

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

Section 1. Salaries; county auditor, county treasurer. In all counties of this state having a population of not less than 30,000 nor more than 35,000 inhabitants, according to the 1950 federal census, and containing 26 full or fractional congressional townships, and which now have, or may hereafter have, an assessed valuation of not less than \$19,000,000 nor more than \$25,000,000, the county auditor and the county treasurer of such county may receive an annual salary of \$5,500, payable in 12 monthly installments.

Sec. 2. Expiration. This act is effective January 1, 1955, and expires on the first Monday in January, 1959.

Approved April 11, 1955.

CHAPTER 406—H. F. No. 732

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Section 290.31.

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

Section 1. Minnesota Statutes 1953, Section 290.31, is amended to read:

290.31 Partnerships not taxed. Subdivision 1. A partnership as such shall not be subject to the income tax imposed by this chapter. Persons carrying on business as partners shall be liable for income tax only in their separate or individual capacities.

Subd. 2. (1) In determining his income tax, each partner shall take into account separately his distributive share of the partnership's

(a) gains and losses from sales or exchanges of capital assets held for not more than six months,

(b) gains and losses from sales or exchanges of capital assets held for more than six months,

(c) gains and losses from sales or exchanges of property described in section 290.16, subdivision 9 (1) and (2) (relating to certain property used in a trade or business and involuntary conversions),

(d) charitable contributions (as defined in section 290.21 (2)),

(e) ^{11.} dividends with respect to which there is provided a credit under section 290.21,

(f) other items of income, gain, loss, deduction, or credit, to the extent provided by regulations prescribed by the commissioner, and

(g) taxable net income or loss, exclusive of items requiring separate computation under other subparagraphs of this paragraph (1).

(2) The character of any item of income, gain, loss, deduction, or credit included in a partner's distributive share under paragraphs (a) through (f) of paragraph (1) shall be determined as if such item were realized directly from the source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(3) In any case where it is necessary to determine the gross income of a partner for purposes of this chapter, such amount shall include his distributive share of the gross income of the partnership.

Subd. 3. The taxable net income of a partnership shall be computed in the same manner as in the case of an individual except that

(1) the items described in subdivision 2 (1) shall be separately stated, and

(2) the following deductions and credits shall not be allowed to the partnership:

(a) the standard deduction provided in section 290.09 (16),

(b) the credit for charitable contributions provided in section 290.21 (2),

(c) the net operating loss deduction provided in section 290.095, and

(d) the additional itemized deductions for individuals provided in section 290.09, as adapted to the provisions of this subdivision under regulations issued by the commissioner.

Any election affecting the computation of taxable net income derived from a partnership shall be made by the partnership.

Subd. 4. (1) A partner's distributive share of income, gain, loss, deduction, or credit shall, except as otherwise provided in this subdivision, be determined by the partnership agreement.

(2) A partner's distributive share of any item of income, gain, loss, deduction, or credit shall be determined in accordance with his distributive share of taxable net income or loss of the partnership, as described in subdivision 2 (1) (g), for the taxable year, if

(a) the partnership agreement does not provide as to the partner's distributive share of such item, or

(b) the principal purpose of any provision in the partnership agreement with respect to the partner's distributive share of such item is the avoidance or evasion of any tax imposed by this chapter.

(3) (a) In determining a partner's distributive share of items described in subdivision 2 (1), depreciation, depletion, or gain or loss with respect to property contributed to the partnership by a partner shall, except to the extent otherwise provided in subparagraph (b) or (c) of this paragraph, be allocated among the partners in the same manner as if such property had been purchased by the partnership.

(b) If the partnership agreement so provides, depreciation, depletion, or gain or loss with respect to property contributed to the partnership by a partner shall, under regulations prescribed by the commissioner, be shared among the partners so as to take account of the variation between the basis of the property to the partnership and its fair market value at the time of contribution.

(c) If the partnership agreement does not provide otherwise, depreciation, depletion, or gain or loss with respect to undivided interests in property contributed to a partnership shall be determined as though such undivided interests had not been contributed to the partnership. This subparagraph shall apply only if all the partners had undivided interests in such property prior to contribution and their interests in the capital and profits of the partnership correspond with such undivided interests.

(4) A partner's distributive share of partnership loss (including capital loss) shall be allowed only to the extent of the adjusted basis of such partner's interest in the partnership at the end of the partnership year in which such loss occurred. Any excess of such loss over such basis shall be allowed as a deduction at the end of the partnership year in which such excess is repaid to the partnership.

(5) (a) A person shall be recognized as a partner for purposes of this chapter if he owns a capital interest in a partnership in which capital is a material income-producing fac-

tor, whether or not such interest was derived by purchase or gift from any other person.

(b) *In the case of any partnership interest created by gift, the distributive share of the donee under the partnership agreement shall be includible in his gross income, except to the extent that such share is determined without allowance of reasonable compensation for services rendered to the partnership by the donor, and except to the extent that the portion of such share attributable to donated capital is proportionately greater than the share of the donor attributable to the donor's capital. The distributive share of a partner in the earnings of the partnership shall not be diminished because of absence due to military service.*

(c) *For purposes of this subdivision, an interest purchased by one member of a family from another shall be considered to be created by gift from the seller, and the fair market value of the purchased interest shall be considered to be donated capital.*

(d) *For the purposes of this section, the "family" of any individual shall include only his spouse, ancestors, and lineal descendants, and any trusts for the primary benefit of such persons.*

Subd. 5. *The adjusted basis of a partner's interest in a partnership shall, except as provided in the last paragraph of this subdivision, be the basis of such interest determined under subdivision 10 (relating to contributions to a partnership) or subdivision 19 (relating to transfers of partnership interests)*

(1) *increased by the sum of his distributive share for the taxable year and prior taxable years of*

(a) *net income of the partnership as determined under subdivision 3 (1) and (2),*

(b) *income of the partnership exempt from tax under this chapter, and*

(2) *decreased (but not below zero) by distribution by the partnership as provided in subdivision 14 and by the sum of his distributive share for the taxable year and prior taxable years of*

(a) *losses of the partnership, and*

(b) *expenditures of the partnership not deductible in computing its taxable net income and not properly chargeable to capital account.*

The commissioner shall prescribe by regulations the circumstances under which the adjusted basis of a partner's interest in a partnership may be determined by reference to his proportionate share of the adjusted basis of partnership property upon a termination of the partnership.

Subd. 6. (1) *In computing the taxable net income of a partner for a taxable year, the inclusions required by subdivision 2 and subdivision 7 (4) with respect to a partnership shall be based on the income, gain, loss, deduction, or credit of the partnership for any taxable year of the partnership ending within or with the taxable year of the partner.*

(2) *The taxable year of a partnership shall be determined as though the partnership were a taxpayer. A partnership may not change to, or adopt, a taxable year other than that of all its principal partners unless it establishes, to the satisfaction of the commissioner, a business purpose therefor.*

(3) *A partner may not change to a taxable year other than that of a partnership in which he is a principal partner unless he establishes, to the satisfaction of the commissioner, a business purpose therefor.*

(4) *For the purpose of paragraphs (2) and (3), a principal partner is a partner having an interest of five percent or more in partnership profits or capital.*

(5) *Except in the case of a termination of a partnership and except as provided in paragraphs (6) and (7), the taxable year of a partnership shall not close as the result of the death of a partner, the entry of a new partner, the liquidation of a partner's interest in the partnership, or the sale or exchange of a partner's interest in the partnership.*

(6) *The taxable year of a partnership shall close*

(a) *with respect to a partner who sells or exchanges his entire interest in a partnership, and*

(b) *with respect to a partner whose interest is liquidated, except that the taxable year of a partnership with respect to a partner who dies shall not close prior to the end of the partnership's taxable year.*

Such partner's distributive share of items described in subdivision 2 (1) for such year shall be determined, under regulations prescribed by the commissioner, for the period ending with such sale, exchange, or liquidation.

(7) *The taxable year of a partnership shall not close (other than at the end of a partnership's taxable year as de-*

terminated under paragraph (2) with respect to a partner who sells or exchanges less than his entire interest in the partnership or with respect to a partner whose interest is reduced, but such partner's distributive share of items described in subdivision 2 (1) shall be determined by taking into account his varying interests in the partnership during the taxable year.

Subd. 7. (1) If a partner engages in a transaction with a partnership other than in his capacity as a member of such partnership, the transaction shall, except as otherwise provided in this section, be considered as occurring between the partnership and one who is not a partner.

(2) No deduction shall be allowed in respect of losses from sales or exchanges of property (other than an interest in the partnership), directly or indirectly, between

(a) a partnership and a partner owning, directly or indirectly, more than 50 percent of the capital interests, or the profits interest, in such partnership, or

(b) two partnerships in which the same persons own, directly or indirectly, more than 50 percent of the capital interests or profits interests.

(3) In the case of a sale or exchange, directly or indirectly, of property, which in the hands of the transferee, is property other than a capital asset as defined in section 290.16, subdivision 3 (1)

(a) between a partnership and a partner owning, directly or indirectly, more than 80 percent of the capital interest, or profits interest, in such partnership, or

(b) between two partnerships in which the same persons own, directly or indirectly, more than 80 percent of the capital interests or profits interests,

any gain recognized shall be considered as gain from the sale or exchange of property other than a capital asset.

(4) To the extent determined without regard to the income of the partnership, payments to a partner for services or the use of capital shall be considered as made to one who is not a member of the partnership, but only for the purposes of section 290.01, subdivision 20 (relating to gross income) and section 290.09 (1) (relating to trade or business expenses).

Subd. 8. (1) For purposes of this section, an existing partnership shall be considered as continuing if it is not terminated.

(2) For purposes of paragraph (1), a partnership shall be considered as terminated only if

(a) no part of any business, financial operation, or venture of the partnership continues to be carried on by any of its partners in a partnership, or

(b) within a 12-month period there is a sale or exchange of 50 percent or more of the total interest in partnership capital and profits.

(3) In the case of the merger or consolidation of two or more partnerships, the resulting partnership shall, for purposes of this subdivision, be considered the continuation of any merging or consolidating partnership whose members own an interest of more than 50 percent in the capital and profits of the resulting partnership.

(4) In the case of a division of a partnership into two or more partnerships, the resulting partnerships (other than any resulting partnership the members of which had an interest of 50 percent or less in the capital and profits of the prior partnership) shall, for purposes of this subdivision, be considered a continuation of the prior partnership.

Subd. 9. No gain or loss shall be recognized to a partnership or to any of its partners in the case of a contribution of property to the partnership in exchange for an interest in the partnership.

Subd. 10. The basis of an interest in a partnership acquired by a contribution of property, including money, to the partnership shall be the amount of such money and the adjusted basis of such property to the contributing partner at the time of the contribution.

Subd. 11. The basis of property contributed to a partnership by a partner shall be the adjusted basis of such property to the contributing partner at the time of the contribution.

Subd. 12. In the case of a distribution by a partnership to a partner

(1) gain shall not be recognized to such partner, except to the extent that any money distributed exceeds the adjusted basis of such partner's interest in the partnership immediately before the distribution, and

(2) loss shall not be recognized to such partner, except that upon a distribution in liquidation of a partner's interest in a partnership where no property other than that de-

scribed in subparagraph (a) or (b) is distributed to such partner, loss shall be recognized to the extent of the excess of the adjusted basis of such partner's interest in the partnership over the sum of

(a) any money distributed, and

(b) the basis to the distributee, as determined under subdivision 13, of any unrealized receivables (as defined in subdivision 21 (3)) and inventory (as defined in subdivision 21 (4) (b)).

Any gain or loss recognized under the preceding sentence shall be considered as gain or loss from the sale or exchange of the partnership interest of the distributee partner.

No gain or loss shall be recognized to a partnership on a distribution to a partner of property, including money.

This subdivision shall not apply to the extent otherwise provided by subdivision 17 (relating to payments to a retiring partner or a deceased partner's successor in interest) and subdivision 21 (relating to unrealized receivables and inventory items).

Subd 13. (1) The basis of property (other than money) distributed by a partnership to a partner other than in liquidation of the partner's interest shall, except as provided in paragraph (2), be its adjusted basis to the partnership immediately before such distribution.

(2) The basis to the distributee partner of property to which paragraph (1) is applicable shall not exceed the adjusted basis of such partner's interest in the partnership reduced by any money distributed in the same transaction.

(3) The basis of property (other than money) distributed by a partnership to a partner in liquidation of the partner's interest shall be an amount equal to the adjusted basis of such partner's interest in the partnership reduced by any money distributed in the same transaction.

(4) The basis of distributed properties to which paragraph (2) or paragraph (3) is applicable shall be allocated

(a) first to any unrealized receivables (as defined in subdivision 21 (3)) and inventory items (as defined in subdivision 21 (4) (b)) in an amount equal to the adjusted basis of each such property to the partnership (or if the basis to be allocated is less than the sum of the adjusted bases of such properties to the partnership, in proportion to such bases), and

(b) *to the extent of any remaining basis, to any other distributed properties in proportion to their adjusted bases to the partnership.*

(5) *For purposes of paragraphs (1), (2), (3) and (4), a partner who acquired all or a part of his interest by a transfer with respect to which the election provided in subdivision 24 is not in effect, and to whom a distribution of property (other than money) is made with respect to the transferred interest within two years after such transfer, may elect, under regulations prescribed by the commissioner, to treat as the adjusted partnership basis of such property the adjusted basis such property would have if the adjustment provided in subdivision 20 (2) were in effect with respect to the partnership property. The commissioner may by regulations require the application of this paragraph in the case of a distribution to a transferee partner, whether or not made within two years after the transfer, if at the time of the transfer the fair market value of the partnership property (other than money) exceeded 110 percent of its adjusted basis to the partnership.*

(6) *This subdivision shall not apply to the extent that a distribution is treated as a sale or exchange of property under subdivision 21 (2) (relating to unrealized receivables and inventory items).*

Subd. 14. In the case of a distribution by a partnership to a partner other than in liquidation of a partner's interest, the adjusted basis to such partner of his interest in the partnership shall be reduced (but not below zero) by

(1) *the amount of any money distributed to such partner, and*

(2) *the amount of the basis to such partner of distributed property other than money, as determined under subdivision 13.*

Subd. 15. (1) The basis of partnership property shall not be adjusted as the result of a distribution of property to a partner unless the election, provided in subdivision 24 (relating to optional adjustment to basis of partnership property), is in effect with respect to such partnership.

(2) *In the case of a distribution of property to a partner, a partnership, with respect to which the election provided in subdivision 24 is in effect, shall*

(a) *increase the adjusted basis of partnership property by the amount of any gain recognized to the distributee partner with respect to such distribution under subdivision 12 (1),*

and in the case of distributed property to which subdivision 13 (2) or (3) applies, the excess of the adjusted basis of the distributed property to the partnership immediately before the distribution (as adjusted by subdivision 13 (5)) over the basis of the distributed property to the distributee, as determined under subdivision 13, or

(b) decrease the adjusted basis of partnership property by the amount of any loss recognized to the distributee partner with respect to such distribution under subdivision 12 (2), and in the case of distributed property to which subdivision 13 (3) applies, the excess of the basis of the distributed property to the distributee, as determined under subdivision 13, over the adjusted basis of the distributed property to the partnership immediately before such distribution (as adjusted by subdivision 13 (5)).

(3) The allocation of basis among partnership properties where paragraph (2) is applicable shall be made in accordance with the rules provided in subdivision 25.

Subd. 16. (1) Gain or loss on the disposition by a distributee partner of unrealized receivables (as defined in subdivision 21 (3)) distributed by a partnership, shall be considered gain or loss from the sale or exchange of property other than a capital asset.

(2) Gain or loss on the sale or exchange by a distributee partner of inventory items (as defined in subdivision 21 (4) (b)) distributed by a partnership shall, if sold or exchanged within five years from the date of the distribution, be considered gain or loss from the sale or exchange of property other than a capital asset.

(3) In determining the period for which a partner has held property received in distribution from a partnership (other than for purposes of paragraph (2) above), there shall be included the holding period of the partnership, as determined under section 290.16, subdivision 8, with respect to such property.

Subd. 17. (1) Payments made in liquidation of the interest of a retiring partner or a deceased partner shall, except as provided in paragraph (2), be considered

(a) as a distributive share to the recipient of partnership income if the amount thereof is determined with regard to the income of the partnership, or

(b) as a guaranteed payment described in subdivision 7 (4) if the amount thereof is determined without regard to the income of the partnership.

(2) (a) *Payments made in liquidation of the interest of a retiring partner or a deceased partner shall, to the extent such payments (other than payments described in subparagraph (b)) are determined, under regulations described by the commissioner, to be made in exchange for the interest of such partner in partnership property, be considered as a distribution by the partnership and not as a distributive share or guaranteed payment under paragraph (1).*

(b) *For purposes of paragraph (2), payments in exchange for an interest in partnership property shall not include amounts paid for unrealized receivables of the partnership (as defined in subdivision 21 (3)), or good will of the partnership, except to the extent that the partnership agreement provides for a payment with respect to good will.*

Subd. 18. In the case of a sale or exchange of an interest in a partnership, gain or loss shall be recognized to the transferor partner. Such gain or loss shall be considered as gain or loss from the sale or exchange of a capital asset, except as otherwise provided in subdivision 21 (relating to unrealized receivables and inventory items which have appreciated substantially in value).

Subd. 19. The basis of an interest in a partnership acquired other than by contribution shall be determined under sections 290.12, 290.14, 290.15 and 290.16.

Subd. 20. (1) The basis of partnership property shall not be adjusted as the result of a transfer of an interest in a partnership by sale or exchange or on the death of a partner unless the election provided by subdivision 24 (relating to optional adjustment to basis of partnership property) is in effect with respect to such partnership.

(2) *In the case of a transfer of an interest in a partnership by sale or exchange or upon the death of a partner, a partnership with respect to which the election provided in subdivision 24 is in effect shall*

(a) *increase the adjusted basis of the partnership property by the excess of the basis to the transferee partner of his interest in the partnership over his proportionate share of the adjusted basis of the partnership property, or*

(b) *decrease the adjusted basis of the partnership property by the excess of the transferee partner's proportionate share of the adjusted basis of the partnership property over the basis of his interest in the partnership.*

Under regulations prescribed by the commissioner, such

increase or decrease shall constitute an adjustment to the basis of partnership property with respect to the transferee partner only. A partner's proportionate share of the adjusted basis of partnership property shall be determined in accordance with his interest in partnership capital and, in the case of an agreement described in subdivision 4 (3) (b) (relating to effect of partnership agreement on contributed property), such share shall be determined by taking such agreement into account. In the case of an adjustment under this paragraph to the basis of partnership property subject to depletion, any depletion allowable shall be determined separately for the transferee partner with respect to his interest in such property.

(3) The allocation of basis among partnership properties where paragraph (2) is applicable shall be made in accordance with the rules provided in subdivision 25.

Subd. 21. (1) The amount of any money, or the fair market value of any property, received by a transferor partner in exchange for all or a part of his interest in the partnership attributable to

(a) unrealized receivables of the partnership, or

(b) inventory items of the partnership which have appreciated substantially in value,

shall be considered as an amount realized from the sale or exchange of property other than a capital asset.

(2) (a) To the extent a partner receives in a distribution partnership property described in paragraph (1) (a) or (b) in exchange for all or a part of his interest in other partnership property (including money), or partnership property (including money) other than property described in paragraph (1) (a) or (b) in exchange for all or a part of his interest in partnership property described in paragraph (1) (a) or (b),

such transactions shall, under regulations prescribed by the commissioner, be considered as a sale or exchange of such property between the distributee and the partnership (as constituted after the distribution).

(b) Subparagraph (a) shall not apply to a distribution of property which the distributee contributed to the partnership, or payments, described in subdivision 17 (1), to a retiring partner or successor in interest of a deceased partner.

(3) For purposes of this chapter, the term "unrealized receivables" includes, to the extent not previously includible in

income under the method of accounting used by the partnership, any rights (contractual or otherwise) to payment for

(a) *goods delivered, or to be delivered, to the extent the proceeds therefrom would be treated as amounts received from the sale or exchange of property other than a capital asset, or*

(b) *services rendered, or to be rendered.*

(4) (a) *Inventory items of the partnership shall be considered to have appreciated substantially in value if their fair market value exceeds 120 percent of the adjusted basis to the partnership of such property, and ten percent of the fair market value of all partnership property, other than money.*

(b) *For purposes of this section the term "inventory items" means property of the partnership of the kind described in section 290.16, subdivision 3 (1) (a), any other property of the partnership which, on sale or exchange by the partnership, would be considered property other than a capital asset and other than property described in section 290.16, subdivision 9 (1) and (2), and any other property held by the partnership which, if held by the selling or distributee partner, would be considered property of the type described in this sentence.*

Subd. 22. (1) Any increase in a partner's share of the liabilities of a partnership, or any increase in a partner's individual liabilities by reason of the assumption by such partner of partnership liabilities, shall be considered as a contribution of money by such partner to the partnership.

(2) *Any decrease in a partner's share of the liabilities of a partnership, or any decrease in a partner's individual liabilities by reason of the assumption by the partnership of such individual liabilities, shall be considered as a distribution of money to the partner by the partnership.*

(3) *For purposes of this subdivision a liability to which property is subject shall, to the extent of the fair market value of such property, be considered as a liability of the owner of the property.*

(4) *In the case of a sale or exchange of an interest in a partnership, liabilities shall be treated in the same manner as liabilities in connection with the sale or exchange of property not associated with partnerships.*

Subd. 23. The amount includible in the gross income of a successor in interest of a deceased partner under subdivision 17 (1) shall be considered income in respect of a decedent under section 290.077.

Subd. 24. If a partnership files an election, in accordance with regulations prescribed by the commissioner, the basis of partnership property shall be adjusted, in the case of a distribution of property, in the manner provided in subdivision 15 and, in the case of a transfer of a partnership interest, in the manner provided in subdivision 20. Such an election shall apply with respect to all distributions of property by the partnership and to all transfers of interest in the partnership during the taxable year with respect to which such election was filed and all subsequent taxable years. Such election may be revoked by the partnership, subject to such limitations as may be provided by regulations prescribed by the commissioner.

Subd. 25. (1) Any increase or decrease in the adjusted basis of partnership property under subdivision 15 (2) (relating to the optional adjustment to the basis of undistributed partnership property) or subdivision 20 (2) (relating to the optional adjustment to the basis of partnership property in the case of a transfer of an interest in a partnership) shall, except as provided in paragraph (2), be allocated

(a) in a manner which has the effect of reducing the difference between the fair market value and the adjusted basis of partnership properties, or

(b) in any other manner permitted by regulations prescribed by the commissioner.

(2) In applying the allocation rules provided in paragraph (1), increases or decreases in the adjusted basis of partnership property arising from a distribution of, or a transfer of an interest attributable to, property consisting of

(a) capital assets and property described in section 290.16, subdivision 9 (1), or

(b) any other property of the partnership,

shall be allocated to partnership property of a like character except that the basis of any such partnership property shall not be reduced below zero. If, in the case of a distribution, the adjustment to basis of property described in subparagraph (a) or (b) is prevented by the absence of such property or by insufficient adjusted basis for such property, such adjustment shall be applied to subsequently acquired property of a like character in accordance with regulations prescribed by the commissioner.

Subd. 26. (1) Under regulations the commissioner may, at the election of all the members of an unincorporated organization, exclude such organization from the application of all or part of this section, if it is availed of

(a) *for investment purposes only and not for the active conduct of a business, or*

(b) *for the joint production, extraction, or use of property, but not for the purpose of selling services or property produced or extracted,*

if the income of the members of the organization may be adequately determined without the computation of partnership taxable income.

(2) *For purposes of this section, a partnership agreement includes any modifications of the partnership agreement made prior to, or at, the time prescribed by law for the filing of the partnership return for the taxable year (not including extensions) which are agreed to by all the partners, or which are adopted in such other manner as may be provided by the partnership agreement.*

(3) *For purposes of this section, the term "liquidation of a partner's interest" means the termination of a partner's entire interest in a partnership by means of a distribution, or a series of distributions, to the partner by the partnership.*

Subd. 27. The taxable net income of the partnership shall be assigned to this state under sections 290.17 to 290.20.

Subd. 28. The provisions of this chapter shall apply with respect to

(1) *any partnership taxable year beginning after December 31, 1954, and*

(2) *any part of a partner's taxable year falling within such partnership taxable year.*

Approved April 11, 1955.

CHAPTER 407—S. F. No. 333

An act relating to actions for death by wrongful act, changing the method of distribution; amending Minnesota Statutes 1953, Section 573.02, Subdivision 1.

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

Section 1. Minnesota Statutes 1953, Section 573.02, Subdivision 1, is amended to read:

573.02 **Action for death by wrongful act.** Subdivision 1. When death is caused by the wrongful act or omission of