol-impaired driving among young drivers and for education on avoidable health risks; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.06, subdivision 3; 171.13, by adding a subdivision; 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.119, subdivision 2; 340.13, subdivision 12; 340.14, subdivision 1a; 340.15, by adding a subdivision; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; and 340.80; repealing Minnesota Statutes 1984, section 340.79.	9		20, 24					
8	relating to public safety; providing and enhancing penalties upon conviction of certain hit and run violations; subjecting rules relating to drunk driving to certain provisions of the administrative procedure act; providing for the application of certain traffic regulations; eliminating redundant and surplus language; providing for access to drivers license photographic negatives; providing for crime victim services and reparations; creating a crime victim ombudsman and advisory council; amending Minnesota Statutes 1984, sections 14.02, subdivision 4; 169.02, subdivision 1; 169.09, subdivision 14; 169.121, subdivision 1; 169.123, subdivision 2; 169.128; 169.129; 171.07, subdivision 1a; 611A.52; 611A.53, subdivision 2; 611A.54; 611A.55, subdivisions 1 and 2; and 611A.56, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A.	10	21	20, 21, 24	21	76	31	75	4
9	relating to state government; requiring state agencies to provide services and materials in languages other than English; regulating the career executive service; specifying executive branch conflicts of interest; permitting the governor to set salaries for certain full- and part-time officials of metropolitan agencies; providing for review of state trooper arbitration awards; regulating approved complements; regulating liquidation of vacation leave; requiring approval of commissioner of administration to grant right-	10		20 (H5)					

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BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws. Chapter
9—Continued									
	of-way over state-owned land to railroad company; amending Minnesota Statutes 1984, sections 15.62, subdivision 2; 15A.081, subdivision 1, and by adding a subdivision; 16A.123, subdivision 3; 16B.65, subdivision 3; 43A.17, subdivision 8; 43A.21, subdivision 5; 43A.38, subdivision 5; 62D.22, subdivision 7; 222.025, subdivision 1; and 299D.03, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1984, section 15A.081, subdivision 7.								
10	relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision; 302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.	10	22	20, 22	22	76	31	75	5
11	relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; authorizing the water resources board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the water resources board; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 110B.	11		20					
12	relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous activity; stating effect of removing certain provisions; creating a hazardous substance injury compensation fund; establishing a board to administer the fund; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; imposing a penalty; appropriating money; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.	11	44	20, 20, 24, 43 (H6)	44				

a Indicates Amendment

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 *Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
13	memorializing the United States Department of Energy of Minnesota's opposition to the siting of a high-level radioactive waste disposal site in Minnesota pursuant to the Nuclear Waste Policy Act of 1982.	11	20	20, 20	20	77	31		Res. 1
14	relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; capping the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; creating a job training program; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.48; 14.51; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25, 29, and 30; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 1, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2.	11		20, 52					
15	relating to occupations and professions; regulating persons who lay out, install, or maintain certain alarm systems; changing membership on the board of electricity; prescribing a penalty; amending Minnesota Statutes 1984, sections 326.01, by adding a subdivision; 326.241; 326.242, subdivisions 8 and 12; 326.243, as amended; 326.244, subdivisions 4, 5, as amended, and by adding a subdivision; and 326.246, as amended; proposing coding for new law in Minnesota Statutes, chapter 326.	12	23	20, 23, 23a, 53	54	76	72	76	6
16	relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivision 2; 115A.49; 115A.52; and 115A.54, by adding a subdivision.	12		20 (H1)					

a Indicates Amendment

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 *Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws. Chapter
17	relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; authorizing certain boards to establish certain salaries; providing for staff assistance, Indian scholarships and school district grants, tuition determination, average cost of instruction, authority to carry over appropriations, computer sales, financial aid, credit transferability, payroll deductions, surveys, studies, reports, notices, planning, policy development, mission statements, task forces, private proprietary schools, state university parking, annual appropriations, aid payments, review of vocational capital improvements, veterans' vocational program exemptions, vocational budgets and programs, endowed chairs, emergency rules, and pilot programs; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1, and by adding a subdivision; 121.02, by adding a subdivision; 124.48, by adding a subdivision; 135A.01; 135A.03; 135A.04; 135A.05; 135A.06; 136.031; 136.24; 136.67, subdivision 5; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, and 16; 136A.132, subdivisions 3, 4, 5, and 6; 136A.15, subdivision 7; 136A.162; 136A.233, subdivision 2; 136C.04, subdivisions 4a, 15, and by adding a subdivision; 136C.07, by adding a subdivision; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 1, 4, and 5; 136C.28, subdivision 2; 136C.29, subdivision 5; 136C.33, subdivision 1; 136C.34; 136C.36; 137.022; 141.23; 141.25, subdivisions 8, 9, 10, and by adding a subdivision; 141.26, subdivisions 2 and 5; 141.28, subdivision 4; 141.32; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; 136; and 136A; repealing Minnesota Statutes 1984, sections 135A.07; 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.	12	29	20, 29	29	77	45	77	11
18	relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of	13		20					

BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
18— Continued	certain money in the state treasury; authorizing land acquisition; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1, and by adding a subdivision; 3.099, subdivision 1; 3.21; 3.302, subdivision 3; 3.303, by adding a subdivision; 3.351, subdivision 3; 3.736, subdivision 3; 3.85, subdivision 11; 3.9223, subdivision 1; 3C.12, subdivision 7; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.32; 14.40; 14.47, subdivision 8; 14.48; 14.51; 14.55; 15.0597, subdivision 1; 15.50, subdivision 3; 15A.081, subdivisions 1 and 7; 15A.082, subdivisions 2 and 3; 16A.055, subdivision 1; 16A.123, subdivision 3; 16A.127, subdivisions 1, 3, and 5, and by adding a subdivision; 16A.128; 16A.1281; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.641, subdivision 10, and by adding a subdivision; 16A.672, subdivisions 1, 2, and 3; 16B.08, subdivision 7; 16B.09, by adding a subdivision; 16B.21, subdivision 1; 16B.22, as amended; 16B.24, subdivision 5; 16B.29; 16B.36, subdivision 1; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.54, subdivision 2; 16B.70; 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.03, subdivision 2; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2, and by adding a subdivision; 40A.13, subdivision 1; 40A.15, subdivision 4; 41A.01; 41A.02, subdivisions 5, 7, 8, and 11, and by adding a subdivision; 41A.03, subdivisions 1 and 3, and by adding a subdivision; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, and 3, and by adding a subdivision; 41A.06, subdivisions 1 and 5; 43A.04, subdivision 3; 43A.07, subdivision 2; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.15, by adding a subdivision; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.30, subdivision 4, and by adding a subdivision; 46.07, subdivision 2, and by adding a subdivision; 47.015, subdivision 1; 47.0151, subdivision 3; 47.0152; 48.13; 49.05, by adding subdivisions; 52.02, subdivision 3; 52.24, subdivisions 1 and 2; 53.04, by adding a subdivision; 53.10; 55.095; 65B.49, subdivision 4, as amended; 69.031, subdivision 1; 84.86, subdivision 1; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85.43; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12,								

a Indicates Amendment

() Indicates House File Substitution
 *Denotes Conference Committee Report

BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
18— Continued	<p>and 16, and by adding subdivisions; 85A.04, subdivision 1; 97.4841, subdivision 3; 97.4842, subdivision 2; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and 15; 100.271, subdivision 2; 105.42, by adding a subdivision; 115.03, by adding a subdivision; 115A.904; 115A.908, subdivision 2; 115A.914, subdivision 1; 116.07, subdivision 4d; 116.12, subdivision 1; 116C.69, subdivision 3; 116C.71, by adding a subdivision; 116C.723; 116C.724; 116J.36, subdivision 6, as amended; 116J.76; 116M.03, subdivision 17, and by adding a subdivision; 116M.04, subdivisions 8a and 9; 116M.05, subdivision 8; 116M.06, subdivisions 2 and 5; 116M.07, subdivisions 2, 4, 8, 9, 11, and 13; 116M.08, subdivisions 11, 12, 14, and 15; 116M.10, subdivision 8; 116M.11; 116M.12, subdivisions 3 and 4; 176.102, by adding a subdivision; 177.23, subdivisions 4 and 7; 177.24, subdivisions 3, 4, and 5; 177.27; 177.28, subdivision 4; 177.32, subdivision 1; 180.03, subdivisions 2, 3, and 4; 180.10; 181.79, subdivision 1; 181A.04, subdivision 3; 181A.12, subdivision 1; 183.545, by adding a subdivision; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.38, subdivisions 1, 2, 6, 7, and 8; 270.75, by adding a subdivision; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13, subdivision 1; 298.2211, by adding a subdivision; 326.52; 331A.02, subdivision 1; 334.021; 352.01, subdivision 2B; 361.03, subdivision 5; 361.27; 363.01, subdivision 24, and by adding subdivisions; 363.05, subdivision 2; 363.06, subdivision 8; 363.116; 403.11, subdivision 1; 422A.101, subdivision 3, and by adding a subdivision; 462A.03, subdivision 14; 462A.05, subdivisions 11, 12, and 15a, and by adding subdivisions; 462A.07, subdivisions 14 and 15; 462A.08, subdivision 3; 462A.20, subdivision 3; 462A.21, subdivision 6, and by adding a subdivision; 462C.09, by adding a subdivision; 466.03, by adding a subdivision; 471.345, by adding a subdivision; 472.03, subdivision 9; 472.11, subdivisions 3 and 9; 472.125; 472.13; 473.123, subdivision 5; 473.141, subdivision 7; 473.605, subdivision 2; 473.606, subdivision 1; 473.714; 477A.014, by adding a subdivision; 486.05, subdivision 1, as amended; 487.01, subdivision 5; 494.01, by adding a subdivision; 609.101; 611.216, subdivision 1, and by adding a subdivision; and 626.861, by adding a subdivision; Laws 1984, chapter 502, article 5, section 19, sub-</p>								

BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
18—Continued	<p>division 1; Laws 1985, chapter 4, section 6, subdivision 3, as amended; chapter 221, sections 1 and 12; and chapter 258, section 1, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 3C; 5; 8; 16A; 40A; 41A; 43A; 47; 84; 85; 85A; 88; 97; 116; 116C; 116J; 116M; 139; 179; 181; 198; 270; 363; 473; and 480; repealing Minnesota Statutes, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 40.19, subdivisions 3, 4, 10, 12, 14, and 15; 40A.13, subdivisions 2, 3, 4, and 5; 43A.19, subdivision 2; 46.15; 47.20, subdivisions 11 and 12; 48.19; 48.57; 48.58; 48.87; 69.031, subdivision 2; 84.088; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 3; 124.471; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; and 360.389; and Laws 1982, chapter 489, section 11; Laws 1984, chapter 502, article 10, section 12; and chapter 654, article 2, section 151.</p>								
19	<p>relating to the organization and operation of state government; appropriating money for human services, corrections, health, economic security, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62E.06, subdivision 1; 129A.01; 129A.03; 129A.07, subdivision 1; 129A.08, subdivision 5; 144.70; 145.912, subdivision 15; 145.917, subdivision 2; 145.917, subdivisions 3 and 4; 145.921; 145.922; 171.29, subdivision 2; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 252.28, subdivision 1; 254.05; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.871, subdivision 4; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.092, subdivisions 1, 2, 7, 8, and by adding subdivisions; 256B.19, subdivision 1; 256B.41, by adding a subdivision; 256B.421, subdivision 1; 256B.48, by adding subdivisions; 256B.503; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.05, subdivision 1; 256D.09, subdivision 1, and by adding a subdivision; 256D.111, subdivision 5; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 256E.12, subdivision 3; 260.311, subdivision 5; 260.38; 268.672, subdivisions 6 and 11; 268.673, subdivision 2; 268.674, subdivision 1; 268.675; 268.676, subdivisions 1 and 2; 268.677; 268.678, subdivision 2; 268.679, subdivision 1;</p>	14	33	20, 32	33	77	52	77	9

a Indicates Amendment

() Indicates House File Substitution
 *Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
19—	Continued								
	268.68; 268.685; 390.11, by adding subdivisions; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.34, subdivision 1; and 624.713, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A, 129A, 144, 145, 256B, 256D, and 256F; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 145.912, subdivisions 16, 17, and 18; 256.967; 256D.111, subdivisions 1, 2, 3, and 4; 259.405; and 268.686.								
20	relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; providing additional authorities to counties; providing additional duties of the water resources board; proposing coding for new law as Minnesota Statutes, chapter 110B.	15		20 (H9)					
21	relating to the legislature; making legislative offices nonpartisan; providing for disbursement of state election campaign funds to nonpartisan legislative candidates in 1986; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 5 and 7; 10A.32, subdivision 4; 204D.08, subdivisions 4 and 6; 204D.11, subdivision 5; 204D.13, subdivision 1; and 204D.20, subdivision 1.	15		20					
22	relating to financing and operation of state and local government; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; reducing the estate tax; changing corporate income tax provisions; rescheduling payments and increasing the budget reserve; reducing sales tax rate on farm machinery and providing sales tax exemptions; changing taxation of agricultural gasoline; changing the tax credit on fermented malt beverages; changing motor vehicle excise taxes for certain automobiles; authorizing lodging taxes for towns and unorganized territories; recodifying property tax law; changing property tax exemptions, classes, classification ratios, and credits; changing the taxation of telephone companies; providing for the allocation of industrial revenue bonds; providing economic development incentives; establishing a jobs program; providing for retention of mortgage registration and deed taxes	15		20 (H10)					

BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
22— Continued	by counties; altering provisions relating to the iron range resources and rehabilitation board; changing mining taxes; authorizing reimbursement to local units of government for certain railroad property tax abatements; giving enforcement powers to the department of revenue; changing provisions relating to leased state lands; increasing cigarette taxes and allocating the proceeds; providing for studies; imposing duties on the commissioner of revenue, commissioner of natural resources, and the state auditor; changing property tax provisions relating to collection of property tax, confessions of judgment, special assessments, and sale of tax forfeit lands; changing property tax refund benefit schedules and definitions; changing local government aids; authorizing the issuance of bonds; changing computation of adjusted levy limit base; changing tax court jurisdiction; changing certain dates; changing and adding definitions; changing provisions relating to the Hennepin county park reserve district; updating income tax provisions to changes in the Internal Revenue Code; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 16A.31, subdivisions 1 and 3; 13.04, subdivision 2; 13.58; 15A.081, subdivisions 1 and 8; 16A.128, subdivision 2; 16A.15, subdivisions 1 and 6; 16A.641, subdivision 11; 16B.60, subdivision 5; 18.023, subdivision 7; 37.17, subdivision 1; 41.55; 47.58, subdivisions 2 and 3; 60A.15, subdivision 12; 60A.199, subdivision 8; 84B.08, subdivision 6; 85A.05, subdivision 5; 86.33; 92.46, subdivision 1; 93.55, subdivision 2; 97.488, subdivision 1a; 110A.28, subdivisions 11 and 12; 115A.58, subdivision 6; 116.16, subdivisions 1 and 2; 116.17, subdivision 6; 116.18, subdivisions 1, 2a, and 3a; 116C.63, subdivision 4; 116J.035, by adding a subdivision; 116L.64, subdivision 6; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 116M.03, by adding a subdivision; 116M.06, subdivisions 2 and 3; 116M.07, subdivision 11, and by adding subdivisions; 116M.08, subdivision 11; 117.55; 121.904, subdivision 4c, and by adding a subdivision; 124.155, subdivision 2; 124.2131, subdivision 3; 124.2137, subdivision 1; 124.2138, subdivision 4; 124.2139; 124.46, subdivision 3; 124A.02, subdivisions 11 and 12; 129A.02, subdivision 2; 136.40, subdivision 7; 136.63, by adding a subdivision; 136C.06; 136C.43, subdivision 6; 145.882; 145.883, subdivision 8, and by adding a subdivision; 145.884, subdivision 1;								

a Indicates Amendment

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BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
22—Continued	145.885; 145.886; 167.52; 168.012, subdivision 9; 174.51, subdivision 6; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.01, subdivision 4; 256.736, subdivisions 1, 3, 4, 5, 7, and by adding subdivisions; 256.737; 256C.24; 256C.25, subdivision 1; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivisions 6 and 12; 268.673, subdivisions 3, 4, 5, and 6; 268.676; 268.677; 268.678, subdivisions 1, 3, 4, 5, and 6; 268.679; 268.681; 268.682; 270.68, subdivision 4; 270A.07, subdivision 5; 271.01, subdivision 5; 271.12; 272.02, subdivision 1, as amended, and by adding a subdivision; 272.03, subdivision 1; 272.039; 272.04, subdivision 1; 272.115, subdivision 4; 273.11, subdivision 8; 273.1104, subdivision 1; 273.1105, subdivision 2; 273.111, subdivision 11; 273.115, subdivision 7; 273.116, subdivision 7; 273.118; 273.121; 273.123, subdivisions 1 and 4; 273.13, subdivisions 4, as amended, 6, 7, 7a, 8a, 9, 14a, 15a, 17b, 19, and by adding subdivisions; 273.1311; 273.1313, subdivisions 1, 2, 3, and by adding a subdivision; 273.1314, subdivisions 8 and 16a; 273.1315; 273.133, by adding a subdivision; 273.135; subdivisions 1 and 2; 273.136, subdivisions 1, 2, 3, and 4; 273.1391, subdivisions 1 and 2; 273.1392; 273.1393, as added; 273.38; 273.42, subdivision 2; 273.74, subdivision 2, and by adding a subdivision; 273.75, subdivision 4; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 275.50, subdivision 5; 275.51, subdivision 3h; 276.04; 277.03; 277.10; 278.01, subdivisions 1 and 2; 278.05, subdivision 5; 279.01, subdivision 1, as amended; 279.06; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.17; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2; 287.23; 287.25; 287.27; 287.28; 287.29, subdivision 1; 287.33; 287.35; 290.01, subdivisions 19, 20, as amended, 20a, 20b, 20d, 20e, 20f, and 21; 290.032, subdivisions 1 and 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 2f, 3f, 3g, and 11; 290.067, subdivision 1; 290.068, subdivisions 1, 2, 3, 4, and 5; 290.069, subdivisions 2, 2a, 4a, 4b, 5, 6, and 7; 290.07, subdivisions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.088; 290.089, subdivisions 2, 3, and 7; 290.09, subdivisions 1, 2, 7, and 19; 290.091; 290.095.								

a Indicates Amendment

() Indicates House File Substitution
 *Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws. Chapter
22—	<p>Continued</p> <p>subdivisions 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.18, subdivision 2; 290.19, subdivision 1; 290.21, subdivisions 4 and 8; 290.23, subdivision 5; 290.26, subdivision 2; 290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.38; 290.41, subdivisions 1, 2, and by adding a subdivision; 290.50, subdivisions 1, 5, and 6; 290.53, subdivisions 9 and 11; 290.65, subdivision 16; 290.92, subdivisions 2a, 11, 13, 15, 18, 19, as amended, and 21; 290.93, subdivisions 1, 3, 5, 6, 7, 9, and 10; 290.931, subdivision 1; 290.936; 290A.03, subdivisions 3, as amended, 6, 12, 13, and 14; 290A.04, subdivisions 1, 2, and 3; 290A.06; 290A.07, subdivisions 2a and 3; 290A.19, as amended; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision 1; 291.15, subdivisions 1 and 3; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.01, subdivision 10; 295.34, subdivision 1; 296.01, subdivision 24; 296.02, subdivisions 7 and 8; 296.18, subdivision 1, as amended; 296.22, subdivision 13; 297.02, subdivision 1; 297.03, subdivisions 5 and 6; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding a subdivision; 297.35, subdivision 1; 297A.01, subdivisions 14 and 15; 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; 297A.25, subdivision 1; 297A.35, subdivision 1; 297A.39, subdivision 8; 297B.02; 297B.03; 297C.02, as added; 298.01, subdivision 1, as amended; 298.03; 298.031, subdivisions 2 and 3; 298.09, subdivision 4; 298.223; 298.225, as amended; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1, as amended, and 2; 298.282, subdivisions 1, 4, and 5; 298.292; 298.293; 299.01, subdivision 1, as amended; 299.05; 299F.26, subdivision 1; 325D.41; 360.301, subdivision 1; 462.445, subdivision 13; 462A.22, subdivision 1, as amended; 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a, 3, and by adding a subdivision; 473.556, subdivision 4; 473F.02, subdivisions 3 and 4; 474.16, subdivision 3, and by adding subdivisions; 474.17; 474.19; 474.20; 474.22; 474.23; 475.52, subdivision 6; 475.54, subdivision 1, and</p>								

a Indicates Amendment

() Indicates House File Substitution
 *Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws. Chapter
22—	<p>Continued</p> <p>by adding a subdivision; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; 475.67, subdivision 8, and by adding a subdivision; 475.754; 475A.06, subdivision 6; 477A.011, subdivisions 3, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.018; 514.03, subdivision 3; 524.3-1202; and 583.02; Laws 1967, chapter 721, section 2, as amended; Laws 1979, chapter 288, section 2, subdivisions 2, 3, and 4, and section 3; Laws 1981, chapter 223, section 4, subdivisions 2 and 3; Laws 1982, chapter 523, article XXX, section 4, subdivision 1, as amended; Laws 1984, chapter 502, article 5, section 19, subdivision 1, and article 11, section 6; Laws 1985, chapter 83, section 7; proposing coding for new law in Minnesota Statutes, chapters 16A; 116; 124; 144; 145; 248; 256C; 256D; 268; 270; 272; 273; 290; 297A; 297B; 298; 325E; 462C; and 474; proposing coding for new law as Minnesota Statutes, section 267; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivision 2; 116.18, subdivision 2; 129A.02, subdivision 4; 145.884, subdivision 2; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.671; 268.672, subdivisions 2, 8, 10, and 11; 268.673, subdivisions 1 and 2; 268.674; 268.675; 268.676, subdivision 3; 268.678, subdivisions 2, 7, and 8; 268.679, subdivisions 1 and 2; 268.68; 268.683; 268.684; 268.685; 268.686; 268.80; 268.81; 268.82; 268.83; 268.84; 270.75, subdivision 7; 273.1105; 273.13, subdivisions 2, 2a, 3, 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 10, 11, 12, 14a, 16, 17, 17a, 17b, 17c, 17d, 19, 20, and 21; 273.133; 273.15; 287.27; 287.29, subdivision 3; 287.32; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 3d, as amended, 3e, 14, 16, 17, 18, and 19; 290.069, subdivision 4; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 4 and 6; 290.09, subdivision 29; 290.101, as amended; 290.18, subdivision 4; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34; 297.02, subdivision 2; 385.36;</p>								

a Indicates Amendment

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 *Denotes Conference Committee Report

BILLS OF THE SENATE—Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
22—	Continued								
	462C.09, subdivision 2; 474.16, subdivision 4; 474.18; 474.24; and 477A.0131; Laws 1982, chapter 523, article VII, section 3; and Laws 1984, chapter 502, article 2, section 4, and chapter 582, section 23.								
23	relating to energy; providing that electric utilities may allow farmers to defer utility payments during the peak season under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 216B.	18		20					
24	relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; requiring studies, reports, plans, and fiscal notes; prescribing and providing for certain funds, accounts, bonding, taxes, fares, and fees; amending Minnesota Statutes 1984, sections 12.14; 14.131; 15.0591, subdivision 2; 15A.081, subdivisions 1 and 7; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11, as amended; 25.39, subdivision 4; 40.03, subdivision 1; 43A.18, subdivision 5; 60A.02, subdivision 7; 60A.10; 60A.131, subdivision 1; 60A.17, subdivision 1a; 60A.1701, subdivisions 5 and 10; 60C.08, subdivision 1; 61B.05, subdivision 1; 62A.141; 62A.146; 62A.17, subdivision 6; 62B.05; 62D.19; 62E.10, subdivision 2; 62E.12; 62E.16; 65B.03; 65B.43, by adding a subdivision; 65B.44, subdivision 4; 65B.48, subdivision 3a; 65B.49, by adding a subdivision; 65B.63, subdivision 1; 67A.25, subdivision 1; 72A.20, by adding a subdivision; 79.252, subdivision 4; 79.62; 138.94; 168.012, subdivision 1; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 240.04, subdivision 4; 240.24, as amended; 297A.25, subdivision 1; 299A.01, subdivision 6; 352D.02, subdivision 1; 360.018, subdivision 6; 360.024; 453.51; 453.54, subdivision 15; 453.58, by adding a subdivision; 473.373, subdivisions 4 and 6; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 7; 473.386, subdivision 2; 473.39, subdivisions 1, 2, and by adding a subdivision; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivision; 473.435, subdivision 2; 473.436, subdivision 6; 473.446, subdivisions 1, 1a, 2a, and 3; 500.24, subdivision 3; 626.861, by adding a subdivision; and	18	37	20, 36	37,	77	52	77	10

a Indicates Amendment

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 *Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws. Chapter
24—	Continued								
	626.88, subdivision 3; Laws 1985, chapter 168, section 14; chapter 290, section 14; and chapter 309, section 14; proposing coding for new law in Minnesota Statutes, chapters 3, 17, 61A, 219, 240; and 473; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 60A.15, subdivision 14; 62A.025; 65B.49, subdivision 4, as amended; 473.373, subdivisions 2 and 7; 473.408, subdivisions 3, 3a, 3b, and 5; 473.436, subdivisions 1, 4, and 5; 473.438; 473.39, subdivision 3; 473.446, subdivision 6; and Laws 1985, chapter 241, section 2.								
25	relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; correcting various legislative enactments; amending Minnesota Statutes 1984, sections 3.736, subdivision 3; 60A.11, subdivision 21; 65B.44, subdivision 6; 152.19, subdivision 5, as amended; 160.25, subdivision 3, as amended; 164.06, as amended; 181.13; 290.01, subdivision 20f; 290.091; 365.37, as amended; 429.061, subdivision 1; 444.075, subdivisions 1, as amended, and 1a, as added; 609.531, subdivision 6, as amended; and 631.09; Laws 1979, chapter 280, section 2, subdivision 2, as amended; Laws 1985, chapters 37, section 2; 152, section 1, subdivision 1; 172, sections 74, subdivisions 4, 5, and 7; 80, by adding a subdivision; 217, section 7; 225, section 1, subdivision 2; 259, sections 6 and 8; 261, sections 31 and 38; and 305, article 12, section 5; House File No. 3, article 11, section 23, subdivision 2, of the first special session; repealing Laws 1985, chapters 102, section 2; and 248, section 85.	19	61	20, 61, 61a	69	78	75	77	16
26	relating to real property; changing notice period required for termination of contracts for the conveyance of real estate; designating seller's attorney as an agent; clarifying the application of the mortgage registry tax; modifying provisions relating to persons defaulting on homesteads; imposing a penalty; amending Minnesota Statutes 1984, sections 47.20, subdivision 15, as amended; 287.10; 336.9-402, as amended; 336.9-403, as amended; 559.21, subdivisions 3, 4, and 6, as amended, and by adding subdivisions; 580.031, as amended; 583.03, subdivision 2, as amended; 583.05, as amended; and 583.07, as amended; and Laws 1985, chapter 233, section 6, as amended; repealing Minnesota Statutes 1984, section 559.21, subdivisions 1, 1a, 2, and 8, as amended.	19		20					

a Indicates Amendment

() Indicates House File Substitution
*Denotes Conference Committee Report

BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws. Chapter
27	relating to charitable gambling; exempting certain organizations from regulation and tax; amending Minnesota Statutes 1984, sections 297A.25, by adding a subdivision; and 349.214, subdivision 2.	19	59	20. 59, 59a					
28	relating to a Minnesota convention center and related facilities; authorizing the metropolitan council and the city where the center is located to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain a convention center and related facilities and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city and the metropolitan council to issue bonds to finance the acquisition and betterment of the convention center and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip the convention center; authorizing the transfer of certain city property to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes; debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property; authorizing the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; amending Minnesota Statutes 1984, section 473.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.	30	51	30, 49 51, 69	72				
29	relating to unemployment compensation; regulating benefits and contribution rates; amending Minnesota Statutes 1984, sections 268.04, subdivisions 24, 29, and 30, and by adding a subdivision; 268.06, subdivisions 3a, 8, and 24; 268.07, subdivisions 2 and 2a; 268.071, subdivision 1; 268.08, subdivision 1, and by adding a subdivision; 268.09, by adding a subdivision; 268.10, subdivisions 1 and 2; and 268.15, subdivision 3.	32		32					

a Indicates Amendment

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BILLS OF THE SENATE — Continued.

S. F. No.	TITLE	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	Returned from House	Approved	First Special Session, 1985 Laws, Chapter
30	relating to real property; changing notice period required for termination of contracts for the conveyance of real estate; designating seller's attorney as an agent; clarifying the application of the mortgage registry tax; modifying provisions relating to persons defaulting on homesteads; imposing a penalty; amending Minnesota Statutes 1984, sections 47.20, subdivision 15, as amended; 287.10; 336.9-402, as amended; 336.9-403, as amended; 559.21, subdivisions 3, 4, and 6, as amended, and by adding subdivisions; 580.031, as amended; 583.03, subdivision 2, as amended; 583.04, as amended; 583.05, as amended; and 583.07, as amended; and Laws 1985, chapter 233, section 6, as amended; repealing Minnesota Statutes 1984, section 559.21, subdivisions 1, 1a, 2, and 8, as amended.	39	43	39, 43	43	78	72	78	18
31	relating to occupations and professions; extending the licensing exemption for persons installing certain power limited circuits; amending Laws 1984, chapter 470, section 2.	51		51 (H15)					

a Indicates Amendment

() Indicates House File Substitution
*Denotes Conference Committee Report

SENATE RECORD OF HOUSE BILLS
FIRST SPECIAL SESSION 1985

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
1	relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivision 2; 115A.49; 115A.52; and 115A.54, by adding a subdivision.	48	49	49	49	49	78	15
2	relating to retirement; making various changes in laws governing public retirement funds; amending Minnesota Statutes 1984, sections 3.85, subdivisions 11 and 12; 176.021, subdivision 7; 352.01, subdivision 11; 352.029; 352.22, subdivision 3; 352.95, subdivision 1; 352B.10; 352E.01, subdivision 2; 352E.04; 353.01, subdivision 16; 353.27, subdivision 12; 353.271, subdivision 2; 353.656, subdivision 1; 353.657, subdivision 2a; 354.44, subdivisions 5 and 6; 354.48, subdivisions 3, 6, and 7; 354.49, subdivision 2; 354.55, subdivision 11; 354.62, subdivision 2; 354A.35, subdivision 1; 356.20, subdivision 4; 356.215, subdivision 4; 356.216; 356.70; and Laws 1984, chapter 501, section 1; proposing coding for new law in Minnesota Statutes, chapter 352D; repealing Minnesota Statutes 1984, sections 352.113, subdivision 5; and 354.621.	25	26	26	26	26	76	7
3	relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the state board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of transportation aid, special education aid, secondary vocational aid, and other aids; establishing the Minnesota school of the arts and resource center; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring the state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 5.35; 116J.37, subdivision 1; 120.03, subdivision 1; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.88; 121.882; 121.904, subdivision	37	37	41	39, 39	41 41	41, 77	12

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE — Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
	<p>3— Continued</p> <p>4a; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.541, by adding a subdivision; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding a subdivision; 123.58, by adding a subdivision; 123.702, subdivision 1; 123.705, subdivision 1; 123.741, subdivisions 6 and 7; 123.742, subdivisions 1, 3, 4, 5, and by adding subdivisions; 123.7431; 123.935, by adding a subdivision; 124.09; 124.10; 124.14, subdivision 4, and by adding a subdivision; 124.17, subdivision 1, and by adding a subdivision; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.646, subdivision 1; 124.76, subdivision 2; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2, 3, and 5; 124A.037; 124A.06, subdivisions 1, 3a, and by adding subdivisions; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivisions 3 and 5a; 124A.16, subdivision 4; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.02, by adding a subdivision; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 275.125, subdivisions 5, 5b, 5d, 8, 8a, 8b, 11a, 11b, 11c, and by adding a subdivision; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.51, subdivision 5; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.092; 354A.093; 354A.094, subdivisions 2 and 4; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; and 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended, and section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section</p>							

BILLS OF THE HOUSE — Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws. Chapter	
3— Continued	11; and Laws 1985, chapter 280, section 4; proposing coding for new law in Minnesota Statutes, chapters 120:121; 123; 124; 124A; 126; 129B; 129C; 136A; and 471; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.17, subdivision 1a; 120.172, subdivision 3; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.84; 122.85; 122.89; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.05, subdivision 5; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 2; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47; repealing Laws 1984, chapter 463, article 9, section 9.								
5	relating to state government; requiring state agencies to provide services and materials in languages other than English; regulating the career executive service; specifying executive branch conflicts of interest; permitting the governor to set salaries for certain full- and part-time officials of metropolitan agencies; providing for review of state trooper arbitration awards; regulating approved complements; regulating liquidation of vacation leave; requiring approval of commissioner of administration to grant right-of-way over state-owned land to railroad company; amending Minnesota Statutes 1984, sections 15.62, subdivision 2; 15A.081, subdivision 1, and by adding a subdivision; 16A.123, subdivision 3; 16B.65, subdivision 3; 43A.17, subdivision 8; 43A.21, subdivision 5; 43A.38, subdivision 5; 62D.22, subdivision 7; 222.025, subdivision 1; and 299D.03, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1984, section 15A.081, subdivision 7.	25	26	27	27	27	78	17	
6	relating to the environment; removing statutory provisions for joint and several liability and causation for personal injury; changing the date when liability applies; removing additional defense for abnormally dangerous	72	73	73	73	73	76	8	

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE—Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Chapter
6	Continued activity; stating effect of removing certain provisions; creating a hazardous substance injury compensation fund; establishing a board to administer the fund; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; imposing a penalty; appropriating money; amending Minnesota Statutes 1984, sections 115B.05, subdivision 1; 115B.06, subdivision 1; and 115B.09; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07.							
7	memorializing the President and Congress to retain the federal income tax deduction for state and local taxes.	32	32	42	32, 42, 42a	42	77	Res. 2
8	relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; authorizing the FDIC to act as receiver or liquidator of a closed financial institution and providing a right of subrogation; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; and providing alternative loan disclosure requirements; providing an inflation adjustment for amounts exempt from creditors; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 49.05, by adding subdivisions; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.	27	28	28	28	28	76	1

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE — Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
9	relating to water; providing for comprehensive local water management; authorizing counties to develop and implement county water and related land resources plans; providing additional authorities to counties; providing additional duties of the water resources board; proposing coding for new law as Minnesota Statutes, chapter 110B.	31	31	31	31	31	76	2
10	relating to financing and operation of state and local government; simplifying Minnesota income tax law by increasing conformity to federal income tax law; changing income tax rates, rate brackets, credits, and deductions; providing for computation of interest on overpayments; reducing the estate tax; changing corporate income tax provisions; rescheduling payments and increasing the budget reserve; reducing sales tax rate on farm machinery and providing sales tax exemptions; changing taxation of agricultural gasoline; changing the tax credit on fermented malt beverages; changing motor vehicle excise taxes for certain automobiles; authorizing lodging taxes for towns and unorganized territories; recodifying property tax law; changing property tax exemptions, classes, classification ratios, and credits; changing the taxation of telephone companies; providing for the allocation of industrial revenue bonds; providing economic development incentives; establishing a jobs program; providing for retention of mortgage registration and deed taxes by counties; altering provisions relating to the iron range resources and rehabilitation board; changing mining taxes; authorizing reimbursement to local units of government for certain railroad property tax abatements; giving enforcement powers to the department of revenue; changing provisions relating to leased state lands; increasing cigarette taxes and allocating the proceeds; providing for studies; imposing duties on the commissioner of revenue, commissioner of natural resources, and the state auditor; changing property tax provisions relating to collection of property tax, confessions of judgment, special assessments, and sale of tax forfeit lands; changing property tax refund benefit schedules and definitions; changing local government aids; authorizing the issuance of bonds; changing computation of adjusted levy limit base; changing tax court jurisdiction; changing certain dates; changing and adding definitions; changing provisions relating to the Hennepin county park reserve district; updating income tax provisions to changes in the Internal	45	45	48	48	48	78	14

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE—Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
10—Continued	Revenue Code; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 10A.31, subdivisions 1 and 3; 13.04, subdivision 2; 13.58; 15A.081, subdivisions 1 and 8; 16A.128, subdivision 2; 16A.15, subdivisions 1 and 6; 16A.641, subdivision 11; 16B.60, subdivision 5; 18.023, subdivision 7; 37.17, subdivision 1; 41.55; 47.58, subdivisions 2 and 3; 60A.15, subdivision 12; 60A.199, subdivision 8; 84B.08, subdivision 6; 85A.05, subdivision 5; 86.33; 92.46, subdivision 1; 93.55, subdivision 2; 97.488, subdivision 1a; 110A.28, subdivisions 11 and 12; 115A.58, subdivision 6; 116.16, subdivisions 1 and 2; 116.17, subdivision 6; 116.18, subdivisions 1, 2a, and 3a; 116C.63, subdivision 4; 116J.035, by adding a subdivision; 116J.64, subdivision 6; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 116M.03, by adding a subdivision; 116M.06, subdivisions 2 and 3; 116M.07, subdivision 11, and by adding subdivisions; 116M.08, subdivision 11; 117.55; 121.904, subdivision 4c, and by adding a subdivision; 124.155, subdivision 2; 124.2131, subdivision 3; 124.2137, subdivision 1; 124.2138, subdivision 4; 124.2139; 124.46, subdivision 3; 124A.02, subdivisions 11 and 12; 129A.02, subdivision 2; 136.40, subdivision 7; 136.63, by adding a subdivision; 136C.06; 136C.43, subdivision 6; 145.882; 145.883, subdivision 8, and by adding a subdivision; 145.884, subdivision 1; 145.885; 145.886; 167.52; 168.012, subdivision 9; 174.51, subdivision 6; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.01, subdivision 4; 256.736, subdivisions 1, 3, 4, 5, 7, and by adding subdivisions; 256.737; 256C.24; 256C.25, subdivision 1; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivisions 6 and 12; 268.673, subdivisions 3, 4, 5, and 6; 268.676; 268.677; 268.678, subdivisions 1, 3, 4, 5, and 6; 268.679; 268.681; 268.682; 270.66, subdivision 4; 270A.07, subdivision 5; 271.01, subdivision 5; 271.12; 272.02, subdivision 1, as amended, and by adding a subdivision; 272.03, subdivision 1; 272.039; 272.04, subdivision 1; 272.115, subdivision 4; 273.11, subdivision 8; 273.1104, subdivision 1; 273.1105, subdivision 2; 273.111, subdivision 11; 273.115, subdivision 7; 273.116, subdivision 7; 273.118; 273.121; 273.123, subdivisions 1 and 4; 273.13, subdivisions 4, as amended, 6, 7, 7a, 8a, 9, 14a, 15a, 17b, 19, and by adding subdivisions;							

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE — Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
10— Continued	273.1311; 273.1313, subdivisions 1, 2, 3, and by adding a subdivision; 273.1314, subdivisions 8 and 16a; 273.1315; 273.133, by adding a subdivision; 273.135; subdivisions 1 and 2; 273.136, subdivisions 1, 2, 3, and 4; 273.1391, subdivisions 1 and 2; 273.1392; 273.1393, as added; 273.38; 273.42, subdivision 2; 273.74, subdivision 2, and by adding a subdivision; 273.75, subdivision 4; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 275.50, subdivision 5; 275.51, subdivision 3h; 276.04; 277.03; 277.10; 278.01, subdivisions 1 and 2; 278.05, subdivision 5; 279.01, subdivision 1, as amended; 279.06; 279.37, subdivisions 1, 3, 4, 8, and by adding a subdivision; 281.17; 281.23, subdivision 1; 281.29; 282.01, subdivision 7a; 282.021; 282.261, by adding a subdivision; 287.05, subdivision 1; 287.08; 287.09; 287.12; 287.21, subdivision 2; 287.23; 287.25; 287.27; 287.28; 287.29, subdivision 1; 287.33; 287.35; 290.01, subdivisions 19, 20, as amended, 20a, 20b, 20d, 20e, 20f, and 21; 290.032, subdivisions 1 and 2; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 2f, 3f, 3g, and 11; 290.067, subdivision 1; 290.068, subdivisions 1, 2, 3, 4, and 5; 290.069, subdivisions 2, 2a, 4a, 4b, 5, 6, and 7; 290.07, subdivisions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.088; 290.089, subdivisions 2, 3, and 7; 290.09, subdivisions 1, 2, 7, and 19; 290.091; 290.095, subdivisions 7, 9, and 11; 290.10; 290.12, subdivision 2; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.18, subdivision 2; 290.19, subdivision 1; 290.21, subdivisions 4 and 8; 290.23, subdivision 5; 290.26, subdivision 2; 290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.38; 290.41, subdivisions 1, 2, and by adding a subdivision; 290.50, subdivisions 1, 5, and 6; 290.53, subdivisions 9 and 11; 290.65, subdivision 16; 290.92, subdivisions 2a, 11, 13, 15, 18, 19, as amended, and 21; 290.93, subdivisions 1, 3, 5, 6, 7, 9, and 10; 290.931, subdivision 1; 290.936; 290A.03, subdivisions 3, as amended, 6, 12, 13, and 14; 290A.04, subdivisions 1, 2, and 3; 290A.06; 290A.07, subdivisions 2a and 3; 290A.19, as amended; 291.005, subdivision 1; 291.03, subdivision 1; 291.075; 291.09, subdivisions 1a, 2a, and 3a; 291.11, subdivision							

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE—Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
10—	Continued 1; 291.15, subdivisions 1 and 3; 291.215, subdivision 1; 291.32; 294.09, subdivision 1; 295.01, subdivision 10; 295.34, subdivision 1; 296.01, subdivision 24; 296.02, subdivisions 7 and 8; 296.18, subdivision 1, as amended; 296.22, subdivision 13; 297.02, subdivision 1; 297.03, subdivisions 5 and 6; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding a subdivision; 297.35, subdivision 1; 297A.01, subdivisions 14 and 15; 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; 297A.25, subdivision 1; 297A.35, subdivision 1; 297A.39, subdivision 8; 297B.02; 297B.03; 297C.02, as added; 298.01, subdivision 1, as amended; 298.03; 298.031, subdivisions 2 and 3; 298.09, subdivision 4; 298.223; 298.225, as amended; 298.24, subdivision 4; 298.27; 298.28, subdivisions 1, as amended, and 2; 298.282, subdivisions 1, 4, and 5; 298.292; 298.293; 299.01, subdivision 1, as amended; 299.05; 299F.26, subdivision 1; 325D.41; 360.301, subdivision 1; 462.445, subdivision 13; 462A.22, subdivision 1, as amended; 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a, 3, and by adding a subdivision; 473.556, subdivision 4; 473F.02, subdivisions 3 and 4; 474.16, subdivision 3, and by adding subdivisions; 474.17; 474.19; 474.20; 474.22; 474.23; 475.52, subdivision 6; 475.54, subdivision 1, and by adding a subdivision; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; 475.67, subdivision 8, and by adding a subdivision; 475.754; 475A.06, subdivision 6; 477A.011, subdivisions 3, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.018; 514.03, subdivision 3; 524.3-1202; and 583.02; Laws 1967, chapter 721, section 2, as amended; Laws 1979, chapter 288, section 2, subdivisions 2, 3, and 4, and section 3; Laws 1981, chapter 223, section 4, subdivisions 2 and 3; Laws 1982, chapter 523, article XXX, section 4, subdivision 1, as amended; Laws 1984, chapter 502, article 5, section 19, subdivision 1, and article 11, section 6; Laws 1985, chapter 83, section 7; proposing coding for new law in Minnesota Statutes, chapters 16A; 116; 124; 144; 145; 248; 256C; 256D; 268; 270; 272; 273; 290; 297A; 297B; 298; 325E; 462C; and 474; proposing coding for new law as Minnesota Statutes, section 267; repealing Minnesota Statutes 1984, sections 41.58, subdivision 3; 41.59, subdivisions 2 and 3; 55.10, subdivision 2; 62E.03, subdivi-							

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE — Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
10— Continued	sion 2; 116.18, subdivision 2; 129A.02, subdivision 4; 145.884, subdivision 2; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.671; 268.672, subdivisions 2, 8, 10, and 11; 268.673, subdivisions 1 and 2; 268.674; 268.675; 268.676, subdivision 3; 268.678, subdivisions 2, 7, and 8; 268.679, subdivisions 1 and 2; 268.68; 268.683; 268.684; 268.685; 268.686; 268.80; 268.81; 268.82; 268.83; 268.84; 270.75, subdivision 7; 273.1105; 273.13, subdivisions 2, 2a, 3, 4, 5a, 6, 6a, 7, 7b, 7c, 7d, 8a, 9, 10, 11, 12, 14a, 16, 17, 17a, 17b, 17c, 17d, 19, 20, and 21; 273.133; 273.15; 287.27; 287.29, subdivision 3; 287.32; 290.01, subdivisions 20c and 26; 290.012; 290.06, subdivisions 3d, as amended, 3e, 14, 16, 17, 18, and 19; 290.069, subdivision 4; 290.077, subdivision 4; 290.08, subdivisions 23 and 24; 290.089, subdivisions 4 and 6; 290.09, subdivision 29; 290.101, as amended; 290.18, subdivision 4; 290.39, subdivision 2; 290.41, subdivision 5; 290A.04, subdivisions 2a and 2b; 291.015; 291.03, subdivisions 3, 4, 5, 6, and 7; 291.05; 291.051; 291.06; 291.065; 291.07; 291.08; 291.09, subdivision 5; 291.111; 291.131, subdivisions 5 and 6; 291.132; 291.15, subdivision 2; 291.18; 291.20; 291.29, subdivision 5; 295.34; 297.02, subdivision 2; 385.36; 462C.09, subdivision 2; 474.16, subdivision 4; 474.18; 474.24; and 477A.0131; Laws 1982, chapter 523, article VII, section 3; and Laws 1984, chapter 502, article 2, section 4, and chapter 582, section 23.							

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE — Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws, Chapter
15	relating to occupations and professions; extending the licensing exemption for persons installing certain power limited circuits; amending Laws 1984, chapter 470, section 2.	52	52		52			
16	relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722, subdivision 1, and by adding a subdivision; 3.099, subdivision 1; 3.21; 3.302, subdivision 3; 3.303, by adding a subdivision; 3.351, subdivision 3; 3.736, subdivision 3; 3.85, subdivision 11; 3.9223, subdivision 1; 3C.12, subdivision 7; 11A.07, by adding a subdivision; 11A.20, subdivision 1; 13.68, subdivision 1; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.32; 14.40; 14.47, subdivision 8; 14.48; 14.51; 14.55; 15.0597, subdivision 1; 15.50, subdivision 3; 15A.081, subdivisions 1 and 7; 15A.082, subdivisions 2 and 3; 16A.055, subdivision 1; 16A.123, subdivision 3; 16A.127, subdivisions 1, 3, and 5, and by adding a subdivision; 16A.128; 16A.1281; 16A.275; 16A.40; 16A.42, subdivision 2; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.641, subdivision 10, and by adding a subdivision; 16A.672, subdivisions 1, 2, and 3; 16B.08, subdivision 7; 16B.09, by adding a subdivision; 16B.21, subdivision 1; 16B.22, as amended; 16B.24, subdivision 5; 16B.29; 16B.36, subdivision 1; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.54, subdivision 2; 16B.70; 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.03, subdivision 2; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2, and by adding a subdivision; 40A.13, subdivision 1; 40A.15, subdivision 4; 41A.01; 41A.02, subdivisions 5, 7, 8, and 11, and by adding a subdivision; 41A.03, subdivisions 1 and 3, and by adding a subdivision; 41A.04, subdivisions 1, 3, and 4; 41A.05, subdivisions 1, 2, and 3, and by adding a subdivision; 41A.06, subdivisions 1 and 5; 43A.04, subdivision 3; 43A.07, subdivision 2; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.15, by adding a subdivision; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.30, subdivision 4, and by adding a subdivision; 46.07, subdivision 2, and by adding a subdivision; 47.015, subdivision 1;	56	57	58	58	58	77	13

a Indicates Amendment

*Denotes Conference Committee Report

BILLS OF THE HOUSE—Continued.

H. F. No.	TITLE	Received from House	First Reading and Reference	Second Reading	Other Proceedings	Third Reading	Subsequent Proceedings	First Special Session, 1985 Laws. Chapter
16—	Continued							
	47.0151, subdivision 3; 47.0152; 48.13; 49.05, by adding subdivisions; 52.02, subdivision 3; 52.24, subdivisions 1 and 2; 53.04, by adding a subdivision; 53.10; 55.095; 65B.49, subdivision 4, as amended; 69.031, subdivision 1; 84.86, subdivision 1; 84B.03, subdivision 4; 85.05, subdivisions 1 and 2; 85.22, subdivision 2a; 85.43; 85A.01, subdivisions 1 and 2; 85A.02, subdivisions 3, 4, 5, 7, 12, and 16, and by adding subdivisions; 85A.04, subdivision 1; 97.4841, subdivision 3; 97.4842, subdivision 2; 98.45, by adding a subdivision; 98.46, subdivisions 2, 14, and 15; 100.271, subdivision 2; 105.42, by adding a subdivision; 115.03, by adding a subdivision; 115A.904; 115A.908, subdivision 2; 115A.914, subdivision 1; 116.07, subdivision 4d; 116.12, subdivision 1; 116C.69, subdivision 3; 116C.71, by adding a subdivision; 116C.723; 116C.724; 116J.36, subdivision 6, as amended; 116J.76; 116M.03, subdivision 17, and by adding a subdivision; 116M.04, subdivisions 8a and 9; 116M.05, subdivision 8; 116M.06, subdivisions 2 and 5; 116M.07, subdivisions 2, 4, 8, 9, 11, and 13; 116M.08, subdivisions 11, 12, 14, and 15; 116M.10, subdivision 8; 116M.11; 116M.12, subdivisions 3 and 4; 176.102, by adding a subdivision; 177.23, subdivisions 4 and 7; 177.24, subdivisions 3, 4, and 5; 177.27; 177.28, subdivision 4; 177.32, subdivision 1; 180.03, subdivisions 2, 3, and 4; 180.10; 181.79, subdivision 1; 181A.04, subdivision 3; 181A.12, subdivision 1; 183.545, by adding a subdivision; 192.51, subdivision 2; 196.051, by adding a subdivision; 268.05, subdivision 2; 268.38, subdivisions 1, 2, 6, 7, and 8; 270.75, by adding a subdivision; 270A.07, subdivision 1; 290.50, subdivision 6; 296.421, subdivision 4, and by adding a subdivision; 297.13; subdivision 1; 298.2211, by adding a subdivision; 326.52; 331A.02, subdivision 1; 334.021; 352.01, subdivision 2B; 361.03, subdivision 5; 361.27; 363.01; subdivision 24; and by adding subdivisions; 363.05, subdivision 2; 363.06, subdivision 8; 363.116; 403.11, subdivision 1; 422A.101, subdivision 3, and by adding a subdivision; 462A.03, subdivision 14; 462A.05, subdivisions 11, 12, and 15a, and by adding subdivisions; 462A.07, subdivisions 14 and 15; 462A.08, subdivision 3; 462A.20, subdivision 3; 462A.21, subdivision 6, and by adding a subdivision; 462C.09, by adding a subdivision; 466.03, by adding a subdivision; 471.345, by adding a subdivision; 472.03, subdivision 9; 472.11, subdivisions 3 and 9;							

^a Indicates Amendment

^{*} Denotes Conference Committee Report

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16— Continued	<p>472.125; 472.13; 473.123, subdivision 5; 473.141, subdivision 7; 473.605, subdivision 2; 473.606, subdivision 1; 473.714; 477A.014, by adding a subdivision; 486.05, subdivision 1, as amended; 487.01, subdivision 5; 494.01, by adding a subdivision; 609.101; 611.216, subdivision 1, and by adding a subdivision; and 626.861, by adding a subdivision; Laws 1984, chapter 502, article 5, section 19, subdivision 1; Laws 1985, chapter 4, section 6, subdivision 3, as amended; chapter 221, sections 1 and 12; and chapter 258, section 1, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 3C; 5; 8; 16A; 40A; 41A; 43A; 47; 84; 85; 85A; 88; 97; 116; 116C; 116J; 116M; 139; 179; 181; 198; 270; 363; 473; and 480; repealing Minnesota Statutes, sections 7.01; 7.013; 7.02; 7.03; 7.04; 7.05; 7.13; 7.14; 7.15; 7.16; 7.17; 7.18; 10.18; 10.19; 10.20; 10.21; 10.22; 10.23; 16A.42, subdivision 3; 40.19, subdivisions 3, 4, 10, 12, 14, and 15; 40A.13, subdivisions 2, 3, 4, and 5; 43A.19, subdivision 2; 46.15; 47.20, subdivisions 11 and 12; 48.19; 48.57; 48.58; 48.87; 69.031, subdivision 2; 84.088; 85A.01, subdivision 1a; 85A.03; 85A.04, subdivision 3; 124.471; 296.10; 349.212, subdivision 3, as amended; 360.301; 360.302; 360.304; 360.306; 360.388; and 360.389; and Laws 1982, chapter 489, section 11; Laws 1984, chapter 502, article 10, section 12; and chapter 654, article 2, section 151.</p>							

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* after Senate file number indicates principal author.

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