

ment chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; six judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; four judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac Qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; three judges; and permanent chambers shall be maintained in Glenwood, Montevideo, and Litchfield;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass, and Koochi-ching; six judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; three judges; and permanent chambers shall be maintained in Anoka, Lindstrom Center City, and Stillwater.

Approved April 24, 1959.

CHAPTER 702—H. F. No. 1836

[Coded in Part]

An act relating to employment security; amending Minnesota Statutes 1957, Section 268.04, Subdivision 12, and Section 268.06, Subdivision 25, and authorizing the appropriation of money by adding new Subdivisions 26 and 27.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 268.04, Subdivision 12, is amended to read:

Subd. 12. (1) Subject to the other provisions of this subdivision "employment" means service performed prior to January 1, 1945, which was employment as defined in this section prior to such date, and any service performed after December 31, 1944, including service in interstate commerce, by an individual who is a servant under the law of master

and servant or who performs services for any employing unit, unless such services are performed by such individual in pursuit of his independently established business or is in fact an independent contractor. The services performed by officers of corporations are included as employment under sections 268.03 to 268.24.

(2) The term "employment" shall include an individual's entire service, performed within or both within and without this state if (a) the service is localized in this state; or (b) the service is not localized in any state but some of the service is performed in this state and (1) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this state; (2) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(3) Service shall be deemed to be localized within a state if (a) the service is performed entirely within such state; or (b) the service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, for example, is temporary or transitory in nature or consists of isolated transactions.

(4) (a) Service covered by an election pursuant to section 268.11, subdivision 3; and

(b) Service covered by an arrangement pursuant to section 268.13 between the commissioner and the agency charged with the administration of any other state or federal employment security law, pursuant to which all service performed by an individual for an employing unit is deemed to be performed entirely within this state, shall be deemed to be employment if the commissioner has approved an election of the employing unit for which such service is performed, pursuant to which the entire service of such *individual during the period covered by such election is deemed to be employment.*

(5) Notwithstanding any inconsistent provisions of sections 268.03 to 268.24, the term "employment" shall include any services which are performed by an individual with respect to which an employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund.

(6) Service performed after July 1, 1957, by an in-

dividual for the State of Minnesota or any instrumentality which is wholly owned by the State of Minnesota.

(7) Service performed after July 1, 1957, by an individual for any political subdivision of the State of Minnesota or instrumentality thereof which elects to be an employer with respect to one or more of its departments under the Minnesota Employment Security Law and notifies the Department of Employment Security of such election.

Now (8) The term "employment" shall not include:

(a) *Agricultural labor.* The term "agricultural labor" includes all services performed subsequent to December 31, 1939:

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising, harvesting or threshing any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training and management of livestock, bees, poultry, fur-bearing animals and wildlife.

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane or fire, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of maple syrup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection

with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

As used in this subdivision, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(b) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

(c) Casual labor not in the course of the employing unit's trade or business;

(d) Service performed on the navigable waters of the United States as to which this state is prohibited by the Constitution and laws of the United States of America from requiring contributions of employers with respect to wages as provided in sections 268.03 to 268.24;

(e) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 in the employ of his father or mother;

(f) Service performed in the employ of the United States government, or any instrumentality of the United States exempt under the Constitution of the United States from the contributions imposed by sections 268.03 to 268.24, except that with respect to such service performed subsequent to December 31, 1939, and to the extent that the Congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment compensation fund under a state unemployment compensation act; then, to the extent permitted by Congress, and from and after the date as of which such permission becomes effective, all of the provisions of these sections shall be applicable to such instrumentalities and to services performed for such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals, and services; provided, that if this state shall not be certified for any year by the *United States department of labor* under section 3304 (c) of the Federal Internal Revenue Code, the payments required of such instrumentalities with respect to such year shall be refunded by the commissioner from the fund in the same manner and within the same period as is provided in section 268.16, subdivision 6, with respect to contributions erroneously collected;

(g) Service performed in the employ of any political subdivision of this state, and or any instrumentality thereof which has not elected to be an employer with respect to one or more of its departments under the Minnesota Employment Security Law;

(h) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of Congress;

(i) Service performed in any calendar quarter subsequent to December 31, 1940, in the employ of any organization exempt under section 3306 (c) (10) of the federal internal revenue code *from the tax imposed by section 3301 of the federal internal revenue code*;

(j) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(k) Service performed in the employ of an instrumentality wholly owned by a foreign government, if

(1) The service is of a character similar to that performed in foreign countries by employees of the United States government or of an instrumentality thereof; and

(2) The commissioner finds that the United States Secretary of State has certified to the United States Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States government and of instrumentalities thereof.

(l) Service covered by an arrangement between the commissioner and the agency charged with the administration of any other state or federal employment security law pursuant to which all services performed by an individual *for an employing* unit during the period covered by such employing unit's duly approved election, are deemed to be performed entirely within such agency's state;

(m) Services performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying

on propaganda, or otherwise attempting to influence legislation;

(n) Service performed subsequent to December 31, 1940, as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered *and* approved pursuant to state law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered *and* approved pursuant to state law;

(o) Service performed subsequent to December 31, 1940, by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission (the word "insurance" as used in this subdivision shall include an annuity and an optional annuity);

(p) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(q) Service performed in the employ of any farmers' cooperative association dealing primarily with agricultural or dairy products or farmers' mutual insurance company, not subject to the tax imposed by section 3301 of the Federal Internal Revenue Code;

(r) Service performed subsequent to December 31, 1939, without wages by an officer of a corporation which is not subject to the tax imposed by section 3301 of the Federal Internal Revenue Code;

(s) Service performed subsequent to December 31, 1939, outside the corporate limits of a city, village, or borough of 10,000 population or more, as determined by the most recent United States census, for an employer who is not subject to the tax imposed by section 3301 of the Federal Internal Revenue Code with respect to employment during either the current or preceding calendar year; provided the services of all of such employer's employees are performed outside such corporate limits. For the purpose of this provision, service shall be deemed to be performed outside such corporate limits if

(1) Performed entirely outside such corporate limits;
or

(2) Performed both outside and within such corporate limits, if the service performed within such corporate limits is incidental to the individual's service outside such corporate limits and is temporary or transitory in nature or consists of isolated transactions; or

(3) Performed subsequent to December 31, 1952 both outside and within such corporate limits, in the transportation and delivery of livestock, whenever the transportation and delivery of such livestock comprises more than 50 percent by weight of the total freight hauled during the calendar year by the person, firm or corporation engaged in such services;

(t) If the service performed subsequent to December 31, 1940, during one-half or more of any pay period by an individual for the person employing him constitutes employment, all the service of such individual for such period shall be deemed to be employment; but if the service performed during more than one-half of any such pay period by an individual for the person employing him does not constitute employment, then none of the service of such individual for such period shall be deemed to be employment. As used in this subdivision, the term "pay period" means a period (of not more than 31 consecutive days) for which a payment or remuneration is ordinarily made to the individual by the person employing him. This subdivision shall not be applicable with respect to service performed in a pay period by an individual for the person employing him, where any of such service is excluded by section 268.04, subdivision 12, clause (8) (h) and (s).

(u) Service performed as an agent or solicitor engaged or employed in the sale or purchase of real estate solely and exclusively upon a commission basis, to the extent only that such service is hereafter excluded under section 3306 of the Federal Internal Revenue Code.

✓ (9) *The term "employment" as applied to services performed by an individual for the state of Minnesota or any instrumentality wholly owned by the state, except political subdivisions or instrumentalities thereof which duly elect otherwise with the commissioner's approval, shall not include the following:*

(a) *Service performed by elected public officials and unclassified employees appointed for a definite term;*

(b) *Service performed by a faculty member in the employ of a university, college, school or any other institution which is supported wholly or substantially by public funds;*

(c) *Service performed in the employ of a state park except where such park employs for some portion of a day, in each of 20 different weeks, whether or not such weeks are or were consecutive, one or more individuals inside, or four or more individuals outside, the corporate limits of a city, village or borough of 10,000 population or more as determined by the most recent United States census;*

(d) *Service performed by a student in the employ of an educational institution supported wholly or substantially by public funds at which the student is enrolled, or was enrolled during the most recent regular school term;*

(e) *Service performed by an individual who is financially supported in whole or in part by a state or federal scholarship program;*

(f) *Service performed in the employ of a department, institution, or wholly owned instrumentality of the state which is supported wholly or substantially by public funds under a training program required by either a public or private educational institution;*

(g) *Service performed by members of the Minnesota National Guard when ordered to duty for military assignments;*

(h) *Service performed in the employ of the state conservation department directly and solely in connection with emergency fire fighting.*

The specific exclusions mentioned in clause (8) of this subdivision shall not be exclusive.

Sec. 2. Minnesota Statutes 1957, Section 268.06, Subdivision 25, is amended to read:

Subd. 25. Payments into fund. In lieu of contributions required of employers under this law, the State of Minnesota or its political subdivisions which have elected to be governed by the Minnesota Employment Security Law shall pay into the *unemployment compensation* fund an amount equivalent to the amount of benefits paid to individuals based on wages paid by the State of Minnesota or such political subdivisions. If benefits paid an individual are based on wages paid by both the State of Minnesota or such political subdivisions and one or more other employers, the amount payable by the State of Minnesota or such political subdivisions to the fund shall bear the same ratio to total benefits paid to the individual as the base-period wages paid to the individual

by the State of Minnesota or such political subdivisions bear to the total amount of base-period wages paid to the individual by all his base-period employers. The amount of payment required under this subdivision shall be ascertained by the commissioner semi-annually. If the amount of benefits paid in any fiscal year from the fund to former employees paid from any one account from which salaries are paid as ascertained by the commissioner exceeds three percent of the total wages paid to all employees from that salary account during the preceding completed fiscal year, the excess amount shall be paid to the fund by including such sum in the biennial budget as submitted by the commissioner of the department of administration and shall be paid from such moneys in the state treasury that have not otherwise been appropriated.

Sec. 3. Minnesota Statutes 1957, Section 268.06 is amended by adding a new subdivision to read:

Subd. 26. Reimbursement of fund by state. To facilitate the discharge by the State of Minnesota and its wholly owned instrumentalities of their obligations under subdivision 25 of this section, the state and its wholly owned instrumentalities shall reimburse the unemployment compensation fund as provided in the following clauses:

(1) *Every self-sustaining department, institution and wholly owned instrumentality of the state shall pay into the unemployment compensation fund semi-annually such amounts as the department of employment security shall certify has been paid from the fund to eligible individuals. For the purposes of this clause a "self-sustaining department, institution or wholly owned instrumentality" is one in which the dedicated income and revenue substantially offsets its cost of operation.*

(2) *Every partially self-sustaining department, institution and wholly owned instrumentality of the state shall pay semi-annually to the unemployment compensation fund such proportion of the sum which the department of employment security certifies has been paid from the fund during the preceding six months to eligible individuals as the total of its income and revenue bears to its annual cost of operation.*

(3) *Every department, institution or wholly owned instrumentality of the state which is not self-sustaining shall pay to the unemployment compensation fund such sums as the department of employment security certifies have been paid from the fund to eligible individuals to the extent funds are available from appropriated funds.*

(4) *The departments, institutions and wholly owned*

instrumentalities of the state, including the University of Minnesota, which have money available shall immediately reimburse the unemployment compensation fund for benefits paid which were charged to their accounts upon receiving notification from the department of employment security of such charges. If an individual to whom benefits were paid was paid by a department, institution or wholly owned instrumentality during his base period from a special or administrative account or fund provided by law, the payment into the unemployment compensation fund shall be made from such special or administrative account or fund with the approval of the department of administration and such amounts are hereby appropriated.

(5) For those departments, institutions and wholly owned instrumentalities of the state which cannot immediately reimburse the unemployment compensation fund for benefits that were charged to their accounts, the commissioner of employment security shall certify on November 1 of each even-numbered year to the department of administration as to the unpaid balances due and owing. Upon receipt of the certification the commissioner of the department of administration shall include such unpaid balances in the biennial budget to be submitted to the legislature.

Sec. 4. Minnesota Statutes 1957, Section 268.06, is amended by adding a new subdivision to read:

Subd. 27. Political subdivisions electing to become employers. Any political subdivision or instrumentality thereof which elects to be an employer under the Minnesota employment security law is hereby authorized and directed to pay its obligations under subdivision 25 of this section by moneys collected from taxes or other revenues. Each and every political subdivision authorized to levy taxes may include in its tax levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this subdivision cause the total amount of taxes levied to exceed any limitation whatsoever upon the power of a political subdivision to levy taxes, such political subdivision may levy taxes in excess of the limitations in such amounts as is necessary to meet its obligations under subdivision 25 of this section. The expenditures authorized to be made under subdivision 25 of this section shall not be included in computing the cost of government as defined in any home rule charter of any city affected thereby. The governing body of a municipality, for the purpose of meeting its liabilities under subdivision 25 of this section, in the event of a deficit, may issue its obligations payable in not more than

two years, in an amount which may cause its indebtedness to exceed any statutory or charter limitations, without an election, and may levy taxes to pay therefor in the manner provided in Minnesota Statutes, section 475.61.

Sec. 5. The provisions of this act shall become effective upon passage.

Approved April 24, 1959.

CHAPTER 703—H. F. No. 1103

An act defining and prohibiting multiple ownership of interests in liquor establishments and amending Minnesota Statutes 1957, Section 340.13.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 340.13 is amended to read:

340.13 Revocation of licenses. Subdivision 1. The authority issuing any license under the provisions of sections 340.07 to 340.96 may revoke the license for violation of any provision of any statute or ordinance relating to the sale of intoxicating liquors, or, may suspend the license if revocation is not mandatory. The licensee shall be granted a hearing upon at least ten days notice before revocation or suspension is ordered by such governing body in all cases where mandatory revocation is not provided by law. "Off sale" licenses may be revoked or suspended by the governing body of the municipality as above provided or by the liquor control commissioner after hearing. No suspension shall exceed 60 days. No manufacturer or wholesaler shall either directly or indirectly own or control or have any financial interest in any retail business selling intoxicating liquor, but this restriction shall not be construed to deny such person the right to use or have his property rented for such purposes in any case where the manufacturer or wholesaler was a bona fide owner of the premises prior to November 1, 1933. No manufacturer or wholesaler shall exact or require, by contract, understanding, or otherwise any licensed retailer to handle or sell only the products of any particular manufacturer or wholesaler. No license shall be granted to any person who opens a new drug store after January 6, 1934, until such person shall have operated such store continuously for a period of two years, or shall have purchased a drug store that shall have been in continuous operation for two years. All licenses issued for any one municipality, except manufacturer's and wholesaler's licenses, shall expire at the same time.