

subdivision 1 may apply for or receive public funds under chapters 245 to 256B, or from any other source.

Subd. 4. DEFINITIONS. Except as indicated in this subdivision, the terms used in this section have the meanings given them under Minnesota Statutes 1982, sections 145.832 to 145.845 and the rules adopted thereunder.

The term "hospital" has the meaning given it in section 144.696, subdivision 3.

Sec. 58. INSTRUCTION TO REVISOR.

The revisor of statutes shall change the references to the commissioner or department of "public welfare" wherever they appear in the Minnesota Statutes to refer to the commissioner or department of "human services" in Minnesota Statutes 1984.

Sec. 59. REPEALER.

Minnesota Statutes 1982, section 256E.07, subdivision 3, and Laws 1983, chapter 289, section 102, are repealed.

Sec. 60. APPLICATION.

The changes mandated by section 45 of this article are effective only for money appropriated in section 2, clause (a). Funds appropriated prior to the effective date of this act shall continue to be allocated as provided in Laws 1983, chapter 312, article 7, section 5.

Sec. 61. EFFECTIVE DATES.

Sections 7, 17 to 21, 23, 24, 39 to 49, 53 to 56, 59, and 60 are effective the day following final enactment. Sections 26 to 29, 32, 35, 37, and section 34, subdivision 2, clause (i) are effective June 1, 1984. Section 34, subdivision 2, clauses (k) and (l) are effective October 1, 1984.

Approved May 2, 1984

CHAPTER 655 — H.F.No. 2207

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erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; reenacting certain laws; correcting 1984 session legislation; amending Minnesota Statutes 1982, sections 14.40; 15.18, as amended; 52.03, subdivision 2, as added; 60B.01, subdivision 1, as amended; 83.26, subdivision 2, as amended; 97.433, subdivision 3; 116C.73; 116D.06, subdivision 1; 123.78, subdivision 1; 156A.04; 161.16, subdivision 4; 169.45; 256C.02; 290.08, subdivision 26, as added; 298.24, subdivision 1, as amended;

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302A.115, subdivision 3; 327C.02, subdivision 3; 336.1-101, as amended; 356.23; 356.25; 383A.09, subdivision 5; 412.022, subdivision 1; 473.404, subdivision 6, if added; 480.057, as amended; 501.78, subdivision 4; 524.1-101, as amended; 524.3-1201; 609.346, subdivision 2; 609.487, subdivision 4; 626.556, subdivision 11, as amended; Minnesota Statutes 1983 Supplement, sections 3.9222, subdivision 6; 14.115, subdivisions 5 and 6; 16.872, subdivision 4; 38.04; 41.61, subdivision 1; 51A.51, subdivisions 2 and 3a; 53.03, subdivision 6; 53.04, subdivision 3a, and as amended; 60A.17, subdivision 6c; 88.644; 102.26, subdivision 3c; 115.071, subdivision 2b; 116J.28, subdivision 3; 124.195, subdivision 10; 124.2137, subdivision 1; 124.272, subdivision 3; 124A.14, subdivision 1; 144A.071, subdivision 5; 168.126, subdivision 1; 169.123, subdivision 2, as amended; 176.111, subdivision 18; 240.08, subdivision 2; 241.64, subdivisions 1 and 3; 256B.431, subdivisions 2 and 3; 260.185, subdivision 1; 268.04, subdivision 25; 272.02, subdivision 1; 273.118; 290.01, subdivision 19; 290.09, subdivision 5; 290.10; 290.17, subdivision 2; 290A.03, subdivision 3; 297A.01, subdivision 3; 297A.02, subdivision 3; 297A.25, subdivision 1; 300.05, subdivision 2, as amended; 325F.09; 393.07, subdivision 1; 420.13; 473.446, subdivision 1, as amended; 505.04; 507.235, subdivision 2; 508.421, subdivision 1; 514.221, subdivision 3; 515A.1-102; 518.17, subdivision 5; 543.20, subdivision 2; 558.215; 629.341, subdivision 1; Laws 1980, chapter 451, section 2; Laws 1983, chapters 128, section 36; 289, section 114, subdivision 1; reenacting Minnesota Statutes 1983 Supplement, sections 45.04, subdivision 1; 116J.28; 256.482, subdivision 2; Laws enacted at the 1984 regular session styled as H.F. Nos. 1156, sections 9 and 13; 1801, section 10, subdivision 5; 2016, article 8, section 2, subdivision 4; 2148, section 2; 2314, section 8; 2317, article 2, section 1; and S.F. Nos. 1336, section 19; 1815, section 1, subdivision 4; 1913, article 1, section 9; 2145, section 1; repealing Minnesota Statutes 1982, sections 156A.031, subdivision 2; 377.06; and 480.059, subdivision 3; repealing Minnesota Statutes 1983 Supplement, section 116D.05; Laws 1982, chapter 501, section 20; Laws 1983, chapters 142, sections 5 and 8; 207, sections 6 and 42; 248, section 3; 253, section 22; 259, section 6; 260, sections 15, 47, and 56, subdivision 2; 277, section 2, subdivision 2; 289, section 16; 293, sections 66, 80, and 83; 301, section 66; 312, article 8, section 6.

REVISOR'S BILL

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA: ARTICLE 1

Section 1. Minnesota Statutes 1983 Supplement, section 3.9222, subdivision 6, is amended to read:

Subd. 6. The ~~legislature~~ legislative coordinating commission shall supply the commission with necessary staff, office space and administrative services.

Sec. 2. Minnesota Statutes 1983 Supplement, section 14.115, subdivision 5, is amended to read:

Subd. 5. **COMPLIANCE.** If a hearing examiner or the attorney general finds that an agency has failed to comply with subdivisions 1 to 4 of ~~this section~~, the rules shall not be adopted.

Sec. 3. Minnesota Statutes 1983 Supplement, section 14.115, subdivision 6, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6. **AGENCY REVIEW OF RULES.** Each agency shall, during the five-year period beginning with the effective date of this section, review the current rules of the agency which were in effect prior to that date and shall consider methods of reducing their impact on small businesses as provided under subdivision 2. If a method appears feasible, the agency shall propose an amendment to the rule. No review is necessary for a rule that is repealed during the five-year period. This subdivision shall not apply to rules governing licensure of occupations listed in section 116J.70, subdivision 2a, clause (3), paragraphs (a) through to (pp).

Sec. 4. Minnesota Statutes 1982, section 14.40, is amended to read:

14.40 REVIEW OF RULES BY COMMISSION.

The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them. The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with section 14.38, subdivisions 5, 6, 7, 8, 9, and 11 or were filed with the secretary of state in accordance with the provisions of section ~~14.19~~ 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed. It may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention. It may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 14.42 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed. The commission shall make a biennial report to the legislature and governor of its activities and include its recommendations to promote adequate and proper rules and public understanding of the rules.

Sec. 5. Minnesota Statutes 1983 Supplement, section 16.872, subdivision 4, is amended to read:

Subd. 4. The powers and duties of the council are:

(1) To develop an overall restoration plan for the governor's residence and surrounding grounds;

(2) To approve alterations in the existing structure as the council deems appropriate;

(3) Notwithstanding the gift acceptance procedures of sections 7.09 to 7.12, to solicit contributions for and maintain and improve the quality of furnishings for the public areas of the building by accepting gifts of, or acquiring

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with donated money, furnishings, objects of art, and other items that the council determines may have historical value in keeping with the period and purpose of the building; and

(4) Notwithstanding sections 7.09 to 7.12, to solicit contributions for the renovation of and making capital improvements to the state ceremonial building governor's residence.

Gifts for the benefit of the governor's residence and surrounding grounds are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Sec. 6. Minnesota Statutes 1983 Supplement, section 38.04, is amended to read:

38.04 ANNUAL MEETINGS; REPORTS.

Every county agricultural society shall hold an annual meeting for the election of officers and the transaction of other business on or before the third Tuesday in November, each year, at which time its secretary shall make a report of its proceedings for the preceding year; this report shall contain a statement of all transactions at its fairs, the numbers of entries, the amount and source of all moneys received, and the amount paid out for premiums and other purposes, and show in detail its entire receipts and expenditures during the year. The report must contain a separate accounting of any income received from the operation of horse racing on which pari-mutuel betting is conducted, and of the disposition of that income.

The treasurer shall make a comprehensive report of the funds received, paid out, and on hand, and upon whose order paid. Each secretary shall cause a certified copy of his annual report to be filed with the county recorder of the county and the commissioner of agriculture on or before the first day of November, each year.

Sec. 7. Minnesota Statutes 1983 Supplement, 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 ~~and to pay~~ including insurance premiums and taxes 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. The sum of all outstanding family farm security loans guaranteed by the commissioner at any time may not exceed \$100,000,000.

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Sec. 8. Minnesota Statutes 1983 Supplement, section 45.04, subdivision 1, is reenacted.

Sec. 9. Laws 1983, chapter 289, section 16, is repealed.

Sec. 10. Minnesota Statutes 1983 Supplement, section 51A.51, subdivision 2, is amended to read:

Subd. 2. **INCORPORATION FEE.** At the time of filing the application for a certificate of incorporation, the incorporators shall pay a \$1,000 filing fee which shall be paid into the state treasury and credited to the general fund, and shall pay to the banking department a \$500 investigation fee. If an 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 by the treasurer to the general fund, shall be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 11. Minnesota Statutes 1983 Supplement, section 51A.51, subdivision 3a, is amended to read:

Subd. 3a. **FEE FOR ESTABLISHMENT OF OTHER THAN PRINCIPAL OFFICE.** There shall accompany each application to the commissioner for establishment of other than the principal office a \$1,000 filing fee payable to the state treasury and \$500 payable to the banking department. If an 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 by the treasurer to the general fund, shall be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 12. Minnesota Statutes 1983 Supplement, section 53.03, subdivision 6, is amended to read:

Subd. 6. **AMENDED CERTIFICATES, THRIFT CERTIFICATES FOR INVESTMENT, APPLICATION, FEE, NOTICE.** Upon approval by the commissioner of banks of a commitment for insurance or guarantee of certificates to be held for investment as required in section 53.10, subdivision 3, an industrial loan and thrift company may apply to the department of commerce for an amended certificate of authorization and consent to sell and issue thrift certificates for investment.

The application, in triplicate, must be in the form prescribed by the department of commerce and filed in its office. At the time of filing the application, the applicant shall pay a filing fee of \$500 and if an 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 by the treasurer to the general fund, must 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

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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 place of business under the application is located, or if there is none, in a newspaper published at the county seat of the county in which the place of business is located. Not more than one place of business maintained under a certificate of authorization may be the subject of an application.

Sec. 13. Minnesota Statutes 1983 Supplement, 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 chapter 56 must be in amounts in compliance with section 53.05, clause ~~(3)~~ (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. The provisions of sections 47.20 and 47.21 do not apply to loans made under this section, 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 section 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, 1984 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 section 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.

Sec. 14. Minnesota Statutes 1983 Supplement, section 60A.17, subdivision 6c, is amended to read:

Subd. 6c. **REVOCATION OR SUSPENSION OF LICENSE.** (a) The commissioner may suspend or revoke an insurance agent's license issued to a

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natural person or impose a civil penalty appropriate to the offense, not to exceed \$5,000 upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee any one or more of the following conditions:

- (1) any materially untrue statement in the license application;
 - (2) any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner at the time of issuance;
 - (3) violation of, or noncompliance with, any insurance law or violation of any rule or order of the commissioner or of a commissioner of insurance of another state or jurisdiction;
 - (4) obtaining or attempting to obtain any license through misrepresentation or fraud;
 - (5) improperly withholding, misappropriating, or converting to the licensee's own use any moneys belonging to a policyholder, insurer, beneficiary, or other person, received by the licensee in the course of the licensee's insurance business;
 - (6) misrepresentation of the terms of any actual or proposed insurance contract;
 - (7) conviction of a felony or of a gross misdemeanor or misdemeanor involving moral turpitude;
 - (8) that the licensee has been found guilty of any unfair trade practice, as defined in chapters 60A to 72A, or of fraud;
 - (9) that in the conduct of the agent's affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or the licensee has been shown to be incompetent, untrustworthy, or financially irresponsible;
 - (10) that the agent's license has been suspended or revoked in any other state, province, district, territory, or foreign country;
 - (11) that the licensee has forged another's name to an application for insurance; or
 - (12) that the licensee has violated subdivision 6b.
- (b) The commissioner may suspend or revoke an insurance agent's license issued to a partnership or corporation or impose a civil penalty not to exceed \$5,000 upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee, or as to any partner, director, shareholder, officer, or employee of that licensee, any one or more of the conditions set forth in paragraph (a).
- (c) A revocation of a license shall prohibit the licensee from making a new application for a license for at least one year. Further, the commissioner may, as

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a condition of relicensure, require the applicant to file a reasonable bond for the protection of the citizens of this state, which bond shall be maintained by the licensee in full force for a period of five years immediately following issuance of the license, unless the commissioner at his or her discretion shall after two years permit the licensee to sooner terminate the maintenance filing of the bond.

(d) Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapter 60A or of any rule or order of the commissioner:

(1) The commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order shall give reasonable notice of the time and place of hearing and shall state the reasons for the entry of the order. A hearing shall be held not later than seven days after the issuance of the order unless the person requests a delay. After the hearing and within 30 days of filing of any exceptions to the hearing examiner's report, the commissioner shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) The commissioner may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with chapter 60A and any rule or order of the commissioner; and

(3) In any proceeding under chapter 60A relating to injunction, the request for injunction may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant. The case shall have precedence over other matters on the court calendar and shall not be continued without the consent of the state of Minnesota, except upon good cause shown to the court, and then only for a reasonable length of time as may be necessary in the opinion of the court to protect the rights of the defendant.

(e) The commissioner may, in the manner prescribed by chapter 14, impose a civil penalty not to exceed \$5,000 upon a person whose licensed license has lapsed, or been suspended, revoked, or otherwise terminated, for engaging in conduct prohibited by paragraph (a) before, during, or after the period of his or her licensure.

Sec. 15. Minnesota Statutes 1983 Supplement, section 88.644, is amended to read:

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88.644 CONSENT OR BILL OF SALE TO BE CARRIED WHEN TRANSPORTING TREES; RECORDS.

Any person having in his possession more than three decorative trees, and any person transporting the same, on any public highway in this state shall carry in his possession the written consent or bill of sale referred to in section 88.642.

The consent or bill of sale, or an original duplicate or certified copy thereof, shall be kept in the possession of the vendee named therein until January 31st of the year following the date thereof and shall be open to inspection during reasonable hours to any officer of the department of natural resources.

Failure to comply with any of the requirements of this section constitutes a violation of sections 88.641 to ~~88.649~~ 88.648 and subjects the decorative trees not covered by a consent or bill of sale to seizure and confiscation by the state as contraband in addition to the other penalties provided for violation thereof.

The provisions of this section shall not apply to decorative trees in the possession of or being transported by any properly authorized federal, state, or local government official for a legitimate public purpose.

Sec. 16. Minnesota Statutes 1982, section 97.433, subdivision 3, is amended to read:

Subd. 3. **SOURCE OF PAYMENTS.** Money to make payments to the Leech Lake Band and White Earth Band special license account pursuant to sections ~~94.16~~ and 97.431, subdivision 4, and 97.432, is annually appropriated for that purpose in a ratio of 60 percent from the game and fish fund and 40 percent from the general fund.

Sec. 17. Minnesota Statutes 1983 Supplement, section 102.26, subdivision 3c, is amended to read:

Subd. 3c. All gill net licenses on Lake of the Woods and Rainy Lake shall be canceled after the 1987 license year. A gill net licensee whose license is canceled as provided in this subdivision retains the walleye quota which he holds at the time of cancellation, subject to the quota phase-out schedule in subdivision 3a or 3b. Notwithstanding the provisions of section 102.235, the licensee may be issued a pound or trap net license for the netting of game fish in accordance with the quota of the licensee.

Sec. 18. Minnesota Statutes 1983 Supplement, section 115.071, subdivision 2b, is amended to read:

Subd. 2b. **HAZARDOUS WASTE; UNLAWFUL DISPOSAL; CRIMINAL PENALTIES.** Any person who knowingly, or with reason to know, disposes of hazardous waste in a manner contrary to any provision of chapter 115 or 116, or any standard or rule adopted in accordance with those chapters relating to disposal, is guilty of a felony. Punishment shall be by a fine of not

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more than \$25,000 per day of violation or by imprisonment for not more than five years, or both.

For the purposes of this subdivision, the terms defined in ~~this clause~~ clauses (a) and (b) have the meanings given them.

(a) "Disposal" has the meaning given it in section 115A.03, subdivision 9.

(b) "Hazardous waste" has the meaning given it in section 116.06, subdivision 13.

Sec. 19. Minnesota Statutes 1982, section 116C.73, is amended to read:

116C.73 TRANSPORTATION OF RADIOACTIVE WASTES INTO STATE.

Notwithstanding any provision of chapter ~~116H~~ 116J, to the contrary, no person shall transport radioactive wastes into the state of Minnesota for the purpose of disposal by burial in soil or permanent storage within Minnesota unless expressly authorized by the Minnesota legislature, except that radioactive wastes may be transported into the state for temporary storage in accordance with applicable federal and state law for up to 12 months pending transportation out of the state.

Sec. 20. Minnesota Statutes 1983 Supplement, section 116D.05 is repealed.

Sec. 21. Minnesota Statutes 1982, section 116D.06, subdivision 1, is amended to read:

Subdivision 1. Nothing in sections 116D.03 to ~~116D.05~~ 116D.045 shall in any way affect the specific statutory obligations of any state agency to (a) comply with criteria or standards of environmental quality, (b) coordinate or consult with any federal or state agency, or (c) act or refrain from acting contingent upon the recommendations or certification of any other state agency or federal agency.

Sec. 22. Minnesota Statutes 1983 Supplement, section 116J.28, is reenacted.

Sec. 23. Minnesota Statutes 1983 Supplement, section 116J.28, subdivision 3, is amended to read:

Subd. 3. No proposed large energy facility shall be certified for construction unless the applicant has justified its need. In assessing need, the ~~commissioner~~ commission shall evaluate:

(1) The accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

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(2) The effect of existing or possible energy conservation programs under sections 116J.05 to 116J.30 or other federal or state legislation on long-term energy demand;

(3) The relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared pursuant to section 116J.18;

(4) Promotional activities which may have given rise to the demand for this facility;

(5) Socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) The effects of the facility in inducing future development;

(7) Possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) The policies, rules, and regulations of other state and federal agencies and local governments; and

(9) Any feasible combination of energy conservation improvements, required by the commission pursuant to section 216B.241, that can (a) replace part or all of the energy to be provided by the proposed facility, and (b) compete with it economically.

Sec. 24. Minnesota Statutes 1982, section 123.78, subdivision 1, is amended to read:

Subdivision 1. **GENERAL PROVISIONS.** A district eligible to receive state aid for transportation under chapter 124, shall provide equal transportation within the district for all school children to any school when transportation is deemed necessary by the school board because of distance or traffic condition in like manner and form as provided in sections 123.39 and 124.223, when applicable.

Sec. 25. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 10, is amended to read:

Subd. 10. **AID PAYMENT PERCENTAGE.** Except as provided in subdivisions 8 and 9, beginning in fiscal year 1984, all education aids and credits in chapters 121, 123, 124, 125, and section 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

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Sec. 26. Minnesota Statutes 1983 Supplement, section 124.272, subdivision 3, is amended to read:

Subd. 3. **COOPERATION PLAN.** To receive aid or to levy pursuant to section 275.125, subdivision 8a a district shall submit to the commissioner of education an application for aid by August 15. The application shall contain the following:

(a) a three-year plan to improve the district curriculum, which gives priority to offering of any of the following: a three-year mathematics sequence in grades 10 ~~through to~~ 12, a three-year science sequence in grades 10 ~~through to~~ 12, a two-year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed increase in curriculum offerings resulting from the agreement;

(e) the estimated instructional cost of the cooperation plan for the following fiscal year; and

(f) other information required by the commissioner.

Sec. 27. Minnesota Statutes 1983 Supplement, section 124A.14, subdivision 1, is amended to read:

Subdivision 1. **FIFTH TIER ALLOWANCE.** "Fifth tier allowance" means the amount of revenue per actual pupil unit used to compute the fifth tier aid for a particular school year and the corresponding levy for that school year. The fifth tier allowance shall equal the result of the following computation:

(a) Determine the revenue the district would have received for the 1984-1985 school year from grandfather revenue, replacement revenue, and low fund balance revenue, if the provisions of Minnesota Statutes 1982, sections 124.2123, 124.2124, and 124.2128 had been effective for the 1984-1985 school year.

(b) Determine the discretionary revenue the district would have received for the 1984-1985 school year if the provisions of Minnesota Statutes 1982, section 124.2125 had been effective for the 1984-1985 school year. Assume the district had been entitled to and had levied the maximum allowable under section 275.125, ~~subdivisions~~ subdivision 7a, and no aid or levy reductions were made according to section 275.125, subdivision 7c.

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(c) Determine the amount of revenue equal to \$25 times the total pupil units in the 1984-1985 school year.

(d) Add the results in clauses (a), (b), and (c).

(e) Determine the estimated revenue the district would receive for the 1984-1985 school year from the first to fourth tier revenue for the 1984-1985 school year.

(f) Subtract the result of clause (e) from the result of clause (d).

(g) Divide the amount in clause (f) by the 1984-1985 actual pupil units.

Sec. 28. Minnesota Statutes 1983 Supplement, section 144A.071, subdivision 5, is amended to read:

Subd. 5. **REPORT.** The commissioner of energy, planning, and development, in consultation with the commissioners of health and public welfare, shall report to the senate health and human services committee and the house health and welfare committee by January 15, 1986 and biennially thereafter regarding:

(1) projections on the number of elderly Minnesota residents including medical assistance recipients;

(2) the number of residents most at risk for nursing home placement;

(3) the needs for long-term care and alternative home and noninstitutional services;

(4) availability of and access to alternative services by geographic region; and

(5) the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long-term care services.

Sec. 29. Minnesota Statutes 1982, section 156A.031, subdivision 2, is repealed.

Sec. 30. Minnesota Statutes 1982, section 156A.04, is amended to read:

156A.04 SUSPENSION OR REVOCATION OF LICENSE.

The state commissioner of health may, after hearing upon reasonable notice, suspend or revoke the license of a contractor or an explorer upon finding that the licensee has violated the provisions of sections 156A.01 to 156A.08 or the rules and regulations adopted hereunder applicable to the particular license. Proceedings by the state commissioner of health pursuant to this section and review thereof shall be in accordance with the Administrative Procedure Act.

Sec. 31. Minnesota Statutes 1982, section 161.16, subdivision 4, is amended to read:

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Subd. 4. **REVERSION OR CONVEYANCE TO ANOTHER ROAD AUTHORITY.** (a) If the commissioner makes a change in the definite location of a trunk highway as provided in this section, the portion of the existing road that is no longer a part of the trunk highway by reason of the change and all right, title, and interest of the state in the trunk highway shall revert to the road authority originally charged with the care of that trunk highway.

(b) If the portion had its origin as a trunk highway, it shall become a county highway unless it lies within the corporate limits of a city, in which case it shall become a street of the city. When the existing road that is no longer a part of the trunk highway by reason of the change lies within a city of less than 5,000 population, the portion shall revert to the county if the portion meets the criteria for a county state-aid highway. In municipalities of over 5,000 population that portion of the road may revert to the county if the appropriate authorities of the state, county and the various cities through which the route passes so agree. Should any city not agree that the portion of the roadway that passes through it shall revert to county jurisdiction, the portion shall not so revert, although the other portions of the roadway in which agreement has been reached shall revert to county jurisdiction. Notwithstanding the other provisions of this chapter or other applicable laws and regulations, the commissioner may convey and quit-claim to a county, city, or other political subdivision all or part of the right of way of the existing road that is no longer a part of the trunk highway by reason of the commissioner's order or orders. The conveyance shall be for highway purposes, and the future cost of maintenance, improvement, or reconstruction of the highway and the contribution of that highway to the public highway system is reasonable and proper consideration for the conveyance. ~~Extra Session Laws 1967, Chapter 11~~ This subdivision shall apply to all trunk highways reverted before the date of its enactment.

Sec. 32. Minnesota Statutes 1983 Supplement, section 168.126, subdivision 1, is amended to read:

Subdivision 1. **UNIQUE REGISTRATION CATEGORY.** A unique vehicle registration category is established for vehicles known as commuter vans, as defined in section 221.011, subdivision ~~22~~, paragraph (4) 27.

Sec. 33. Minnesota Statutes 1982, section 169.45, is amended to read:

169.45 SCHOOL BUSES.

The state board of education shall have sole and exclusive authority to adopt and enforce ~~regulations~~ rules not inconsistent with this chapter to govern the design, color, and operation of school buses used for the transportation of school children, when owned and operated by a school district or privately owned and operated under a contract with a school district, and these ~~regulations~~ rules shall be made a part of any such contract by reference. Each school district, its

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officers and employees, and each person employed under such a contract is subject to these regulations rules.

Sec. 34. Minnesota Statutes 1983 Supplement, section 176.111, subdivision 18, is amended to read:

Subd. 18. **BURIAL EXPENSE.** In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased ~~leave~~ leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 35. Minnesota Statutes 1983 Supplement, section 240.08, subdivision 2, is amended to read:

Subd. 2. **APPLICATION.** An application for a class C license must be on a form the commission prescribes and must be accompanied by an affidavit of qualification that the applicant:

(a) is not in default in the payment of an obligation or debt to the state under Laws 1983, chapter 214;

(b) has never been convicted of a felony in a state or federal court and does not have a state or federal felony charge pending;

(c) is not and never has been connected with or engaged in an illegal business;

(d) has never been found guilty of fraud or misrepresentation in connection with racing or breeding;

(e) has never been found guilty of a violation of law or rule relating to horse racing, pari-mutuel betting or any other form of gambling which is a serious violation as defined by the commission's rules; and

(f) has never knowingly violated a rule or order of the commission or a law of Minnesota relating to racing.

The application must also contain an irrevocable consent statement, to be signed by the applicant, which states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings pleading authorized by the laws of this state. If any summons, process, or pleadings pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other

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copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission.

Sec. 36. Minnesota Statutes 1983 Supplement, section 241.64, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** Within 60 days after the effective date of sections 241.61 to 241.66, the commissioner shall appoint a nine member advisory council to advise him on the implementation of sections 241.61 to 241.66. The provisions of section 15.059 shall govern the terms, removal of members, and expiration of the advisory council. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.

Sec. 37. Minnesota Statutes 1983 Supplement, section 241.64, subdivision 3, is amended to read:

Subd. 3. **DUTIES.** The advisory council shall:

(a) recommend to the commissioner the names of five applicants for the position of project coordinator;

(b) advise the commissioner on the rules promulgated pursuant to section 241.63;

(c) review and comment on applications received by the commissioner for designation as a pilot program and applications for education grants; and

(d) advise the project coordinator in the performance of his duties in the administration and coordination of the programs funded under section 241.62.

Sec. 38. Minnesota Statutes 1983 Supplement, section 256.482, subdivision 2, is reenacted.

Sec. 39. Laws 1983, chapters 260, section 56, subdivision 2; and 277, section 2, subdivision 2, are repealed.

Sec. 40. Minnesota Statutes 1983 Supplement, section 256B.431, subdivision 2, is amended to read:

Subd. 2. **OPERATING COSTS.** (a) The commissioner shall establish, by rule, procedures for determining per diem reimbursement for operating costs based on actual resident days. The commissioner shall disallow any portion of the general and administration cost category, exclusive of fringe benefits and payroll taxes, that exceeds:

(1) 10 percent for nursing homes with more than 100 certified beds in total,

(2) 12 percent for nursing homes with fewer than 101 but more than 40 certified beds in total,

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(3) 14 percent for nursing homes with 40 or fewer certified beds in total, and

(4) 15 percent for convalescent and nursing care units attached to hospitals for the rate year beginning July 1, 1983,

of the expenditures in all operating cost categories except fringe benefits, payroll taxes, and general and administration.

(b) For the rate year beginning July 1, 1983, and ending June 30, 1984, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on the allowed historical operating costs as reported 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 allowed. To determine the allowed historical operating cost, the commissioner shall update the historical per diem shown in those cost reports to June 30, 1983, using a nine percent annual rate of increase after applying the general and administrative cost limitation described in paragraph (a). The commissioner shall calculate the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1.

(1) Within each group, each nursing home whose actual allowable historical operating cost per diem as determined under this paragraph (b) is above the 60th percentile shall receive the 60th percentile increased by six percent plus 80 percent of the difference between its actual allowable operating cost per diem and the 60th percentile.

(2) Within each group, each nursing home whose actual allowable historical operating cost per diem is at or below the 60th percentile shall receive that actual allowable historical operating cost per diem increased by six percent.

For the rate year beginning July 1, 1984, and ending June 30, 1985, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on actual allowable historical operating costs incurred during the reporting year preceding the rate year. The commissioner shall analyze and evaluate each nursing home's report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year. The actual allowable historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the number of actual resident days to compute the actual allowable historical operating cost per diems. The commissioner shall calculate the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1.

(3) Within each group, each nursing home whose actual allowable historical operating cost per diem is above the 60th percentile of payment rates shall receive the 60th percentile increased at an annual rate of six percent plus 75

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percent of the difference between its actual allowable historical operating cost per diem and the 60th percentile.

(4) Within each group, each nursing home whose actual allowable historical operating cost per diem is at or below the 60th percentile shall receive that actual allowable historical operating cost per diem increased at an annual rate of six percent.

(c) For subsequent years, the commissioner shall:

(1) 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;

(2) Establish the 60th percentile of 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 commissioner shall analyze and evaluate each nursing home's 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. The allowable historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the actual number of resident days in order to compute the actual allowable historical operating cost per diem;

(3) Establish a composite index for each group by determining the weighted average of all economic change indicators applied to the operating cost categories in that group;

(4) Within each group, each nursing home shall receive the 60th percentile increased by the composite index calculated in paragraph (c)(3). The historical base for determining the prospective payment rate shall not exceed the operating cost payment rates during that reporting year.

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 (i) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, but (ii) shall not be used to compute the 60th percentile.

(d) The commissioner shall allow the nursing home to keep, as an efficiency incentive, the difference between the nursing home's operating cost payment rate established for that rate year and the actual historical operating costs incurred for that rate year, if the latter amount is smaller. If a nursing home's actual historic operating costs are greater than the prospective payment

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rate for that rate year, there shall be no retroactive cost settle-up. If an annual cost report or field audit indicates that the expenditures for direct resident care have been reduced in amounts large enough to indicate a possible detrimental effect on the quality of care, the commissioner shall notify the commissioner of health and the interagency board for quality assurance. If a field audit reveals that unallowable expenditures have been included in the nursing home's historical operating costs, the commissioner shall disallow the expenditures and recover the entire overpayment. The commissioner shall establish, by rule, procedures for assessing an interest charge at the rate determined for unpaid taxes or penalties under section 270.75 on any outstanding balance resulting from an overpayment or underpayment.

(e) The commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days, who have extensive care needs based on nursing hours actually provided or mental or physical disability, or need for respite care for a specified and limited time period, and based on an assessment of the nursing home's resident mix as determined by the commissioner of health. The payment rate negotiated and paid pursuant to this paragraph is specifically exempt from the definition of "rule" and the rule-making procedures required by chapter 14 and section 256B.502.

(f) Until groups are established according to mix of resident care needs, nursing homes licensed on June 1, 1983 by the commissioner to provide residential services for the physically handicapped and nursing homes that have an average length of stay of less than 180 days shall not be included in the calculation of the 60th percentile of any group. For rate year beginning July 1, 1983 and July 1, 1984, each of these nursing homes shall receive their actual allowed historical operating cost per diem increased by six percent. The commissioner shall also apply to these nursing homes the percentage limitation on the general and administrative cost category as provided in subdivision 2, paragraph (a).

Sec. 41. Minnesota Statutes 1983 Supplement, section 256B.431, subdivision 3, is amended to read:

Subd. 3. **PROPERTY-RELATED COSTS.** (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.

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(b) Adjustments for the cost of repairs, replacements, renewals, betterments, or improvements to existing buildings, and building service equipment shall be allowed if:

- (i) (1) The cost incurred is reasonable, necessary, and ordinary;
- (ii) (2) The net cost is greater than \$5,000. "Net cost" means the actual cost, minus proceeds from insurance, salvage, or disposal;
- (iii) (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
- (iv) (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 temporary and permanent rules to recapture excess depreciation upon sale of a nursing home.

(d) 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" 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) In developing the method for determining payment rates for the rental use of nursing homes, the commissioner shall consider factors designed to:

- (i) (1) simplify the administrative procedures for determining payment rates for property-related costs;
- (ii) (2) minimize discretionary or appealable decisions;
- (iii) (3) eliminate any incentives to sell nursing homes;
- (iv) (4) recognize legitimate costs of preserving and replacing property;
- (v) (5) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;

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(vi) (6) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;

(vii) (7) establish an investment per bed limitation;

(viii) (8) reward efficient management of capital assets;

(ix) (9) provide equitable treatment of facilities;

(x) (10) consider a variable rate; and

(xi) (11) phase in implementation of the rental reimbursement method.

(f) 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. 42. Minnesota Statutes 1982, section 256C.02, is amended to read:

256C.02 PUBLIC ACCOMMODATIONS.

The blind, the visually handicapped, and the otherwise physically disabled have the same right as the able-bodied to the full and free use of the streets, highways, sidewalks, walkways, public buildings, public facilities, and other public places; and are entitled to full and equal accommodations, advantages, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motor buses, boats, or any other public conveyances or modes of transportation, hotels, lodging places, places of public accommodation, amusement, or resort, and other places to which the general public is invited, subject only to the conditions and limitations established by law and applicable alike to all persons.

Every totally or partially blind or deaf person shall have the right to be accompanied by a guide dog in any of the places listed in section ~~327.095~~ 363.03, subdivision 10; provided that he shall be liable for any damage done to the premises or facilities by such dog.

Sec. 43. Minnesota Statutes 1983 Supplement, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or his parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in his own home under conditions prescribed by the court including reasonable rules for his conduct and the conduct of his parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections,

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in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless he is licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$500; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for his physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until his 18th birthday, the court may recommend to the commissioner of ~~transportation~~ public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of ~~transportation~~ public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

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Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.

Sec. 44. Minnesota Statutes 1983 Supplement, 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), 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

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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 ~~(e)~~ (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. 45. Minnesota Statutes 1983 Supplement, section 272.02, subdivision 1, is amended to read:

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Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;

(8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct the exemption from the total valuation of the property as equalized by the commissioner of revenue assessed to the household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds, certificates of indebtedness, or other obligations issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state are exempt from ad valorem property taxation; provided, that this subdivision shall not exempt the obligations or their interest from any excise or other tax levied on income, gross earnings, estates, inheritance, bequests, gifts, transfers, sales, or other transactions, other than an ad valorem property tax.

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(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by chapter 297A;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, 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.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be legal, feasible, and economi-

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cally 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.

(16) 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.

(17) 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.

(18) 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.

(19) 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.

(20) If approved by the governing body of the municipality in which the property is located, a direct satellite broadcasting facility or fixed satellite

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regional or national program service facility, construction of which is commenced after June 30, 1983, 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. As used in this clause, a "direct satellite broadcasting facility" is a facility operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band and a "fixed satellite regional or national program service facility" is a 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. 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.

(21) If approved by the governing body of the municipality in which the property is located, a facility construction of which is ~~commercial~~ commenced after June 30, 1983, 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, 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.

Sec. 46. Minnesota Statutes 1983 Supplement, section 273.118, is amended to read:

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273.118 TAX PAID IN RECOGNITION OF CONGRESSIONAL MEDAL OF HONOR.

An owner of 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. Property taxes paid under this section reduce property taxes payable for purposes of chapter 290A, the Property Tax Refund Act.

Sec. 47. Minnesota Statutes 1983 Supplement, 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;

(b) For individuals, the deductions allowed in section 290.088, without regard to ~~section~~ sections 290.18, subdivision 1, ~~section~~ 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. 48. Minnesota Statutes 1983 Supplement, section 290.09, subdivision 5, is amended to read:

Subd. 5. **LOSSES.** (a) **GENERAL RULE.** There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(b) **AMOUNT OF DEDUCTION.** For purposes of paragraph (a), the basis for determining the amount of the deduction for any loss shall be the adjusted basis provided in this chapter for determining the loss from the sale or other disposition of property.

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(c) **WAGERING LOSSES.** Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions. No loss from pari-mutuel betting shall be allowed except to the extent of verified receipts and the sworn testimony of as at least one witness other than the taxpayer or his spouse.

(d) **THEFT LOSSES.** For purposes of paragraph (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

(e) **CAPITAL LOSSES.** Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in section 290.16.

(f) **WORTHLESS SECURITIES.** If any security which is a capital asset becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this chapter, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

The definitions contained in section 165(g) of the Internal Revenue Code of 1954, as amended through January 15, 1983, shall apply. No deduction shall be allowed for any loss sustained on any registration-required obligation as defined in and except as provided in section 165(j) of the Internal Revenue Code of 1954, as amended through January 15, 1983.

(g) **DISASTER LOSSES.** Notwithstanding the provisions of paragraph (a), any loss attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the provisions of the Federal Disaster Relief Act of 1974 shall be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred. This provision shall apply only if an election has been made under the provisions of Section 165(i) of the Internal Revenue Code of 1954, as amended through January 15, 1983 for federal income tax purposes. Such deduction allowed in the preceding taxable year shall not exceed the uncompensated amount determined on the basis of the facts existing at the date the taxpayer claims the loss. If an election is made, the casualty resulting in the loss will be deemed to have occurred in the taxable year for which the deduction is claimed.

Sec. 49. Minnesota Statutes 1983 Supplement, section 290.10, is amended to read:

290.10 NONDEDUCTIBLE ITEMS.

In computing the net income no deduction shall in any case be allowed for:

- (1) Personal, living or family expenses;

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(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, 1982;

(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, 1982;

(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, 1982;

(9) Expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this chapter;

(10) In situations where this chapter provides for a subtraction from gross income of a specific dollar amount of an item of income assignable to this state, and within the measure of the tax imposed by this chapter, that portion of the federal income tax liability assessed upon such income subtracted, and any expenses attributable to earning such income, shall not be deductible in computing net income;

(11) Amounts paid or accrued for such taxes and carrying charges as, under 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) 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

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the federal Controlled Substances Act) which is prohibited by federal law or the law of Minnesota.

Sec. 50. Minnesota Statutes 1983 Supplement, section 290.17, subdivision 2, is amended to read:

Subd. 2. **OTHER TAXPAYERS.** In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) (a) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state.

(b) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner.

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota. In order to eliminate the need to file state or provincial income tax returns in several states or provinces, Minnesota will exclude from income any income assigned to Minnesota under the provisions of this clause for a nonresident athlete who is employed by an athletic team whose operations are not based in this state if the state or province in which the athletic team is based provides a similar income exclusion. If the state or province in which the athletic team's operations are based does not have an income tax on an individual's personal service income, it will be deemed that that state or province has a similar income exclusion. As used in the preceding sentence, the term "province" means a province of Canada.

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete not listed in clause (i), or who is an entertainer, for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income from winnings on Minnesota pari-mutuel betting tickets shall be assigned to this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains,

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and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state or is a resident trust or estate.

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1), nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

If the trade or business carried on wholly or partly in Minnesota is part of a unitary business, the entire income of that unitary business shall be subject to apportionment under section 290.19 except for business income subject to the provisions of clause (1) and farm income subject to the provisions of clause (2). The term "unitary business" shall mean business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. Unity shall be presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction but the absence of these centralized activities will not necessarily evidence a nonunitary business. Unity of ownership will not be deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more corporations more than 50 percent of the voting stock of each member of

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the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group.

The entire income of a unitary business shall be subject to apportionment as provided in section 290.19. None of the income of a unitary business shall be considered as derived from any particular source and none shall be allocated to any particular place except as provided by the applicable apportionment formula.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1981, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(6) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 51. Minnesota Statutes 1983 Supplement, section 290A.03, subdivision 3, is amended to read:

Subd. 3. **INCOME.** (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through March 12, ~~1982~~ 1983; and

(b) the sum of the following amounts to the extent not included in clause (a):

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(i) additions to federal adjusted gross income as provided in Minnesota Statutes, section 290.01, subdivision 20a, clauses (1), (2), (6), (11), (12), and (16);

(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.

(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 sections 290A.01 to 290A.20;

(e) child support payments received under a temporary or final decree of dissolution or legal separation;

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(f) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or

(g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

Sec. 52. EFFECTIVE DATE.

Section 51 is effective for taxable years beginning after December 31, 1982. If a different date is provided for section 290A.03, subdivision 3, clause (1)(a), by any other 1984 act, the amendment by section 51 shall be superseded by the other amendment on the date the other amendment becomes effective, notwithstanding section 645.26, subdivision 3.

Sec. 53. Minnesota Statutes 1983 Supplement, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter. "Sales" also include the transfer of computer software, meaning information and directions which dictate the function to be performed by data processing equipment and which are sold without adaptation to the specific requirements of the purchaser. This type of computer software, whether contained on tape, discs, cards, or other devices, shall be considered tangible personal property;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization. Notwithstanding section

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297A.25, subdivision 1, clause (a), taxable food or meals include, but is are not limited to, the following:

- (i) heated food or drinks;
 - (ii) sandwiches prepared by the retailer;
 - (iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;
 - (iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;
 - (v) soft drinks and other beverages prepared or served by the retailer;
 - (vi) gum;
 - (vii) ice;
 - (viii) all food sold in vending machines;
 - (ix) party trays prepared by the retailers; and
 - (x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;
- (d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;
- (e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;
- (f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;
- (g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;
- (h) Notwithstanding subdivision 4, and section 297A.25, subdivision 1, clause (h), the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association

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but shall not apply with respect to the sale of a horse bred and born in the state of Minnesota.

Sec. 54. Minnesota Statutes 1983 Supplement, section 297A.02, subdivision 3, is amended to read:

Subd. 3. **LIQUOR AND BEER SALES.** Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of intoxicating liquor, as defined in section 340.07, subdivision 2, and nonintoxicating malt liquor, as defined in section 340.001, subdivision 2, shall be 8.5 percent. Nonintoxicating malt liquor is subject to taxation under this subdivision only when sold at a an on-sale or off-sale municipal liquor store or other establishment licensed to sell any type of intoxicating liquor.

Sec. 55. Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, 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;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than noncarbonated 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

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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;

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(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

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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;

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(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 airlflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators;

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public;

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed;

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. 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;

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(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, section 1901, as amended;

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect;

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph;

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25;

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota;

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of

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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 consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses;

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 56. Minnesota Statutes 1982, section 302A.115, subdivision 3, is amended to read:

Subd. 3. **DETERMINATION.** The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section and section ~~301A.117~~ 302A.117.

Sec. 57. Minnesota Statutes 1983 Supplement, section 325F.09, is amended to read:

325F.09 DEFINITIONS.

(a) "Child" means any person less than 14 years of age;

(b) A toy presents an electrical hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture may cause personal injury or illness by electrical shock or electrocution;

(c) A toy presents a mechanical hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness:

(1) from fracture, fragmentation, or disassembly of the article;

(2) from propulsion of the article or any part or accessory thereof;

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- (3) from points or other protrusions, surfaces, edges, openings, or closures;
- (4) from moving parts;
- (5) from lack or insufficiency of controls to reduce or stop motion;
- (6) as a result of self-adhering characteristics of the article;
- (7) because the article or any part or accessory thereof may be aspirated or ingested;
- (8) because of instability;
- (9) from stuffing material which is not free of dangerous or harmful substances; or
- (10) because of any other aspect of the article's design or manufacture.

(d) A toy presents a thermal hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness because of heat as from heated parts, substances, or surfaces.

(e) "Toxic" means able to produce personal injury or illness to a person through ingestion, inhalation, or absorption through any body surface and can apply to any substance other than a radioactive substance.

(f) "Flammable" means having a flash point up to 80 degrees Fahrenheit as determined by the Tagliabue Open Cup Tester. The flammability of solids and of the contents of self-pressurized containers shall be determined by methods generally recognized as applicable to the materials or containers and established by rules issued by the commissioner.

(g) A toy presents a hazard of asphyxiation or suffocation if, in normal use or when subject to ~~reasonable~~ reasonably foreseeable damage or abuse, its design, manufacture or storage presents a risk of personal injury or illness from interference with normal breathing.

(h) "Commissioner" means commissioner of commerce.

(i) "Inspector" means an inspector of the department of commerce.

Sec. 58. Minnesota Statutes 1982, section 327C.02, subdivision 3, is amended to read:

Subd. 3. **SERVICE OF NOTICES.** A park owner may give notice as required by this section or sections 327C.03 and ~~327C.08~~ 327C.09: (a) personally, (b) by mailing the notice to the last known mailing address of the resident, or (c) by delivering the notice to the home of the resident. Notice by certified mail is effective even if the resident refuses to accept delivery. Service by delivery to the resident's home is effective if the notice is left at the home with someone of

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suitable age and discretion or is placed in a secure and conspicuous location at the home.

Sec. 59. Minnesota Statutes 1982, section 356.23, is amended to read:

356.23 OPTIONAL BASIS OR ASSUMPTIONS; SPECIFICATION.

In addition to the financial reports and actuarial valuations required by sections 356.20 to 356.23, the governing or managing board of the funds concerned may submit reports and valuations for distribution to the legislature or any of its commissions or committees on a different basis or on different assumptions ~~that~~ than are specified in sections 356.20 to 356.23; provided the assumptions and basis of such reports and valuations are clearly set forth therein.

Sec. 60. Minnesota Statutes 1982, section 356.25, is amended to read:

356.25 LOCAL GOVERNMENTAL PENSION FUND PROHIBITIONS; EXCLUSIONS.

Notwithstanding any other provision of law or charter, no city, county, public agency or instrumentality, or other political subdivision shall, after August 1, 1975, establish for any of its employees any local pension plan or fund financed in whole or in part from public funds, other than a volunteer firefighter's relief association established pursuant to chapter ~~422A~~ 424A and governed by sections 69.771 to 69.776.

Sec. 61. Minnesota Statutes 1982, section 377.06, is repealed.

Sec. 62. Minnesota Statutes 1982, section 383A.09, subdivision 5, is amended to read:

Subd. 5. **REFERENDUM.** The provisions contained in subdivision 1 or 2 and a decision by the board to sell bonds for either the adult detention center or the juvenile center shall not become operative if, within 30 days after the county board by resolution indicates its intention to sell the first series of bonds, under subdivision 1 or 2, there shall be filed with the auditor of Ramsey county a petition or petitions, signed by not less than 20 percent of the qualified voters of the county requesting that a referendum be held to determine the question of the issuance of bonds by the county. Each of the signers on a petition shall affix his signature and his permanent address to the petition, and the signer shall swear that he is a resident of Ramsey county and qualified to vote at a general election therein. Any petition or petitions demanding a referendum under this act shall refer to this act by its chapter number, title, the date of passage and its subject matter. If a petition or petitions containing not less than the minimum number of signatures as designated above, are filed and the signatures are genuine and the petition or petitions answer completely the requirements as set out in this subdivision, the board shall fix a time for the holding of a referendum, which shall be not less than 30 days and not more than 180 days after the petition or petitions are filed and the signatures thereon are found to be genuine and

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sufficient by the board. The election shall be held at a time and at places within Ramsey county as the board shall designate.

In submitting the question to the voters in said referendum, there shall be used a ballot in the following form:

COUNTY BALLOT

For the issuance of not to exceed \$..... of bonds of Ramsey county and the expenditure of such sum in order to acquire land for, erect, equip and furnish a (adult detention center or juvenile center, as appropriate), according to the provisions of Laws 1975, Chapter (Chapter number of this act to be here inserted).

Yes..... No.....

If a majority of the voters voting on the question submitted to the voters of Ramsey county shall vote in the affirmative, all sections of this act immediately preceding this section shall take effect and be in force immediately. A negative vote by the voters in a referendum on bonds for the adult detention center or juvenile center pursuant to this subdivision shall apply to the entirety of the bonds able to be sold for the adult detention center or juvenile center, as appropriate.

Sec. 63. Minnesota Statutes 1983 Supplement, section 393.07, subdivision 1, is amended to read:

Subdivision 1. **PUBLIC CHILD WELFARE PROGRAM.** a. (a) To assist in carrying out the child protection, delinquency prevention and family assistance responsibilities of the state, the county welfare board shall administer a program of social services and financial assistance to be known as the public child welfare program. The public child welfare program shall be supervised by the commissioner of public welfare and administered by the county welfare board in accordance with law and with rules of the commissioner.

b. (b) The purpose of the public child welfare program is to assure protection for and financial assistance to children who are confronted with social, physical, or emotional problems requiring protection and assistance. These problems include, but are not limited to the following:

- (1) Mental, emotional, or physical handicap;
- (2) Birth of a child to a mother who was not married to the child's father when the child was conceived nor when the child was born, including but not limited to costs of prenatal care, confinement and other care necessary for the protection of a child born to a mother who was not married to the child's father at the time of the child's conception nor at the birth;

- (3) Dependency, neglect;

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(4) Delinquency;

(5) Abuse or rejection of a child by its parents;

(6) Absence of a parent or guardian able and willing to provide needed care and supervision;

(7) Need of parents for assistance with child rearing problems, or in placing the child in foster care.

e. (c) A county welfare board shall make the services of its public child welfare program available as required by law, by the commissioner, or by the courts and shall cooperate with other agencies, public or private, dealing with the problems of children and their parents as provided in this subdivision.

The public child welfare program shall be available in divorce cases for investigations of children and home conditions and for supervision of children when directed by the court hearing the divorce.

d. (d) A county welfare board may rent, lease, or purchase property, or in any other way approved by the commissioner, contract with individuals or agencies to provide needed facilities for foster care of children. It may purchase services or child care from duly authorized individuals, agencies or institutions when in its judgment the needs of a child or his family can best be met in this way.

Sec. 64. Minnesota Statutes 1982, section 412.022, subdivision 1, is amended to read:

Subdivision 1. **PROCEDURE.** The council may, by ordinance, establish a four-year term or reestablish a two-year ~~or reestablish a two-year~~ term for the office of mayor commencing with the ensuing term, except that in a standard plan city which establishes a four-year term for mayor, the first mayor to serve a four-year term shall be elected at the first election when the clerk is not to be elected. In any case the ordinance shall not affect the term of the mayor elected in the year in which it is adopted unless it is adopted at least four weeks before the closing date for the filing of affidavits of candidacy for such election.

Sec. 65. Minnesota Statutes 1983 Supplement, section 420.13, is amended to read:

420.13 **SUSPENSION OR REMOVAL.**

If, after investigation and trial by the civil service commission, an employee is found guilty of inefficiency, breach of duty, or misconduct, he may be removed, reduced, or suspended and his name may be stricken from the service register. If the board determines that the charges are not sustained, the accused, if he has been suspended pending investigation, shall be immediately reinstated and paid all back pay due for the period of suspension.

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Findings, determinations, and orders of the commission for suspension, reduction, or removal shall be in writing and filed within three days after the completion of the hearing with the secretary of the commission. The secretary shall notify the employee of the decision in writing. Any person suspended, reduced, or removed by the commission after investigation may appeal in accordance with chapter 14.

The question to be determined by the court shall be:

"Upon the evidence was the order of the commission reasonable?"

Sec. 66. Minnesota Statutes 1982, section 480.059, subdivision 3, is repealed.

Sec. 67. Minnesota Statutes 1982, section 501.78, subdivision 4, is amended to read:

Subd. 4. **REPORT OF APPLICATIONS FOR TAX EXEMPTION.** Every officer, agency, board or commission of this state receiving applications for exemption from taxation of any charitable trust subject to sections 501.71 to 501.81 shall annually file with the attorney general a list of all applications received during the year and shall notify the ~~division~~ attorney general of any suspension or revocation of a tax exempt status previously granted.

Sec. 68. Minnesota Statutes 1983 Supplement, 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 ~~auditor~~ treasurer that the current year's taxes have been paid, shall be filed and recorded in the office of the county recorder.

Sec. 69. Minnesota Statutes 1983 Supplement, section 507.235, subdivision 2, is amended to read:

Subd. 2. **PENALTY FOR FAILURE TO FILE.** If a contract for deed is not filed as required ~~by the county board adopted~~ pursuant to subdivision 1, a penalty is imposed equal to 0.15 percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be a lien against the property and shall have the same priority and be collected in the same manner provided for real property taxes.

Sec. 70. Minnesota Statutes 1983 Supplement, section 508.421, subdivision 1, is amended to read:

Subdivision 1. **SURRENDER; REISSUANCE.** The owner or owners of registered land may surrender ~~their owners'~~ the owner's duplicate certificate of

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title and the registrar of titles may then issue to them a new certificate of title free from the memorials of all interests which have terminated.

Sec. 71. Minnesota Statutes 1983 Supplement, section 514.221, subdivision 3, is amended to read:

Subd. 3. **PRIORITY, FORECLOSURE; LIMITATION.** A lien created by this section is prior and paramount to all other liens upon the aircraft except those previously filed in the appropriate filing office. The lien shall be treated in all respects as a secured transaction under the Uniform Commercial Code, sections 336.9-401 to ~~336.4-508~~ 336.9-508, except that:

(a) any foreclosure proceedings must be instituted within one year of the date the lien was filed; and

(b) the lien is subject to the rights of a purchaser of the aircraft in cases where the purchaser acquired the aircraft prior to the filing of the lien without knowledge or notice of the rights of the person performing the work or furnishing the material.

Sec. 72. Minnesota Statutes 1983 Supplement, section 515A.1-102, is amended to read:

515A.1-102 APPLICABILITY.

(a) Sections 515A.1-105 (~~Separate Titles and Property Taxation; Homestead~~), 515A.1-106 (Applicability of Local Ordinances, Regulations, and Building Codes), 515A.1-107 (Eminent Domain), 515A.2-103 (Construction and Validity of Declaration and Bylaws), 515A.2-104 (Description of Units), 515A.3-102 (a) (1) to (5) and (9) to (12) (Powers of Unit Owners Association), 515A.3-111 (Tort and Contract Liability), 515A.3-112 (Insurance), 515A.3-115 (Lien for Assessments), 515A.3-116 (Association Records), 515A.4-107 (Resales of Units), and 515A.1-103 (Definitions) to the extent necessary in construing any of those sections, apply to all condominiums created in this state prior to August 1, 1980; provided, however, that these sections apply only with respect to events and circumstances occurring after July 31, 1980, and do not invalidate existing provisions of the declaration, bylaws, or floor plans of those condominiums.

(b) Sections 515A.1-101 to 515A.4-117 apply to all condominiums created within this state after August 1, 1980. The provisions of sections 515.01 to 515.29 do not apply to condominiums created after August 1, 1980 and do not invalidate any amendment to the declaration, bylaws, or floor plans of any condominium created before August 1, 1980 if the amendment would be permitted by sections 515A.1-101 to 515A.4-117. The amendment must be adopted in conformity with the procedures and requirements specified by those instruments and by sections 515.01 to 515.29. If the amendment grants to any person any rights, powers or privileges permitted by sections 515A.1-101 to 515A.4-117, all

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correlative obligations, liabilities, and restrictions in sections 515A.1-101 to 515A.4-117 also apply to that person.

Sec. 73. Minnesota Statutes 1983 Supplement, section 518.17, subdivision 5, is amended to read:

Subd. 5. **DEVIATION FROM GUIDELINES.** The court shall not order the noncustodial parent to pay support in an amount below the appropriate amount determined from the guidelines in section 518.551, subdivision 5 for use in public assistance cases, unless the court makes express findings of fact as to the reason for the lower order.

Sec. 74. Minnesota Statutes 1982, section 524.3-1201, is amended to read:

524.3-1201 COLLECTION OF PERSONAL PROPERTY BY AFFIDAVIT.

(a) Thirty days after the death of a decedent, any person indebted to the decedent or having possession of tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action belonging to the decedent shall make payment of the indebtedness or deliver the tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action to a person claiming to be the successor of the decedent upon being presented a certified death certificate of the decedent and an affidavit, in duplicate, made by or on behalf of the successor stating that:

(1) the value of the entire probate estate, wherever located, less liens and encumbrances, does not exceed \$5,000;

(2) 30 days have elapsed since the death of the decedent;

(3) no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction; and

(4) the claiming successor is entitled to payment or delivery of the property.

(b) A transfer agent of any security shall change the registered ownership on the books of a corporation from the decedent to the successor or successors upon the presentation of an affidavit as provided in subsection (a) ~~notwithstanding the provisions of section 291.20, subdivision 3.~~

Sec. 75. Minnesota Statutes 1983 Supplement, section 543.20, subdivision 2, is amended to read:

Subd. 2. **APPLICABILITY.** Service at a place of employment applies only to: (a) summons in an action for dissolution, ~~amendment annulment~~, legal separation, or under the parentage act and under section 256.87; (b) orders to show cause under both section 256.87 and the revised uniform Reciprocal

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Enforcement of Support Act as well as for contempt of court for failure to pay child support; (c) petitions under the Domestic Abuse Act; and (d) motions, orders and judgments for the payment of child support when the court orders personal service.

Sec. 76. Minnesota Statutes 1983 Supplement, section 558.215, is amended to read:

558.215 ORDERS, INTERLOCUTORY JUDGMENTS; APPEALS.

Any party to any partition proceedings may appeal from any order or interlocutory judgment made and entered pursuant to sections 558.04, 558.07, 558.14, or 558.21, to the court of appeals within 30 days after the making and filing of any the order or interlocutory judgment. Any appeal shall be taken as in other civil cases.

All matters determined by any order or interlocutory judgment shall be conclusive and binding upon all parties to the proceedings and shall never be subject to review by the court unless appealed from as provided herein.

Sec. 77. Minnesota Statutes 1982, section 609.346, subdivision 2, is amended to read:

Subd. 2. For the purposes of this section, an offense is considered a second or subsequent offense if, prior to conviction of the second or subsequent offense, the actor has been at any time convicted under sections 609.342 to 609.346 609.345 or sections 609.364 to 609.3644 or under any similar statute of the United States, or this or any other state.

Sec. 78. Minnesota Statutes 1982, section 609.487, subdivision 4, is amended to read:

Subd. 4. FLEEING AN OFFICER; DEATH; BODILY INJURY.

Whoever flees or attempts to flee by means of a motor vehicle a peace officer who is acting in the lawful discharge of an official duty, and the perpetrator knows or should reasonably know the same to be a peace officer, and who in the course of fleeing causes the death of a human being not constituting murder or manslaughter or any bodily injury to any person other than himself may be sentenced to imprisonment as follows:

(a) If the course of fleeing results in death, to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both; or

(b) If the course of fleeing results in great bodily harm, to imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both; or

(c) If the course of fleeing results in substantial bodily harm, to imprisonment for not more than three years or to payment of a fine of not more than \$3,000, or both.

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Sec. 79. Minnesota Statutes 1983 Supplement, section 629.341, subdivision 1, is amended to read:

Subdivision 1. **ARREST.** Notwithstanding the provisions of section 629.34 or any other law or rule to the contrary, a peace officer may arrest without a warrant a person anywhere, including at his place of residence if the peace officer has probable cause to believe the person within the preceding four hours has assaulted, threatened with a dangerous weapon, or placed in fear of immediate bodily harm his spouse, former spouse, or other person with whom he resides or has formerly resided, although the assault did not take place in the presence of the peace officer.

Sec. 80. Laws 1982, chapter 501, section 20, is repealed.

Sec. 81. Laws 1980, chapter 451, section 2, is amended to read:

Sec. 2. This act is effective the day following final enactment. Section 1, subdivision 2, is repealed on July 31, ~~1983~~ 1985.

Sec. 82. Laws 1983, chapter 128, section 36, is amended to read:

Sec. 36. **REPEAL.**

Minnesota Statutes 1982, sections 352.041, subdivision 6; 352.115, subdivisions 4 and 5; 352.118; 352.1191; 352.22, subdivision 4; 352.71; 352.93, subdivisions 5 and 6; 352B.01, subdivision 8; 352B.02, subdivision 2; 352B.06; 352B.13; ~~353B.261~~ 352B.261; and ~~353B.262~~ 352B.262, are repealed.

Sec. 83. Laws 1983, chapter 142, section 5, is repealed.

Sec. 84. Laws 1983, chapter 142, section 8, is repealed.

Sec. 85. Laws 1983, chapter 207, section 6, is repealed.

Sec. 86. Laws 1983, chapter 207, section 42, is repealed.

Sec. 87. Laws 1983, chapter 248, section 3, is repealed.

Sec. 88. Laws 1983, chapter 253, section 22, is repealed.

Sec. 89. Laws 1983, chapter 259, section 6, is repealed.

Sec. 90. Laws 1983, chapter 260, section 15, is repealed.

Sec. 91. Laws 1983, chapter 260, section 47, is repealed.

Sec. 92. Laws 1983, chapter 289, section 114, subdivision 1, is amended to read:

Sec. 114. **INSTRUCTIONS TO REVISOR.**

Subdivision 1. The revisor of statutes shall substitute the term "commissioner of commerce" or "commissioner" or "department" or similar terms as

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appropriate for the following terms and similar terms, as necessary to reflect the transfers of powers, duties, and responsibilities prescribed by this act:

(a) "commerce commission" meaning the state commerce commission, "department of commerce," or "commerce department" where those terms appear in Minnesota Statutes;

(b) "commissioner of banks," "commissioner of banking," or "banking commissioner" where those terms appear in Minnesota Statutes;

(c) "commissioner of insurance" or "insurance commissioner" where those terms appear in Minnesota Statutes;

(d) "commissioner of securities and real estate" where that term appears in Minnesota Statutes;

(e) "division" where that term appears in chapters 46 to 59A, and "banking division" or "division of banking" where those terms appear in Minnesota Statutes;

(f) "division of insurance," "insurance division," "department of insurance," or "insurance department" where those terms appear in Minnesota Statutes;

(g) "department of securities and real estate," "securities and real estate department," "securities and real estate division," or "division of securities and real estate" where those terms appear in Minnesota Statutes; and

(h) ~~"department of administration" or "commissioner of administration"~~ where those terms appear in chapter 238; and

(i) ~~"director of office of consumer services," "office of consumer services," "consumer services section,"~~ where those terms appear in chapter 155A and sections 325F.08 to 325F.18.

Sec. 93. Laws 1983, chapter 293, section 66, is repealed.

Sec. 94. Laws 1983, chapter 293, section 80, is repealed.

Sec. 95. Laws 1983, chapter 293, section 83, is repealed.

Sec. 96. Laws 1983, chapter 301, section 66, is repealed.

Sec. 97. Laws 1983, chapter 312, article 8, section 6, is repealed.

Sec. 98. **CORRECTION.**

Subdivision 1. **OMITTED EFFECTIVE DATE.** S.F. No. 1469, if enacted by the 1984 regular session, is effective the day following its final enactment.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following the final enactment of S.F. No. 1469.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

**ARTICLE 2
CORRECTIONS**

Section 1. EFFECT OF AMENDMENTS AND REPEALS.

Subdivision 1. CONFLICTS; PREVAILING LAW. Regardless of the order of final enactment of this article and the acts it amends, the amendments or repeals in this article shall be given effect. Notwithstanding Minnesota Statutes, sections 645.26, subdivision 3, 645.33, or other law, an amendment in this article shall prevail over any other act amending the same provisions of law in an irreconcilable manner.

Subd. 2. EFFECTIVE DATE. Subdivision 1 is effective the day following its final enactment.

Sec. 2. CORRECTION. Subdivision 1. **INCORRECT SUBDIVISION REFERENCE.** H.F. No. 1801, section 10, subdivision 5, if enacted at the 1984 regular session is amended to read:

Subd. 5. **DISCHARGES NOT APPLICABLE.** Except as provided in subdivision 6, the requirements of subdivision 4 3 do not apply to incidents involving the unintentional release of hazardous materials being transported under the following proper shipping names:

- (1) consumer commodity;
- (2) battery, electric storage, wet, filled with acid or alkali;
- (3) paint, enamel, lacquer, stain, shellac or varnish aluminum, bronze, gold, wood filler, and liquid or lacquer base liquid when shipped in packagings of five gallons or less.

Subd. 2. EFFECTIVE DATE. Subdivision 1 is effective the day following final enactment of H.F. No. 1801.

Sec. 3. CORRECTION. Subdivision 1. **INCORRECT REFERENCE.** Minnesota Statutes 1983 Supplement, section 53.04, subdivision 3a, if amended at the 1984 regular session by S.F. No. 1732, section 3, 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 6 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. The provisions of sections 47.20 and 47.21 do not apply to loans made under this ~~section~~ subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or

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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 ~~section~~ 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, 1984 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 ~~section~~ 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.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment of S.F. No. 1732.

Sec. 4. **CORRECTION.** Subdivision 1. **OMITTED EFFECTIVE DATE.** S.F. No. 1473, section 1, if enacted at the 1984 regular session, is effective the day following its final enactment.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment of S.F. No. 1473.

Sec. 5. **CORRECTION.** Subdivision 1. **SYNTAX CORRECTION.** Minnesota Statutes 1982, section 300.05, subdivision 2, if amended by S.F. No. 2046 at the 1984 regular session is amended to read:

Subd. 2. **PROCEDURE.** The governing body of a city may petition to acquire and operate a franchise referred to in subdivision 1, if authorized to do so by a two-thirds majority of the votes cast at a special election called for that purpose. The election must be held within the three-month period prior to the expiration of any ~~five-year period after period of five years from~~ the granting of the franchise.

The city must also pay the corporation or person owning the franchise the value of the property being acquired. The value of the property is determined in the manner provided by law for acquiring property under the right of eminent domain.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective August 1, 1984.

Sec. 6. **CORRECTION.** Subdivision 1. **AMENDMENT PHYSICALLY LOST, CHIEF AUTHORS AGREE.** H.F. No. 2148, section 2, if enacted at the 1984 regular session is amended to read:

Sec. 2. **[62A.046] COORDINATION OF BENEFITS.**

(1) No group contract providing coverage for hospital and medical treatment or expenses issued or renewed after August 1, 1984, which is responsible for secondary coverage for services provided, may deny coverage or payment of the amount it owes as a secondary payor solely on the basis of the failure of another group contract, which is responsible for primary coverage, to pay for those services.

(2) A group contract which provides coverage of a claimant as a dependent of a parent who has legal responsibility for the dependent's medical care but who does not have custody of the dependent ~~must~~ may, upon request of the custodial parent, make payments directly to the provider of care. In such cases, liability to the insured is satisfied to the extent of benefit payments made to the provider.

(3) This section applies to an insurer, a vendor of risk management services regulated under section 60A.23, a nonprofit health service plan corporation regulated under chapter 62C and a health maintenance organization regulated under chapter 62D. Nothing in this section shall require a secondary payor to pay the obligations of the primary payor nor shall it prevent the ~~recovery of liable payments from the primary payor~~ recovery of the secondary payor if from recovering from the primary payor the amount of any obligation of the primary payor that the secondary payor elects to pay the obligations of the primary payor.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective August 1, 1984.

Sec. 7. **CORRECTION.** Subdivision 1. **INCORRECT REFERENCE.** Minnesota Statutes 1982, section 52.03, subdivision 2, if added by H.F. No. 1771, section 1, by the 1984 regular session, is amended to read:

Subd. 2. **RECIPROCITY.** With the approval of the commissioner, a credit union chartered in another state shall be permitted to do business in Minnesota if Minnesota credit unions are permitted to do business in that state, and if:

(a) the credit union is organized under laws similar to Minnesota laws applicable to credit unions;

(b) the credit union is financially solvent;

(c) the credit union needs to conduct business in this state to adequately serve its members in this state;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(d) the credit union satisfies the mandatory share and deposit insurance requirements in section 52.24;

(e) the credit union designates and maintains an agent for the service of process in this state; and

(f) the credit union complies with the provisions of ~~chapter 52~~ section 52.04.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment of H.F. No. 1771.

Sec. 8. **CORRECTION.** Subdivision 1. **REFERENCE TO DELETED SUBDIVISION LANGUAGE.** Minnesota Statutes 1982, section 83.26, subdivision 2, if amended by S.F. No. 1504 at the 1984 regular session is amended to read:

Subd. 2. **GENERALLY; TRANSACTIONS.** Unless the method of offer or sale is adopted for the purpose of evasion of sections 83.20 to 83.42, and sections 28 and 29, the following transactions are exempt from sections 83.23, 83.24, 83.25, 83.28, 83.29, and 83.30:

(a) The offer or sale of an interest in subdivided land by an owner, other than the subdivider, acting as principal in a single or isolated transaction;

(b) The offer or sale of all of the subdivided lands within a subdivision in a single transaction to any person;

(c) The offer or sale of subdivided land pursuant to an order of competent jurisdiction, other than a court of bankruptcy;

(d) The offer or sale of subdivided land consisting of not more than ten separate lots, units, parcels, or interests in the aggregate;

(e) The offer or sale of subdivided lands which have been registered under section 83.23, subdivision 2, if there are no more than ten separate lots, units, parcels, or interests remaining to be sold and no material change has occurred in the information on file with the commissioner;

(f) The offer and sale of subdivided land located within the corporate limits of a municipality as defined in section 462.352, subdivision 2, which municipality has adopted subdivision regulations as defined in section 462.352, except those lands described in section 83.20, ~~subdivisions~~ subdivision 13, 14, and 15;

(g) The offer and sale of apartments or condominiums as defined in chapters 515 and 515A;

(h) The offer and sale of subdivided lands used primarily for agricultural purposes provided each parcel is at least ten acres in size;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(i) The offer or sale of improved lots if:

(1) the subdivider has filed with the commissioner, no later than ten business days prior to the date of the first sale, a written notice of its intention to offer or sell improved lots, which notice shall be accompanied by a fee of \$50, together with a copy of the public offering statement accepted by the situs state and the standard purchase agreement which documents are required to be supplied by the subdivider to the purchaser; and

(2) the subdivider deposits all downpayments in an escrow account until all obligations of the subdivider to the purchaser, which are pursuant to the terms of the purchase agreement to be performed prior to the closing, have been performed. The subdivider shall provide the purchaser with a purchase receipt for the downpayment paid, a copy of the escrow agreement and the name, address, and telephone number of the escrow agent. The escrow agent shall be a bank located in Minnesota. All downpayments shall be deposited in the escrow account within two business days after receipt.

The commissioner may by rule or order suspend, revoke, or further condition the exemptions contained in clauses (f), (g), (h), and (i) or may require such further information as may be necessary for the protection of purchasers.

The rulemaking authority in this subdivision does not include temporary rulemaking authority pursuant to chapter 14.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective September 1, 1984.

Sec. 9. **CORRECTION.** Subdivision 1. **INCORRECT DOLLAR AMOUNT, REDUCTION.** H.F. No. 2314, section 8, if enacted at the 1984 regular session, is amended to read:

Sec. 8. **ENERGY AND ECONOMIC**

DEVELOPMENT

Regional Solid Waste Disposal

1,400,000

This appropriation is for payment of a grant to the city of Bagley to develop a solid waste disposal, incineration, and district heating pilot project involving seven counties. The purpose of the project must be to deal with solid waste disposal as a rural problem and provide more reliable energy to the incinerator site through a district heating system. The grant may not be paid until the commissioner of energy and economic development has determined that additional financ-

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ing in the amount of ~~\$10,000,000~~ \$8,600,000
has been committed by other sources.

This appropriation is from the general fund.

Subd. 2. **EFFECTIVE DATE.** This section is effective the day after final enactment of H.F. No. 2314.

Sec. 10. **CORRECTION.** Subdivision 1. **OMITTED INFORMATION RELEASE.** H. F. No. 2016, article 8, section 2, subdivision 4, if enacted at the 1984 regular session, is amended to read:

Subd. 4. **LICENSING AUTHORITY; DUTIES.** All licensing authorities must require the applicant to provide his social security number and Minnesota business identification number on all license applications. Upon request of the commissioner, the licensing authority must provide the commissioner with a list of all applicants, including the name, address, business name and address, social security number, and business identification number of each applicant. The commissioner may request from a licensing authority a list of the applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner may release information necessary to accomplish the purpose of this section.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective July 1, 1984.

Sec. 11. **CORRECTION.** Subdivision 1. **INCORRECT NAME REFERENCES DUE TO NAME CHANGE.** Minnesota Statutes 1983 Supplement, section 473.446, subdivision 1, if amended by H.F. No. 2016, article 3, section 25, at the 1984 regular session is amended to read:

Subdivision 1. **TAXATION WITHIN TRANSIT TAXING DISTRICT.** For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the ~~metropolitan transit commission~~ 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

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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 produced 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). 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 1985 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.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective upon the effective date of H.F. No. 2016, article 3, section 25, if enacted at the 1984 regular session.

Sec. 12. **CORRECTION.** Subdivision 1. **AMENDMENT TO REPEALED SECTION.** S.F. No. 1913, article 1, section 9, if enacted at the 1984 regular session is repealed.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following its final enactment.

Sec. 13. **INSTRUCTION TO REVISOR OF STATUTES.** Subdivision 1. **CHAPTER 16 RECODIFICATION.** If a provision in chapter 16 is amended by the 1984 regular session and S.F. No. 1408 is enacted by the 1984 regular session the revisor shall codify the amendment consistent with the recodification of chapter 16 by S.F. No. 1408 notwithstanding any law to the contrary.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following its final enactment.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 14. **CORRECTION.** Subdivision 1. **POLICE REPORTS MISTAKENLY MADE PUBLIC.**

Minnesota Statutes 1982, section 626.556, subdivision 11, if amended by H.F. No. 1806, by the 1984 regular session, 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. 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).

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment of H.F. No. 1806 at the 1984 regular session.

Sec. 15. **CORRECTION.** Subdivision 1. **CLARIFICATION.** S.F. No. 1815, section 1, subdivision 4, if enacted by the 1984 regular session is amended to read:

Subd. 4. ~~Notwithstanding the development of an organization under this section, the governance~~ The execution of the functions of the board of directors of a hospital by the an organization established under this section shall be subject to the public purchasing requirements of section 471.345, the open meeting law, section 471.705, and the data practices act, chapter 13.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment of S.F. No. 1815.

⁴ Sec. 16. **CORRECTION.** Subdivision 1. **AMENDMENT AGREED TO, NOT INCLUDED IN CONFERENCE REPORT.** Minnesota Statutes 1983 Supplement, 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 29 percent of the tax levy imposed on up to 320 acres of land including the buildings and structures thereon but excluding ~~the homestead dwelling all dwellings and surrounding one an~~ one 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 13 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 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 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 13 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 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 \$2,000 in the case of

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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.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective for taxes levied in 1984 and thereafter, for taxes payable in 1985 and thereafter.

Sec. 17. **CORRECTION.** Subdivision 1. **TOWNS AUTHORIZED TO CONTRACT WITH NONPROFIT ORGANIZATIONS; EFFECTIVE DATE OMITTED.** H.F. No. 1982 if enacted by the 1984 regular session is effective the day following its final enactment.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment of H.F. No. 1982.

Sec. 18. **CORRECTION.** Subdivision 1. **GRAMMATICAL ERROR.** Minnesota Statutes 1983 Supplement, section 169.123, subdivision 2, if amended by S.F. No. 1336 at the 1984 regular session is amended to read:

Subd. 2. **IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.** (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state consents, subject to the provisions of this section and section 169.121, to a chemical test of his blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has and 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 chemical test specimen 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;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(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.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective August 31, 1984.

Sec. 19. **CORRECTION.** Subdivision 1. **INCORRECT SECTION REFERENCES.** H.F. No. 1156, section 9, if enacted by the 1984 regular session, is amended to read:

Sec. 9. **[3C.09] MINNESOTA STATUTES; SUPPLEMENTATION.**

If the revisor's office does not publish an edition of Minnesota Statutes in a given year, it may publish a supplement to Minnesota Statutes. The supplement must be identified by the year of publication and to the extent possible must otherwise comply with section 9 8.

Subd. 2. **INCORRECT SECTION REFERENCE.** H.F. No. 1156, section 13, if enacted at the 1984 regular session, is amended to read:

Sec. 13. **[3C.13] LEGAL STATUS OF STATUTES.**

Any volume of Minnesota Statutes, supplement to Minnesota Statutes, and Laws of Minnesota certified by the revisor according to section 12 11, subdivision 1, is prima facie evidence of the statutes contained in it in all courts and proceedings.

Revised Laws of Minnesota 1905, General Statutes of Minnesota 1913, General Statutes of Minnesota 1923, Mason's Minnesota Statutes 1927, and supplements, appendix and addenda, or added volumes to these publications are prima facie evidence of the statutes contained in them in all courts and proceedings.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. **INCORRECT SECTION REFERENCE.** Minnesota Statutes 1982, section 15.18, if amended at the 1984 regular session by H.F. No. 1156, is amended to read:

15.18 DISTRIBUTION OF PUBLICATIONS.

Except as provided in sections 5.08, 16.02, and section ~~43~~ 12, subdivision 2, when any department, agency, or official of the state issues for public distribution any book, document, journal, map, pamphlet, or report copies thereof shall be delivered immediately as follows:

Four copies to the Minnesota Historical Society;

One copy to the general library of the University of Minnesota, and may, upon request of the librarian, deliver additional copies;

Two copies to the state library, and such additional copies as the state librarian deems necessary for exchange with other libraries, with other states, with the United States, and with governments of foreign countries;

One copy to the public library of any city of the first class;

One copy to the library of each state university as defined in chapter 136.

Subd. 4. **INCORRECT SECTION REFERENCE.** Minnesota Statutes 1982, section 60B.01, subdivision 1, if amended at the 1984 regular session by H.F. No. 1156, is amended to read:

Subdivision 1. **SHORT TITLE.** Sections 60B.01 to 60B.61 may be cited as the "insurers rehabilitation and liquidation act" and shall appear in the next edition of Minnesota Statutes as Chapter 60B but subject to the provisions of section ~~41~~ 10, subdivision 1.

Subd. 5. **INCORRECT SECTION REFERENCE.** Minnesota Statutes 1982, section 336.1-101, if amended at the 1984 regular session by H.F. No. 1156, is amended to read:

336.1-101 SHORT TITLE AND NUMBERING SYSTEM.

This chapter shall be known and may be cited as Uniform Commercial Code. It is arranged and numbered, subject, however, to the provisions of section ~~41~~ 10, subdivision 1, so that the enacted chapter may be compiled in the next published edition of Minnesota Statutes without change and in conformity with the official numbering of the Uniform Commercial Code.

Subd. 6. **INCORRECT SECTION REFERENCE.** Minnesota Statutes 1982, section 480.057, if amended at the 1984 regular session by H.F. No. 1156, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

480.057 PROMULGATION.

Subdivision 1. **EFFECTIVE DATE OF RULES; PUBLICATION.** All rules promulgated under sections 480.051 to 480.058 are effective at a time fixed by the court. The rules must be published as part of Minnesota Statutes according to section ~~9~~ 8.

Subd. 2. **PRINTING, PUBLISHING, AND DISTRIBUTING.** The revisor of statutes shall print, publish, and distribute copies of the rules according to section ~~13~~ 12.

Subd. 7. **INCORRECT SECTION REFERENCE.** Minnesota Statutes 1982, section 524.1-101, if amended at the 1984 regular session by H.F. No. 1156, is amended to read:

524.1-101 CITATION AND NUMBERING SYSTEM.

This chapter shall be known and may be cited as the uniform probate code. It is arranged and numbered, subject however to the provisions of ~~section~~ section ~~11~~ 10, subdivision 1, so that the enacted chapter may be compiled in the next published edition of Minnesota Statutes without change and in conformity with the official numbering of the uniform probate code. The articles of Laws 1974, Chapter 442 are numbered out of sequence to facilitate the possible inclusion of other articles of the probate code in one chapter.

Subd. 7. **EFFECTIVE DATE.** Subdivisions 1 to 7 are effective August 1, 1984.

Sec. 20. **CORRECTION.** Subdivision 1. **OLMSTED SOLID WASTE.** S.F. No. 2145, section 1, if enacted at the 1984 regular session, is amended to read:

Section 1. MANAGEMENT AND SERVICE CONTRACTS.

Notwithstanding any law to the contrary, Olmsted County may enter into contracts for solid waste facilities with or without advertisement for bids for the construction, installation, maintenance, and operation of property and facilities on private or public lands and may contract for the furnishing of solid waste management services. If a county contract is let by negotiation, without advertising for bids, the county shall conduct the negotiation and award the contract using a fair and open procedure and in full compliance with Minnesota Statutes, section 471.705. If a county contract is to be awarded by bid, the county may, after notice to the public and prospective bidders, conduct a fair and open process of prequalification of bidders prior to advertisement for bids.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following its final enactment.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 21. **CORRECTION.** Subdivision 1. **INCORRECT REFERENCE DUE TO NAME CHANGE.** Minnesota Statutes 1982, section 473.404, subdivision 6, if added by H.F. No. 2317 at the 1984 regular session, is amended to read:

Subd. 6. **REMOVAL; VACANCIES.** Members may be removed by the council transit board only for cause in the manner specified in chapter 351. If the office of a member becomes vacant, under the conditions specified in chapter 351, the vacancy must be filled in the same manner in which the appointment to that office was made.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment of H.F. No. 2317, by the 1984 regular session.

Sec. 22. **CORRECTION.**

Subdivision 1. **AMENDMENT AGREED TO, NOT INCLUDED IN CONFERENCE REPORT.** Minnesota Statutes 1982, section 290.08, subdivision 26, as added by H.F. No. 2016, enacted at the 1984 regular session, is amended to read:

Subd. 26. **PENSION INCOME.** (a) **EXCLUSION.** Gross income shall not include the taxpayer's pension income. The maximum amount of this exclusion is the greater of the following two amounts:

(1) \$11,000 reduced by the amount of the taxpayer's federal adjusted gross income in excess of \$17,000 excluding 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) Notwithstanding clauses (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) 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.

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(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.

Subd. 2. EFFECTIVE DATE. Subdivision 1 is effective for taxable years beginning after December 31, 1984.

Sec. 23. CORRECTION.

Subdivision 1. AMENDMENT AGREED TO, NOT INCLUDED IN CONFERENCE REPORT. Minnesota Statutes 1982, section 298.24, subdivision 1, as amended by H.F. No. 2016 at the 1984 regular session, is amended to read:

Subdivision 1. (a) There is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of \$1.25 cents per gross ton of merchantable iron ore concentrate produced therefrom. The tax on concentrates produced in 1978 and subsequent years prior to 1985 shall be equal to \$1.25 multiplied by the steel mill products index during the production year, divided by the steel mill products index in 1977. The index stated in code number 1013, or any subsequent equivalent, as published by the United States Department of Labor, Bureau of Labor Statistics Wholesale Prices and Price Indexes for the month of January of the year in which the concentrate is produced shall be the index used in calculating the tax imposed herein. In no

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event shall the tax be less than \$1.25 per gross ton of merchantable iron ore concentrate. The tax on concentrates produced in 1985 and 1986 shall be at the rate determined for 1984 production. For concentrates produced in 1987 and subsequent years, the tax shall be equal to the preceding year's tax plus an amount equal to the preceding year's tax multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" means the implicit price deflator prepared by the bureau of economic analysis of the United States department of commerce.

(b) On concentrates produced in 1984, an additional tax is imposed equal to eight-tenths of one percent of the total tax imposed by clause (a) per gross ton for each one percent that the iron content of such product exceeds 62 percent, when dried at 212 degrees Fahrenheit.

(c) The tax imposed by this subdivision on concentrates produced in 1984 shall be computed on the production for the current year. The tax on concentrates produced in 1985 shall be computed on the average of the production for the current year and the previous year. The tax on concentrates produced in 1986 and thereafter shall be the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$1.25 per gross ton of merchantable iron ore concentrate produced shall be imposed.

Subd. 2. EFFECTIVE DATE. Subdivision 1 is effective the day following final enactment of this act.

Sec. 24. **CORRECTION.** S.F. No. 1336, if enacted at the 1984 regular session, section 19, is amended to read:

Sec. 19. Minnesota Statutes 1982, 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 sections 169.121, 169.123, or 171.17, ~~if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of his driver's license,~~ the commissioner may at his own discretion 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

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(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.

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.

Sec. 25. **CORRECTION.**

Subdivision 1. **OMITTED RAIL CORRIDOR.** H.F. No. 2317, article 2, section 1, clause (j), is amended to read:

(j) Rail Service Improvements

17,500

This appropriation is from the general fund.

This appropriation is for the purpose of conducting a study of expanded railroad passenger service.

The commissioner of transportation shall study the feasibility and potential methods of expanding railroad passenger service in the state. The study must examine the following rail corridors: (1) St. Paul to Willmar to Morris to Breckenridge to Moorhead; (2) Moorhead to Grand Forks to Winnipeg; (3) St. Paul to Mankato to Worthington; (4) St. Paul to Northfield to Owatonna to Albert Lea to Austin; (5) Duluth to Virginia to International Falls to Winnipeg; (6) St. Paul to Rochester; and (7) St. Paul to Alexandria to Fergus Falls to Moorhead to Winnipeg. The commissioner shall collect ridership data independent from AMTRAK data to analyze ridership and shall focus on local and intermediate

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stops. In analyzing the feasibility of expanding the railroad passenger service, the commissioner shall consider the following factors and any other factors deemed appropriate: (1) minimum train speed, service frequency, and performance standards; (2) station locations; (3) availability of equipment; (4) ridership forecasts; (5) track upgrading estimates; (6) fuel consumption; and (7) estimated fare recovery in relation to total operating costs. The commissioner shall report to the house and senate transportation committees by February 1, 1985, on his findings and recommendations.

This appropriation may not be expended until units of government along the proposed corridors have committed at least \$17,500 to match it.

Notwithstanding any provision of Minnesota Statutes, chapter 16A or any other law, the total amount appropriated for rail service improvements by Laws 1983, chapter 293, section 2, subdivision 5(a), shall be available for expenditure in any fiscal year.

Subd. 2. **EFFECTIVE DATE.** Subdivision 1 is effective the day following its final enactment.

Approved May 2, 1984

CHAPTER 656 — H.F.No. 1587

An act relating to public employment; providing that no public business shall be conducted on Martin Luther King's birthday; allowing school districts and state colleges to conduct classes on Martin Luther King's birthday provided there is a patriotic observance of the day; amending Minnesota Statutes 1982, sections 126.10; 126.13; 136.22; and 645.44, subdivision 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1982, section 126.10, is amended to read:
126.10 **SPECIAL DAYS.**

The following days or the school days nearest to them are designated for special observance in the public schools of the state: September 28 as Frances

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