

of chapter 298, shall not apply to machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture, supplies, fixtures and other tangible items purchased for the purposes of administration, including, but not limited to, management, accounting, advertising, industrial and public relations functions;

(m) The gross receipts from sales of tangible personal property to, and the storage, use, or other consumption of such property by persons taxed under the provisions of Minnesota Statutes 1965, Sections 270.071 to 270.079, inclusive;

(n) 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;

(o) The gross receipts from the sale of caskets and burial vaults;

(p) The gross receipts from the sale of cigarettes;

(q) 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 I if the aircraft is resold while the permit is in effect.

Approved June 4, 1971.

CHAPTER 741—S.F.No.1377

An act relating to wages; payment by receiver of corporation and payment by assignee includes fringe benefits; amending Minnesota Statutes 1969, Sections 316.05; and 577.08.

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

Section 1. Minnesota Statutes 1969, Section 316.05, is amended to read:

316.05 WAGES; EMPLOYER, EMPLOYEE; PAYMENT OF WAGE CLAIMS; SEQUESTRATION; RECEIVER; DISTRIBUTION. Upon complaint of a person obtaining judgment against a corporation, or his representatives, made after the return unsatisfied of an execution issued thereon, the court may sequester the stock,

Changes or additions indicated by underline, deletions by strikeout.

property, things in action, and effects of such corporation and appoint a receiver of the same; and, upon final judgment upon any such complaint, the court shall order the property remaining, or the proceeds thereof, to be disposed of under its direction, proportionately, in the following order:

- (1) In payment of the costs and expenses of the receivership;
- (2) Debts due the United States and the state of Minnesota, if any;
- (3) Taxes and assessments, if any;
- (4) Claims duly proved and allowed of employees sustaining injury in the course of their employment and entitled to compensation under the provisions of the workmen's compensation act; provided, that claims under this clause shall not be allowed if the corporation carried workmen's compensation insurance, as provided by law, at the time the injury was sustained;
- (5) Claims, including cash value of all compensation paid in any medium other than cash, duly proved and allowed of clerks, servants or laborers for services performed within three months preceding the appointment of the receiver, if any; and
- (6) Other claims duly proved and allowed.

After payment of the expenses of receivership and claims of creditors duly proved, the remainder, if any there be, shall be distributed pro rata among the stockholders proving themselves entitled thereto.

Sec. 2. Minnesota Statutes 1969, Section 577.08, is amended to read:

577.08 PROOF OF CLAIMS; ORDER OF PAYMENT. No claims or demands, except debts owing to the United States or to the state, or taxes or assessments against the debtor or the property assigned, shall be paid, unless proofs thereof, verified by the creditors, be presented to the assignee. After payment of the charges and expenses of making the assignment and executing the trust, he shall pay the debts of the assignor in the order following:

- (1) Debts owing to the United States and to the state, and all taxes and assessments against the debtor or the property assigned, shall first be paid in full;
- (2) The claims of employees sustaining injury in the course of their employment and entitled to the compensation under the provisions of chapter 176, shall next be paid in full if there be sufficient wherewith to do so, and, if not, they shall be paid pro rata;

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provided, that claims under this clause shall not be allowed if the assignor carried workmen's compensation insurance as provided by law at the time the injury was sustained;

(3) Wages, except cash value of all compensation paid in any medium other than cash, of servants, laborers, mechanics, and clerks for services performed for the debtor within three months next preceding the assignment shall next be paid in full if there be sufficient wherewith to do so, and, if not, they shall be paid pro rata; but, to entitle any creditor to payment under this clause, his proof of claim must set forth facts showing that he is entitled hereunder;

(4) The cash value of all compensation paid in any medium other than cash, including but not limited to credits for vacation pay, sick leave and other fringe benefits past earned with a cash value;

~~(4)~~ (5) All other debts shall be paid in full if there be sufficient left wherewith to do so, and, if not, they shall be paid pro rata; provided, that no debt for which the creditor holds a mortgage, pledge, or other security shall be paid until he has exhausted his security, or has surrendered it to the assignee.

Approved June 4, 1971.

CHAPTER 742—S.F.No.1380

An act relating to homestead property tax relief; revising the computation of reduction of property taxes; amending Minnesota Statutes 1969, Section 273.135, Subdivision 3.

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

Section 1. Minnesota Statutes 1969, Section 273.135, Subdivision 3, is amended to read:

Subd. 3. **TAXATION; HOMESTEAD REDUCTION.** The amount of the reduction in property taxes authorized in subdivision 1 and prescribed in subdivision 2 shall, in no event, exceed \$190. ~~The amount of the reduction in taxes prescribed in subdivision 2 with respect to taxes levied in the year 1968, payable in 1969 and subsequent years shall, in no event, exceed an amount determined by applying the applicable percentage reduction as of the applicable assessment date to the amount of taxes levied and assessed against the property in the year 1968. With respect to property which in~~

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