

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

FIFTY-SECOND DAY

St. Paul, Minnesota, Friday, May 11, 2001

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Fischbach imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Kenneth K. Harste.

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

Anderson	Frederickson	Krentz	Olson	Sabo
Bachmann	Higgins	Langseth	Orfield	Sams
Belanger	Hottinger	Larson	Ourada	Samuelson
Berg	Johnson, Dave	Lesewski	Pappas	Scheevel
Berglin	Johnson, Dean	Lessard	Pariseau	Scheid
Betzold	Johnson, Debbie	Limmer	Pogemiller	Schwab
Chaudhary	Johnson, Doug	Lourey	Price	Stevens
Cohen	Kelly, R.C.	Marty	Ranum	Terwilliger
Day	Kierlin	Metzen	Reiter	Tomassoni
Dille	Kinkel	Moe, R.D.	Rest	Vickerman
Fischbach	Kiscaden	Murphy	Ring	Wiener
Foley	Kleis	Neuville	Robertson	Wiger
Fowler	Knutson	Oliver	Robling	

The President declared a quorum present.

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

MEMBERS EXCUSED

Senators Kelley, S.P.; Solon and Stumpf were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 10, 2001

The Honorable Don Samuelson
President of the Senate

Dear President Samuelson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1611, 1999, 1932, 773, 110, 1090, 1155, 1706, 511, 849, 1432, 1206, 930, 923 and 2006.

Sincerely,
Jesse Ventura, Governor

May 10, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2001 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2001	Date Filed 2001
1611		77	2:49 p.m. May 10	May 10
1999		78	3:00 p.m. May 10	May 10
1932		79	2:51 p.m. May 10	May 10
773		80	3:02 p.m. May 10	May 10
110		81	2:46 p.m. May 10	May 10
1090		82	2:52 p.m. May 10	May 10
1155		83	2:48 p.m. May 10	May 10
1706		84	2:53 p.m. May 10	May 10
511		85	2:47 p.m. May 10	May 10
849		86	2:45 p.m. May 10	May 10
1432		87	3:03 p.m. May 10	May 10
1206		88	2:54 p.m. May 10	May 10
930		89	2:50 p.m. May 10	May 10
923		90	2:56 p.m. May 10	May 10
2006		91	3:05 p.m. May 10	May 10

Sincerely,
Mary Kiffmeyer
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File herewith returned: S.F. No. 2005.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 2001

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1528: A bill for an act relating to the city of Edina; authorizing the city to impose

additional restrictions on the recreational use of recreational motor vehicles on certain property; amending Minnesota Statutes 2000, section 84.90, by adding a subdivision.

Senate File No. 1528 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 2001

CONCURRENCE AND REPASSAGE

Senator Terwilliger moved that the Senate concur in the amendments by the House to S.F. No. 1528 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1528: A bill for an act relating to local government; authorizing the city of Edina to regulate the operation of recreational motor vehicles.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 11, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Krentz	Ourada	Sams
Berg	Higgins	Langseth	Pariseau	Samuelson
Berglin	Johnson, Dean	Larson	Pogemiller	Scheevel
Betzold	Johnson, Doug	Metzen	Price	Scheid
Chaudhary	Kelly, R.C.	Moe, R.D.	Ranum	Terwilliger
Dille	Kierlin	Murphy	Rest	Tomassoni
Fischbach	Kinkel	Oliver	Ring	Wiger
Foley	Kiscaden	Olson	Robertson	
Fowler	Knutson	Orfield	Sabo	

Those who voted in the negative were:

Bachmann	Kleis	Limmer	Reiter	Schwab
Day	Lesewski	Neuville	Robling	Stevens
Johnson, Debbie				

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 103: A bill for an act relating to civil actions; providing civil remedies for receiving motor fuel from a motor fuel retail business without paying for it; proposing coding for new law in Minnesota Statutes, chapter 332.

There has been appointed as such committee on the part of the House:

Nornes, Stang and Marquart.

Senate File No. 103 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1394: A bill for an act relating to human services; changing child placement provisions; modifying provisions governing child maltreatment investigations; classifying data and authorizing data sharing; amending Minnesota Statutes 2000, sections 13.319, by adding a subdivision; 13.32, subdivision 3; 13.43, by adding a subdivision; 13.46, subdivision 2; 119B.02, by adding a subdivision; 256.01, subdivision 2; 256.045, subdivision 3b; 260C.007, subdivisions 4, 14, and by adding subdivisions; 260C.141, subdivision 2; 260C.151, subdivision 6; 260C.178, subdivisions 1 and 7; 260C.193, subdivision 3; 260C.201, subdivisions 1, 2, 5, 6, 7, 10, 11, and by adding a subdivision; 260C.205; 260C.212, subdivisions 1, 2, 4, 5, 7, 8, and 9; 260C.215, subdivision 6; 260C.301, subdivisions 1, 4, and 8; 260C.312; 260C.317, subdivision 3; and 260C.325, subdivision 4; 626.556, subdivisions 2, 3, 4, 7, 10, 10b, 10d, 10e, 10i, 10j, 11; proposing coding for new law in Minnesota Statutes, chapter 256F; repealing Minnesota Statutes 2000, sections 260C.325, subdivision 2; and 626.5565.

There has been appointed as such committee on the part of the House:

Tingelstad, Cassell and Entenza.

Senate File No. 1394 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2340: A bill for an act relating to appropriations; appropriating money for the department of transportation and other government agencies with certain conditions; establishing, funding, or regulating certain policies, programs, duties, activities, or practices; funding and regulating criminal justice and prevention programs; modifying provisions relating to transportation, public safety, law enforcement, streets and highways, motor vehicles, traffic regulations, local governments, and state and regional agencies and authorities; providing funding for economic, energy, transportation, infrastructure, and recreational development, with certain conditions; proposing an amendment to the Minnesota Constitution by adding a section to article XIV to dedicate proceeds of the tax on the sale of motor vehicles to highway and transit purposes; requiring studies and reports; making technical, conforming, and clarifying changes; imposing penalties; setting fees; amending Minnesota Statutes 2000, sections 3C.12, subdivision 2; 13.679; 13.87, by adding a subdivision; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.641, subdivision 8; 16B.335, subdivision 4; 16B.56, subdivision 1; 16B.76, subdivision 1; 16C.05, subdivision 2; 16C.06, subdivisions 1, 2; 16C.08, subdivision 2; 17.86, subdivision 3; 18.024, subdivision 1; 43A.08, subdivision 1a; 45.012; 103F.325, subdivisions 2, 3; 115A.15, subdivision 5; 116O.06, subdivision 2; 117.51; 123B.65, subdivisions 1, 3, 5; 138.664, by adding a subdivision; 161.082, subdivision 2a; 161.14, by adding a subdivision; 161.23, subdivision 3; 161.32, subdivisions 1, 1b, 1e; 161.442; 161.45, subdivision 1; 162.02, subdivision 12; 162.09, subdivision 4; 167.51, subdivision 2; 168.011, subdivision 7; 168.013, subdivision 1d; 168.09, subdivision 7; 168.12, subdivision 1; 168.1291, subdivision 1; 168.27, subdivisions 12a, 20; 168.33, subdivision 7; 168.381; 168.61, subdivision 1; 169.06, by adding a subdivision; 169.073; 169.09, subdivisions 8, 9, 10, 13; 169.14, subdivisions 4, 5a; 169.18, subdivision 1, by adding a subdivision; 169.686, subdivision 1; 169.79; 169.825, subdivision 11; 169.87, subdivision 4; 170.23; 171.05, subdivision 2b; 171.055, subdivision 2; 171.06, subdivision 2a; 171.07, subdivisions 1, 11; 171.12, subdivision 6; 171.13, subdivision 6; 171.183, subdivision 1; 171.185; 171.26; 171.29, subdivision 2; 171.36; 171.39; 174.03, subdivision 7, by adding a subdivision;

174.24, subdivision 3b; 174.32, subdivision 5; 174.35; 174.70, subdivisions 2, 3; 174.88, subdivision 2; 181.30; 184.29; 184.30, subdivision 1; 184.38, subdivisions 6, 8, 9, 10, 11, 17, 18, 20; 184.41; 216A.01; 216A.035; 216A.036; 216A.05, subdivision 1; 216A.07, subdivision 1; 216A.08; 216A.085, subdivision 3; 216B.02, subdivisions 1, 7, 8; 216B.16, subdivisions 1, 2, 6b, 15; 216B.162, subdivisions 7, 11; 216B.1675, subdivision 9; 216B.241, subdivisions 1a, 1b, 2b; 216C.01, subdivisions 1, 2, 3; 216C.051, subdivision 6; 216C.37, subdivision 1; 216C.40, subdivision 4; 216C.41; 237.02; 237.075, subdivisions 2, 9; 237.082; 237.21; 237.30; 237.462, subdivision 6; 237.51, subdivisions 1, 5, 5a; 237.52, subdivisions 2, 4, 5; 237.54, subdivision 2; 237.55; 237.59, subdivision 2; 237.768; 239.01; 239.10; 297B.09, subdivision 1; 299A.01, subdivision 1b; 299A.64, subdivision 1; 299C.10, subdivision 1; 299C.11; 299C.147, subdivision 2; 299D.03, subdivisions 5, 6, by adding a subdivision; 299M.10; 299M.11, subdivision 5; 325E.11; 325E.115, subdivision 2; 326.243; 446A.085; 473.399, by adding a subdivision; 473.859, subdivision 2; 484.50; 611A.25, subdivision 3; 611A.361, subdivision 3; Laws 1999, chapter 238, article 1, section 2, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 161; 167; 168A; 169; 174; 219; 240A; 299A; 299C; 473; 609; repealing Minnesota Statutes 2000, sections 174.22, subdivision 9; 174.32, subdivisions 2, 4; 184.22, subdivisions 2, 3, 4, 5; 184.37, subdivision 2; 216A.06; 237.69, subdivision 3.

There has been appointed as such committee on the part of the House:

Molnau, Stanek, Workman, Holberg and Murphy.

Senate File No. 2340 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2351: A bill for an act relating to state government; appropriating money for environmental, natural resources, and agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2000, sections 15.059, subdivision 5a; 16A.531, subdivision 1, by adding subdivisions; 17.038; 17.1025; 17.117; 17.457, subdivision 10; 17.85; 18B.065, subdivision 5; 18C.425, subdivisions 2, 6; 18E.04, subdivisions 2, 4, 5; 21.85, subdivision 12; 27.041, subdivision 2; 28A.04, subdivision 1; 28A.085, subdivision 4; 29.22, subdivision 2; 31.39; 32.392; 32.394, subdivisions 8a, 8e; 34.07; 41A.09, subdivisions 3a, 5a; 84.025, subdivision 7; 84.0887, subdivision 4; 84.83, subdivision 3; 84.925, subdivision 1; 84.9256, subdivision 1; 85.015, by adding subdivisions; 85.32, subdivision 1; 86A.21; 89.001, by adding a subdivision; 89.012; 89A.01, subdivision 3; 89A.05, subdivisions 1, 2a, 4; 89A.06, subdivisions 2, 2a; 89A.08, subdivision 4; 93.002, subdivision 1; 97A.045, subdivision 7; 97A.055, subdivision 4a; 97A.405, subdivision 2; 97A.411, subdivision 2; 97A.473, subdivisions 2, 3, 5; 97A.474, subdivisions 2, 3; 97A.475, subdivisions 5, 10; 97A.485, subdivision 6; 97B.721; 97C.305; 115.03, by adding a subdivision; 115.073; 115.55, subdivision 3; 115.56, subdivision 4; 115A.0716, by adding a subdivision; 115A.54, subdivision 2a; 115A.908, subdivisions 1, 2; 115A.912, subdivision 1; 115A.914, subdivision 2; 115A.9651, subdivision 6; 115B.17, subdivisions 6, 7, 14, 16; 115B.19; 115B.20; 115B.22, subdivision 7; 115B.25, subdivisions 1a, 4; 115B.26; 115B.30; 115B.31, subdivisions 1, 3, 4; 115B.32, subdivision 1; 115B.33, subdivision 1; 115B.34; 115B.36; 115B.40, subdivision 4; 115B.41, subdivisions 1, 2, 3; 115B.42, subdivision 2; 115B.421; 115B.445; 115B.48, subdivision 2; 115B.49, subdivisions 1, 2, 3, 4, 4a; 115C.07, subdivision 3; 115C.09, subdivisions 1, 2a, 3, 3h; 115C.093; 115C.112; 115C.13; 116.07, subdivisions 2, 4d, 4h; 116.70, subdivision 1; 116.994; 116C.834, subdivision 1; 116P.06, subdivision 1; 223.17, subdivision 3; 231.16; 268.035, subdivision 20; 297A.94; 297H.13, subdivisions 1, 2; 325E.10, subdivision 1; 325E.112, subdivision 3; 469.175, subdivision 7; 473.843, subdivision 2; 473.844, subdivisions 1, 1a; 473.845, subdivisions 3, 7, 8; 473.846; Laws 1995, chapter 220, section 142, as amended; Laws 1996, chapter 407, section 32, subdivision 4;

Laws 2000, chapter 473, section 21; proposing coding for new law in Minnesota Statutes, chapters 28A; 32; 41B; 84; 89; 103G; 116; 116P; 297H; 626; repealing Minnesota Statutes 2000, sections 31.11, subdivision 2; 41A.09, subdivision 1a; 86.71; 86.72; 89A.07, subdivisions 1, 2, 3; 103G.650; 115.55, subdivision 8; 115A.906; 115A.912, subdivisions 2, 3; 115B.02, subdivision 1a; 115B.19; 115B.22, subdivision 8; 115B.42, subdivision 1; 115C.02, subdivisions 11a, 12a; 115C.082; 115C.09, subdivision 3g; 115C.091; 115C.092; 116.12; 116.67; 116.70, subdivisions 2, 3a, 4; 116.71; 116.72; 116.73; 116.74; 297H.13, subdivisions 3, 4; 325E.113; 473.845, subdivisions 1, 4; Laws 2000, chapter 337, section 2; Minnesota Rules, parts 1560.9000, subpart 2; 7002.0210; 7002.0220; 7002.0230; 7002.0240; 7002.0250; 7002.0270; 7002.0280; 7002.0290; 7002.0300; 7002.0305; 7002.0310; 7023.9000; 7023.9005; 7023.9010; 7023.9015; 7023.9020; 7023.9025; 7023.9030; 7023.9035; 7023.9040; 7023.9045; 7023.9050; 7080.0020, subparts 24c, 51a; 7080.0400; 7080.0450.

There has been appointed as such committee on the part of the House:

Holsten, Finseth, Ozment, Harder and Osthoff.

Senate File No. 2351 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2360: A bill for an act relating to state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; modifying provisions relating to state and local government; providing for economic development; regulating various criminal justice, judiciary, housing, technology, and election provisions; authorizing local bonds and airport impact mitigations; providing for a credit enhancement program; authorizing contingency property tax levies in the metropolitan area; amending Minnesota Statutes 2000, sections 2.722, subdivision 1; 2.724, subdivision 3; 3.3005, subdivision 2, by adding a subdivision; 3.98, subdivision 2; 8.15, by adding a subdivision; 10A.01, subdivisions 9, 18; 10A.20, subdivision 6b, by adding a subdivision; 10A.25, subdivision 1, by adding subdivisions; 10A.27, subdivisions 1, 2, 10; 10A.275, subdivision 1; 10A.28, subdivision 1; 10A.31, subdivisions 3a, 5, 7, by adding a subdivision; 10A.322; 10A.323; 16A.10, subdivision 2; 16A.103, subdivisions 1, 1a; 16A.152, subdivision 7; 16B.25, subdivision 2; 16B.335, subdivision 3; 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 16B.88, subdivision 2; 16C.22; 16E.04, subdivision 2; 116L.02; 116L.03; 116L.04, by adding a subdivision; 116L.05, by adding a subdivision; 116L.16; 181.945; 200.02, subdivisions 7, 23; 211A.12; 268.022, subdivision 2; 268.085, by adding a subdivision; 268.665, by adding subdivisions; 268.666, by adding a subdivision; 270A.07, subdivision 1; 290.06, subdivision 23; 326.90, subdivision 1; 349.165, subdivisions 1, 3; 357.18, subdivision 3; 403.11, subdivision 1; 403.113, subdivisions 1, 3; 462.353, subdivision 4; 462.358, subdivision 2b; 462A.01; 462A.03, subdivisions 1, 6, 10, by adding a subdivision; 462A.04, subdivision 6; 462A.05, subdivisions 14, 14a, 16, 22, 26; 462A.06, subdivisions 1, 4; 462A.07, subdivisions 10, 12; 462A.073, subdivision 1; 462A.15; 462A.17, subdivision 3; 462A.20, subdivision 3; 462A.201, subdivisions 2, 6; 462A.204, subdivision 3; 462A.205, subdivisions 4, 4a; 462A.209; 462A.2091, subdivision 3; 462A.2093, subdivision 1; 462A.2097; 462A.21, subdivisions 5, 10, by adding subdivisions; 462A.222, subdivision 1a; 462A.24; 462A.33, subdivisions 1, 2, 3, 5, by adding a subdivision; 473.195, by adding a subdivision; 473.255, subdivisions 1, 2; 473.517, subdivision 3; 473.901, subdivision 1; 480.182; 517.08, subdivisions 1b, 1c; Laws 1997, chapter 202, article 2, section 61, as amended; Laws 1998, chapter 366, section 80; Laws 1999, chapter 250, article 1, section 12, subdivision 3; Laws 1999, chapter 250, article 1, section 34; Laws 2000, chapter 488, article 8, section 2; proposing coding for new law in Minnesota Statutes, chapters 4A; 8; 11A; 15A; 16B; 16E; 116J; 137; 268; 336; 462; 462A; 473; repealing Minnesota Statutes 2000, sections 8.15, subdivision 2; 16E.08; 129D.06; 179A.07, subdivision 7; 462A.201, subdivision 4; 462A.207;

462A.209, subdivision 4; 462A.21, subdivision 17; 462A.221, subdivision 4; 462A.30, subdivision 2; 462A.33, subdivisions 4, 6, 7.

There has been appointed as such committee on the part of the House:

Krinkie; Rhodes; Anderson, B.; Kielkucki and Erickson.

Senate File No. 2360 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 2001

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 82:

H.F. No. 82: A bill for an act relating to education; providing for kindergarten through grade 12 education including general education revenue; education excellence; special programs; facilities and technology; nutrition, school accounting, and other programs; agency provisions; deficiencies; local achievement testing; and technical amendments; appropriating money; amending Minnesota Statutes 2000, sections 16B.616, subdivision 4; 120A.05, by adding a subdivision; 120B.02; 120B.031, subdivision 11; 120B.13, subdivision 1; 120B.30, subdivision 1; 120B.31, subdivision 3; 120B.35; 121A.11, by adding subdivisions; 121A.41, subdivision 10; 121A.45, subdivision 2, by adding a subdivision; 121A.582; 121A.61, subdivision 2; 122A.06, by adding a subdivision; 122A.09, subdivision 4; 122A.162; 122A.163; 122A.18, subdivisions 1, 2, 2a, 4, by adding subdivisions; 122A.20, subdivision 2; 122A.21; 122A.26, subdivision 3; 122A.31; 122A.61, subdivision 1; 123B.03, subdivision 3; 123B.143, subdivision 1; 123B.42, subdivision 3; 123B.44, subdivision 6; 123B.53, subdivisions 1, 2, 4, 5; 123B.54; 123B.57, subdivisions 3, 6, 8; 123B.71, subdivisions 1, 4, 8, 9; 123B.75, subdivision 5, by adding subdivisions; 123B.80, subdivision 1; 123B.92, by adding subdivisions; 124D.10, subdivisions 1, 3, 4, 6, 8, 10, 14, 15, 19, 23, 25, by adding subdivisions; 124D.11, subdivisions 4, 5, 9; 124D.128, subdivisions 1, 2, 3, 6; 124D.454, subdivision 11; 124D.65, subdivision 5; 124D.69, subdivision 1; 124D.74, subdivisions 1, 2, 3, 4, 6; 124D.75, subdivision 6; 124D.76; 124D.78, subdivision 1; 124D.81, subdivisions 1, 3, 5, 6, 7; 124D.86, subdivisions 3, 6; 125A.023, subdivision 4; 125A.08; 125A.09, subdivision 3; 125A.11, subdivision 3; 125A.17; 125A.27, subdivision 15; 125A.76, subdivisions 1, 2; 126C.05, subdivisions 1, 3, 5, 6, 15; 126C.10, subdivisions 1, 2, 3, 9, 20, 21, 22, 24, 25, 27, by adding a subdivision; 126C.12, subdivisions 2, 3, 4, 5, by adding a subdivision; 126C.13, subdivision 1; 126C.15, subdivisions 1, 2, 5; 126C.16, by adding a subdivision; 126C.17, subdivisions 1, 2, 5, 6, 9, 10, 11; 126C.23, subdivision 5; 126C.41, subdivision 3; 126C.43, subdivision 3; 126C.63, subdivision 8; 126C.69, subdivisions 2, 3, 9, 12, 15; 127A.05, subdivision 1; 127A.41, subdivisions 5, 8, 9; 127A.45, subdivision 12, by adding a subdivision; 127A.50, subdivision 2; 136D.281, subdivision 4; 136D.741, subdivision 4; 136D.88, subdivision 4; 179A.20, by adding a subdivision; 214.01, subdivision 3; 214.04, subdivisions 1, 3; 214.12, subdivision 1; 260A.01; 260C.163, subdivision 11; 475.53, subdivision 4; 475.61, subdivision 3; 626.556, subdivision 2; Laws 1992, chapter 499, article 7, section 31, as amended; Laws 2000, chapter 489, article 2, sections 34, 36, 37, subdivision 3, 39, subdivision 2; Laws 2000, chapter 489, article 3, sections 24, 25, subdivision 5; Laws 2000, chapter 489, article 5, section 21; Laws 2000, chapter 489, article 7, section 15, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 123B; 124D; 127A; repealing Minnesota Statutes 2000, sections 120B.031; 120B.31, subdivisions 1, 2, 4; 123B.05; 123B.71, subdivisions 3, 10; 124D.07; 124D.1155; 124D.128, subdivision 7; 124D.32; 124D.85; 126C.01, subdivision 10; 126C.10, subdivisions 3, 12, 23, 28; 126C.16, subdivision 2; 126C.17, subdivision 12; 126C.18; 126C.22; 126C.30; 126C.31; 126C.32; 126C.33; 126C.34; 126C.35; 126C.36; 126C.42, subdivisions 2, 3; 126C.47; 127A.44; 135A.081; 136D.281, subdivision 8; 136D.741, subdivision 8; 136D.88, subdivision 8; 136D.94; Laws 2000, chapter 254, section 30; Laws 2000, chapter 489, article 1, section 18; Minnesota Rules, parts 3501.0300; 3501.0310; 3501.0320; 3501.0330; 3501.0340; 3501.0350; 3501.0370; 3501.0380; 3501.0390; 3501.0400; 3501.0410; 3501.0420; 3501.0430; 3501.0440; 3501.0441; 3501.0442; 3501.0443; 3501.0444; 3501.0445; 3501.0446; 3501.0447; 3501.0448; 3501.0449; 3501.0450; 3501.0460; 3501.0461; 3501.0462; 3501.0463; 3501.0464; 3501.0465; 3501.0466; 3501.0467; 3501.0468; 3501.0469.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Seagren, Mares, Buesgens, Ness and Wenzel have been appointed as such committee on the part of the House.

House File No. 82 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 2001

Senator Moe, R.D., for Senator Stumpf, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 82, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 1947 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1947	1345				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1947 be amended, and when so amended, H.F. No. 1947 will be identical to S.F. No. 1345 and further recommends that H.F. No. 1947 be given its second reading and substituted for S.F. No. 1345 and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H.F. No. 1947 was read the second time.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 26, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2498 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2498: A bill for an act relating to the financing and operation of government in this state; providing a sales tax rebate; providing property tax reform; making changes to income, franchise, sales and use, property, motor vehicle sales, motor vehicle registration, mortgage

registry, deed, motor fuels, cigarette and tobacco, liquor, insurance premiums, lawful gambling, minerals, estate, and special taxes; changing and allowing tax credits, subtractions, and exemptions, including an income tax subtraction for capital gains; providing a biomedical innovation initiative; conforming with changes in federal income tax provisions; providing for allocation and apportionment of income; imposing a state general tax levy on certain property; providing a property tax homestead credit; imposing general levy limits; providing for property tax levy reverse referenda; changing property tax valuation, assessment, levy, classification, homestead, credit, aid, exemption, deferral, review, appeal, abatement, and distribution provisions; abolishing certain property tax levies for transit and establishing a transit fund; providing and modifying certain aids to local units of government; changing levy authority; reducing certain utility taxes and requiring a corresponding rate reduction; changing certain provisions relating to biomass facilities; providing for disposition of local lodging tax proceeds; providing priorities for disposition of production tax proceeds by the iron range resources and rehabilitation board; providing for certain payments in lieu of taxes; reducing rates on lawful gambling taxes; reducing rates on solid waste management taxes; providing for state takeover of certain costs of district court administration and out-of-home placement; providing for uniform sales and use tax administration; providing for taxation and incentive payments on forest lands; providing for electronic filing and payment of taxes; changing procedures for disposition of seized contraband; abolishing certain health care provider taxes and health plan premium taxes; providing for deposit of certain tobacco settlement and cigarette tax proceeds to the health care access fund; changing tax increment financing provisions and authorizing certain grants, duration extensions, and expenditures; requiring registration of tax increment financing consultants; creating a health care access fund reserve; reducing the tax on life insurance premiums; increasing property tax refunds and changing calculation of rent constituting property taxes for purposes of property tax refunds; reducing taconite production tax and occupation tax rates; providing special authority to certain political subdivisions; authorizing special taxing districts; changing and clarifying tax administration, collection, enforcement, interest, and penalty provisions; changing revenue recapture provisions; authorizing abatements and waivers of fees and certain taxes in disaster areas; changing and imposing fees; changing debt collection provisions for student loans; providing certain duties and powers to the commissioner of revenue; authorizing publication of names of certain delinquent taxpayers; authorizing border city allocations; changing provisions relating to tax-forfeited lands and providing for tax-forfeited lands transfers; defining terms; classifying data; establishing a legislative commission; requiring studies; imposing a criminal penalty; appropriating money; amending Minnesota Statutes 2000, sections 16D.08, subdivision 2; 62J.041, subdivision 1; 62Q.095, subdivision 6; 69.021, subdivision 5; 84.922, by adding a subdivision; 88.49, subdivisions 5, 9a; 88.491, subdivision 2; 97A.065, subdivision 2; 103D.905, subdivision 3; 115B.24, subdivision 2; 123B.55; 126C.01, subdivision 3; 126C.13, subdivision 4; 126C.17, by adding a subdivision; 144.3831, subdivision 2; 168.013, subdivision 1a; 174.24, subdivision 3b; 179A.101, subdivision 1; 179A.102, subdivision 6; 179A.103, subdivision 1; 214.16, subdivisions 2, 3; 216B.2424, subdivision 5; 239.101, subdivision 3; 260.765, by adding a subdivision; 260.771, by adding a subdivision; 270.06; 270.07, subdivision 3; 270.11, by adding a subdivision; 270.12, subdivision 2; 270.271, subdivisions 1, 3; 270.60, subdivision 4, by adding a subdivision; 270.70, subdivision 13; 270.73, subdivision 1; 270.771; 270.78; 270A.03, subdivisions 5, 7; 270A.11; 270B.01, subdivision 8; 270B.02, subdivisions 2, 3; 270B.03, subdivision 6; 270B.14, subdivision 1; 271.01, subdivision 5; 271.21, subdivision 2; 272.02, subdivisions 9, 10, 22, by adding subdivisions; 273.061, subdivisions 1, 2, 8; 273.072, subdivision 1; 273.11, subdivisions 1a, 14, by adding subdivisions; 273.1104, subdivision 2; 273.111, subdivision 4; 273.121; 273.124, subdivisions 8, 13, 14; 273.13, subdivisions 22, 23, 24, 25, 31; 273.1392; 273.1393; 273.1398, subdivisions 1a, 4a, by adding subdivisions; 274.01, subdivision 1; 274.13, subdivision 1; 275.02; 275.065, subdivisions 1, 3, 5a, 6, 8, by adding a subdivision; 275.066; 275.07, subdivision 1; 275.16; 275.62, subdivision 1; 275.70, subdivision 5, by adding subdivisions; 276.04, subdivision 2; 276.11, subdivision 1; 276A.01, subdivision 3; 276A.06, subdivision 3; 282.01, subdivisions 1a, 1b; 282.04, subdivision 2; 287.035; 287.04; 287.08; 287.12; 287.13, by adding a subdivision; 287.20, subdivisions 2, 9; 287.21, subdivision 1; 287.28; 289A.02, subdivision 7, by adding a subdivision; 289A.08, subdivision 16; 289A.11, subdivision 1; 289A.12, subdivision 3; 289A.18, subdivision 4; 289A.20, subdivisions 1, 2, 4; 289A.26, subdivision 2a; 289A.31, subdivision 7; 289A.50, subdivisions 2, 2a; 289A.60, subdivisions 7, 21; 290.01, subdivisions 6b, 7, 19, 19b, 19c, 19d, 22, 29, 31, by adding a subdivision; 290.014,

subdivision 5; 290.05, subdivision 1; 290.06, subdivisions 2c, 22; 290.067, subdivisions 1, 2, 2b; 290.0671, subdivisions 1, 1a, 7; 290.0674, subdivisions 1, 2; 290.0675, subdivisions 1, 3; 290.068, subdivisions 1, 3, 4; 290.091, subdivisions 2, 3; 290.0921, subdivisions 1, 2, 3, 6; 290.0922, subdivision 2; 290.093; 290.095, subdivision 2; 290.17, subdivisions 1, 4; 290.191, subdivisions 2, 3; 290.21, subdivision 4; 290.9725; 290A.03, subdivisions 6, 11, 12, 13, 15; 290A.04, subdivisions 2, 2a, 4; 290A.15; 291.005, subdivision 1; 295.55, subdivision 4; 296A.15, subdivisions 1, 7; 296A.16, subdivision 2; 296A.21, subdivisions 1, 4; 296A.24, subdivisions 1, 2; 297A.01, subdivision 3; 297A.07, subdivision 3; 297A.25, subdivisions 3, 11, 28; 297A.61, subdivisions 2, 3, 4, 6, 7, 9, 10, 12, 14, 16, 17, 19, 22, 23, by adding subdivisions; 297A.62, subdivision 3; 297A.64, subdivisions 3, 4; 297A.66, subdivisions 1, 3; 297A.67, subdivisions 2, 8, 23, 24, 25, by adding subdivisions; 297A.68, subdivisions 2, 3, 5, 11, 13, 14, 18, 25, by adding subdivisions; 297A.69, subdivision 2; 297A.70, subdivisions 1, 2, 3, 4, 7, 8, 10, 13, 14; 297A.71, subdivisions 3, 6, by adding subdivisions; 297A.72, subdivision 1; 297A.75; 297A.77, subdivision 1; 297A.80; 297A.82, subdivision 3, by adding a subdivision; 297A.89, subdivision 1; 297A.90, subdivision 1; 297A.91; 297A.92, subdivision 2; 297A.94; 297A.99, subdivisions 7, 9, 11; 297B.03; 297B.09, subdivision 1; 297E.02, subdivisions 1, 4, 6; 297E.16, subdivisions 1, 2; 297F.09, subdivision 7; 297F.10, subdivision 1; 297F.16, subdivision 4; 297F.20, subdivision 3; 297F.21, subdivisions 1, 2, 3; 297G.09, subdivision 6; 297G.15, subdivision 4; 297G.16, subdivisions 5, 7; 297G.20, subdivisions 3, 4; 297H.02, subdivision 2; 297H.03, subdivision 2; 297H.04, subdivision 2, by adding a subdivision; 297H.05; 297H.06, by adding a subdivision; 297H.13, by adding a subdivision; 297I.05, by adding a subdivision; 297I.15, by adding a subdivision; 297I.20; 297I.35, subdivision 2; 297I.40, subdivisions 1, 2, 7; 297I.85, subdivision 7; 298.01, subdivisions 3, 3a, 3b, 4, 4a, 4c; 298.22, subdivision 2, by adding a subdivision; 298.225, subdivision 1; 298.24, subdivision 1; 298.27; 298.28, subdivisions 6, 9a; 298.2961, subdivision 2; 298.75, subdivisions 1, 2, by adding a subdivision; 299D.03, subdivision 5; 345.41; 345.42, by adding a subdivision; 349.19, subdivision 2a; 357.021, subdivision 1a; 461.12, by adding a subdivision; 469.040, subdivision 5; 469.169, by adding a subdivision; 469.1732, subdivision 1; 469.174, subdivisions 1, 3, 10, 10a, 12, 25; 469.175, subdivisions 1, 3, 6, 6b, by adding a subdivision; 469.176, subdivisions 1b, 1c, 1e, 3, 4, 4g, by adding a subdivision; 469.1763, subdivision 6; 469.177, subdivisions 1, 11, by adding a subdivision; 469.1771, subdivision 1; 469.178, by adding a subdivision; 469.1791, subdivisions 1, 3, 9; 469.1812, subdivision 2; 469.1813, subdivisions 4, 6; 469.190, subdivision 3; 469.202, subdivision 2; 473.388, subdivisions 4, 7; 473.446, subdivision 1, by adding a subdivision; 473.843, subdivision 3; 473F.08, subdivision 3; 473H.10, subdivision 3; 475.58, subdivision 1; 477A.011, subdivisions 35, 36; 477A.0121, by adding a subdivision; 477A.0122, by adding a subdivision; 477A.013, subdivisions 1, 9; 477A.03, subdivision 2, by adding a subdivision; 477A.12; 477A.14; 480.181, subdivision 1; 487.33, subdivision 5; 574.34, subdivision 1; Laws 1986, chapter 396, section 5; Laws 1997, chapter 231, article 10, section 25; Laws 1998, chapter 389, article 16, section 35, subdivision 1; Laws 1999, chapter 216, article 7, section 46, subdivision 3; Laws 1999, chapter 243, article 4, section 19; Laws 2000, chapter 490, article 8, section 17; Laws 2000, chapter 490, article 11, section 26; proposing coding for new law in Minnesota Statutes, chapters 3; 12; 16A; 62Q; 103B; 116J; 123B; 144F; 245; 256L; 270; 272; 273; 275; 290; 290A; 295; 296A; 297A; 469; 471; 473; 477A; 480; 484; proposing coding for new law as Minnesota Statutes, chapters 126C; 216B; 290C; repealing Minnesota Statutes 2000, sections 13.4967, subdivision 3; 16A.1521; 16A.76; 62T.10; 126C.13, subdivisions 1, 2, 3; 144.1484, subdivision 2; 256L.02, subdivision 3; 270.31; 270.32; 270.33; 270.34; 270.35; 270.36; 270.37; 270.38; 270.39; 273.13, subdivision 24a; 273.1382; 273.1399; 275.078; 275.08, subdivision 1e; 289A.60, subdivision 15; 290.06, subdivisions 25, 26; 290.0673; 290.095, subdivisions 1a, 7; 290.191, subdivision 4; 290.21, subdivision 3; 290.23; 290.25; 290.31, subdivisions 2, 2a, 3, 4, 5, 19; 290.35; 290.9726, subdivision 7; 290A.04, subdivision 2j; 290A.18, subdivision 2; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; 295.56; 295.57; 295.58; 295.582; 295.59; 296A.16, subdivision 6; 296A.24, subdivision 3; 297A.61, subdivision 16; 297A.62, subdivision 2; 297A.64, subdivision 1; 297A.68, subdivision 21; 297A.71, subdivisions 2, 15, 16, 21; 297B.032; 297E.16, subdivision 3; 297F.21, subdivision 4; 297G.20, subdivision 5; 297I.05, subdivisions 5, 8; 297I.30, subdivision 3; 298.01, subdivisions 3c, 3d, 4d, 4e; 469.1732, subdivision 2; 469.1734, subdivision 4; 469.1782, subdivision 1; 473.446, subdivision 8; Laws 1988, chapter 426, section 1; Laws 1988, chapter 702, section 16; Laws 1992, chapter 511, article 2, section 52, as amended; Laws 1996, chapter 471, article 8, section 45; Laws 1999, chapter 243, article 6, section 14; Laws 1999, chapter 243, article

6, section 15; Laws 2000, chapter 490, article 6, section 17; Minnesota Rules, parts 8120.0200; 8120.0500; 8120.0700; 8120.0900; 8120.1300; 8120.1600; 8120.2000; 8120.2100; 8120.2200; 8120.2300; 8120.2500; 8120.2700; 8120.2800; 8120.3000; 8120.3200; 8120.4300; 8120.4400; 8120.4500; 8120.4600; 8120.4900; 8120.5000; 8120.5100; 8120.5300.

Senator Pogemiller moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Pages 22 and 23, delete section 1

Page 23, line 25, after "2003" insert "and thereafter"

Page 42, line 34, delete "1.4" and insert "1.3"

Page 43, line 23, after the second "to" insert "qualified"

Page 47, after line 14, insert:

"Sec. 14. [GENERAL EDUCATION TAX RATE REDUCTION.]

The general education tax rate for fiscal year 2003 and later fiscal years will be the rate that raises \$100,000,000 less than the amount required to be raised under Minnesota Statutes, section 126C.13, subdivision 1."

Page 52, line 33, delete "30" and insert "50"

Page 55, line 35, delete "30" and insert "50"

Page 56, line 10, delete "30" and insert "50"

Page 58, line 11, delete "2001" and insert "2002"

Page 60, after line 27, insert:

"(d) The aid reduction under this subdivision in 2003 must be made prior to any aid reductions for the state takeover of courts contained in this article."

Page 69, line 29, delete "\$1,500,000" and insert "\$1,700,000"

Page 118, after line 6, insert:

"Sec. 18. Minnesota Statutes 2000, section 297A.68, is amended by adding a subdivision to read:

Subd. 37. [AIRLINE MEALS.] Food purchased by an airline for consumption by passengers during travel is exempt.

[EFFECTIVE DATE.] This section is effective for sales after June 30, 2001."

Page 118, line 24, delete the new language

Page 118, line 25, delete "(5)"

Page 118, line 27, delete "473.384" and insert "473.405"

Page 118, line 28, delete "(6)" and insert "(5)"

Page 118, line 31, delete "(7)" and insert "(6)"

Page 126, line 23, delete "or"

Page 126, line 25, after "(2)" insert "; or

(4) a nonprofit corporation subject to the provisions of chapter 317A, and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended"

Page 144, line 28, delete ", and"

Page 144, delete lines 29 and 30 and insert "only from the general fund to the commissioner of transportation to be used to pay taxes imposed under Minnesota Statutes, chapter 297A, on purchases by the department of transportation."

Page 207, line 23, delete "and"

Page 207, after line 23, insert:

"(23) emergency medical services special taxing districts under section 144F.01; and"

Page 207, line 24, delete "(23)" and insert "(24)"

Page 219, line 14, delete everything before the period

Page 225, line 15, delete "the" and insert "20"

Page 225, line 16, delete the new language

Page 226, line 7, delete the new language and after the stricken "19" insert "20" and reinstate the stricken "percent"

Page 226, line 8, delete the new language

Pages 226 to 228, delete sections 3 and 4 and insert:

"Sec. 3. Minnesota Statutes 2000, section 290A.04, subdivision 2, is amended to read:

Subd. 2. [HOMEOWNERS.] A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 1,029			
<u>\$0 to 1,189</u>	1.2 percent	18 percent	\$440 <u>\$1,190</u>
1,030 to 2,059			
<u>1,190 to 2,389</u>	1.3 percent	18 percent	\$440 <u>\$1,190</u>
2,060 to 3,099			
<u>2,390 to 3,589</u>	1.4 percent	20 percent	\$440 <u>\$1,190</u>
3,100 to 4,129			
<u>3,590 to 4,779</u>	1.6 percent	20 percent	\$440 <u>\$1,190</u>
4,130 to 5,159			
<u>4,780 to 5,969</u>	1.7 percent	20 percent	\$440 <u>\$1,190</u>
5,160 to 7,229			
<u>5,970 to 8,369</u>	1.9 percent	25 percent	\$440 <u>\$1,190</u>
7,230 to 8,259			
<u>8,370 to 9,559</u>	2.1 percent	25 percent	\$440 <u>\$1,190</u>
8,260 to 9,289			
<u>9,560 to 10,759</u>	2.2 percent	25 percent	\$440 <u>\$1,190</u>
9,290 to 10,319			
<u>10,760 to 11,949</u>	2.3 percent	30 percent	\$440 <u>\$1,190</u>
10,320 to 11,349			
<u>11,950 to 13,139</u>	2.4 percent	30 percent	\$440 <u>\$1,190</u>
11,350 to 12,389			
<u>13,140 to 14,349</u>	2.5 percent	30 percent	\$440 <u>\$1,190</u>

<u>12,390 to 14,449</u>			
<u>14,350 to 16,729</u>	2.6 percent	30 percent	\$440 <u>\$1,190</u>
<u>14,450 to 15,479</u>			
<u>16,730 to 17,919</u>	2.8 percent	35 percent	\$440 <u>\$1,190</u>
<u>15,480 to 16,509</u>			
<u>17,920 to 19,119</u>	3.0 percent	35 percent	\$440 <u>\$1,190</u>
<u>16,510 to 17,549</u>			
<u>19,120 to 20,319</u>	3.2 percent	40 percent	\$440 <u>\$1,190</u>
<u>17,550 to 21,669</u>			
<u>20,320 to 25,089</u>	3.3 percent	40 percent	\$440 <u>\$1,190</u>
<u>21,670 to 24,769</u>			
<u>25,090 to 28,679</u>	3.4 percent	45 percent	\$440 <u>\$1,190</u>
<u>24,770 to 30,959</u>			
<u>28,680 to 41,819</u>	3.5 percent	45 percent	\$440 <u>\$1,190</u>
<u>30,960 to 36,119</u>	3.5 percent	45 percent	\$440
<u>36,120 to 41,279</u>			
<u>41,820 to 47,789</u>	3.7 percent	50 percent	\$440 <u>\$1,190</u>
<u>41,280 to 58,829</u>			
<u>47,790 to 63,329</u>	4.0 percent	50 percent	\$440 <u>\$1,190</u>
<u>63,330 to 64,519</u>	4.0 percent	50 percent	\$1,080
<u>64,520 to 65,719</u>	4.0 percent	50 percent	\$ 960
<u>65,720 to 66,909</u>	4.0 percent	50 percent	\$ 830
<u>66,910 to 68,109</u>	4.0 percent	50 percent	\$ 720
<u>58,830 to 59,859</u>			
<u>68,110 to 69,309</u>	4.0 percent	50 percent	\$310 <u>\$600</u>
<u>59,860 to 60,889</u>			
<u>69,310 to 70,499</u>	4.0 percent	50 percent	\$210 <u>\$360</u>
<u>60,890 to 61,929</u>			
<u>70,500 to 71,699</u>	4.0 percent	50 percent	\$100 <u>\$120</u>

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$61,930~~ \$71,700 or more.

[EFFECTIVE DATE.] This section is effective beginning with refunds based on property taxes payable in 2002.

Sec. 4. Minnesota Statutes 2000, section 290A.04, subdivision 4, is amended to read:

Subd. 4. **[INFLATION ADJUSTMENT.]** Beginning for property tax refunds payable in calendar year ~~1996~~ 2002, the commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a for inflation. The commissioner shall make the inflation adjustments in accordance with section ~~290.06, subdivision 2d~~ 1f of the Internal Revenue Code, except that for purposes of this subdivision the percentage increase shall be determined from the year ending on June 30, ~~1994~~ 2000, to the year ending on June 30 of the year preceding that in which the refund is payable. The commissioner shall use the appropriate percentage increase to annually adjust the income thresholds and maximum refunds under subdivisions 2 and 2a for inflation without regard to whether or not the income tax brackets are adjusted for inflation in that year. The commissioner shall round the thresholds and the maximum amounts, as adjusted to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount.

The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

[EFFECTIVE DATE.] This section is effective the day following final enactment."

Page 391, line 20, delete "2002" and insert "2003"

Page 397, line 15, delete "(a) From" and insert "On and after"

Page 397, line 16, delete "through June 30, 2006,"

Page 397, delete lines 19 to 22

Page 463, line 28, after "payment" insert "of Hennepin county"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pogemiller then moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 352, line 10, delete "42.5" and insert "57.5"

Page 352, line 13, delete "42.5" and insert "27.5"

Page 352, line 21, strike "restoration" and insert "reclamation"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on H.F. No. 2498. The Sergeant at Arms was instructed to bring in the absent members.

Senator Vickerman moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 555, line 1, delete "\$....." and insert "\$3,442,800"

Page 555, line 2, delete "\$....." and insert "\$1,502,800"

Page 555, line 4, delete "\$..... for each year" and insert "\$304,800 for fiscal year 2002, and \$447,800 for subsequent fiscal years"

The motion prevailed. So the amendment was adopted.

Senator Vickerman then moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 310, after line 14, insert:

"Sec. 45. [CITY OF LUVERNE.]

Subdivision 1. [AUTHORIZATION.] The governing body of the city of Luverne may designate between one and three areas of the city as border city development zones. The total area of the zones may not exceed 100 acres.

Subd. 2. [APPLICATION OF GENERAL LAW.] (a) The provisions of Minnesota Statutes, sections 469.1731 to 469.1735, apply to the border city development zones designated under this section. The governing body of the city may exercise the powers granted under Minnesota Statutes, sections 469.1731 to 469.1735, including powers that apply outside of the zones.

(b) The allocation under subdivision 3 for purposes of Minnesota Statutes, section 469.1735, subdivision 2, and the necessary amount of the allocation is appropriated to the commissioner of revenue.

Subd. 3. [ALLOCATION OF STATE TAX REDUCTIONS.] (a) The cumulative total amount of tax reductions for all years of the program under Minnesota Statutes, sections 469.1731 to 469.1735, is limited to \$175,000.

(b) This allocation may be used for tax reductions provided in Minnesota Statutes, section 469.1732 or 469.1734, or for reimbursements under Minnesota Statutes, section 469.1735, subdivision 3, but only if the governing body of the city of Luverne determines that the tax reduction or offset is necessary to enable a business to expand within a city or to attract a business to the city.

(c) The commissioner of revenue may waive the limit under this subdivision using the same rules and standards provided in Minnesota Statutes, section 469.169, subdivision 12, paragraph (b).

Subd. 4. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Luverne with the requirements of Minnesota Statutes, section 645.021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Robling moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Pages 354 to 368, delete sections 1 to 23

Page 375, delete sections 27 and 28

Page 375, delete section 30

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Bachmann	Frederickson	Krentz	Olson	Scheevel
Belanger	Johnson, Debbie	Larson	Ourada	Schwab
Berg	Kierlin	Lesewski	Pariseau	Stevens
Day	Kiscaden	Limmer	Reiter	Terwilliger
Dille	Kleis	Neuville	Robertson	Wiener
Fischbach	Knutson	Oliver	Robling	

Those who voted in the negative were:

Anderson	Higgins	Langseth	Orfield	Sabo
Berglin	Hottinger	Lessard	Pappas	Sams
Betzold	Johnson, Dave	Lourey	Pogemiller	Samuelson
Chaudhary	Johnson, Dean	Marty	Price	Scheid
Cohen	Johnson, Doug	Metzen	Ranum	Tomassoni
Foley	Kelly, R.C.	Moe, R.D.	Rest	Vickerman
Fowler	Kinkel	Murphy	Ring	Wiger

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

Pursuant to Rule 41, Senator Metzen moved that he be excused from voting on all questions pertaining to H.F. No. 2498. The motion prevailed.

Senator Ourada moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 103, delete section 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Bachmann moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Pages 113 to 115, delete section 12

Page 554, after line 34, insert:

"(a) \$18,000,000 is appropriated from the general fund to the commissioner of transportation for the St. Croix river bridge project near Stillwater.

(b)"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 34, as follows:

Those who voted in the affirmative were:

Bachmann	Fischbach	Knutson	Oliver	Robling
Belanger	Johnson, Debbie	Larson	Olson	Scheevel
Berg	Kierlin	Lesewski	Ourada	Schwab
Day	Kiscaden	Limmer	Pariseau	Stevens
Dille	Kleis	Neuville	Reiter	Terwilliger

Those who voted in the negative were:

Anderson	Higgins	Lessard	Pogemiller	Samuelson
Berglin	Hottinger	Marty	Price	Scheid
Betzold	Johnson, Dave	Metzen	Ranum	Tomassoni
Chaudhary	Johnson, Dean	Moe, R.D.	Rest	Vickerman
Cohen	Johnson, Doug	Murphy	Ring	Wiener
Foley	Kinkel	Orfield	Sabo	Wiger
Fowler	Langseth	Pappas	Sams	

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

Senator Neuville moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 4, after line 29, insert:

"Section 1. Minnesota Statutes 2000, section 16A.1522, subdivision 2, is amended to read:

Subd. 2. [PLAN.] If the commissioner designates an amount for rebate in either forecast, the governor shall present a plan to the legislature for rebating that amount. The plan must provide for payments to begin no later than August 15 of the odd-numbered year. By April 15 of each odd-numbered year, the legislature shall enact, modify, or reject the plan presented by the governor the commissioner of revenue, with the money appropriated under subdivision 5, shall pay rebates to taxpayers by September 15 of the odd-numbered year. The rebate shall be calculated in the same manner as the taxpayer rebate enacted in 2001, adjusted to provide a total rebate amount equal to the amount available to be paid as a rebate.

Sec. 2. Minnesota Statutes 2000, section 16A.1522, is amended by adding a subdivision to read:

Subd. 6. [DISTRICT COURT JURISDICTION.] The district courts shall have jurisdiction over an individual taxpayer's claim to obtain his or her personal rebate check pursuant to the plan enacted under subdivision 2 against the commissioner of revenue."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Bachmann	Frederickson	Larson	Olson	Scheevel
Belanger	Johnson, Debbie	Lesewski	Ourada	Schwab
Berg	Kierlin	Lessard	Pariseau	Stevens
Day	Kiscaden	Limmer	Reiter	Terwilliger
Dille	Kleis	Neuville	Robertson	
Fischbach	Knutson	Oliver	Robling	

Those who voted in the negative were:

Anderson	Higgins	Langseth	Pogemiller	Samuelson
Berglin	Hottinger	Lourey	Price	Scheid
Betzold	Johnson, Dave	Marty	Ranum	Tomassoni
Chaudhary	Johnson, Dean	Moe, R.D.	Rest	Vickerman
Cohen	Johnson, Doug	Murphy	Ring	Wiener
Foley	Kinkel	Orfield	Sabo	Wiger
Fowler	Krentz	Pappas	Sams	

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

SUSPENSION OF RULES

Senator Kleis moved to suspend Rule 7.7 for the purpose of offering an amendment to H.F. No. 2498.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Bachmann	Frederickson	Larson	Ourada	Schwab
Belanger	Johnson, Debbie	Lesewski	Pariseau	Stevens
Berg	Kierlin	Limmer	Reiter	Terwilliger
Day	Kiscaden	Neuville	Robertson	
Dille	Kleis	Oliver	Robling	
Fischbach	Knutson	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Higgins	Lessard	Price	Scheid
Berglin	Hottinger	Lourey	Ranum	Tomassoni
Betzold	Johnson, Dave	Marty	Rest	Vickerman
Chaudhary	Johnson, Dean	Murphy	Ring	Wiener
Cohen	Johnson, Doug	Orfield	Sabo	Wiger
Foley	Kinkel	Pappas	Sams	
Fowler	Krentz	Pogemiller	Samuelson	

The motion did not prevail. So the rule was not suspended.

Senator Neuville moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 127, after line 25, insert:

"Sec. 28. Minnesota Statutes 2000, section 297A.71, is amended by adding a subdivision to read:

Subd. 27. [CONSTRUCTION MATERIALS; MONTGOMERY WASTEWATER

TREATMENT FACILITY AND PUBLIC LIBRARY.] Materials and supplies used or consumed in, and equipment and machinery incorporated into, the construction of a wastewater treatment facility and a public library in the city of Montgomery are exempt.

[EFFECTIVE DATE.] This section is effective for sales and purchases after December 31, 2001, and before January 1, 2004."

Page 234, line 6, delete "\$590,000,000" and insert "\$589,800,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, Debbie	Lesewski	Pariseau	Stevens
Belanger	Kierlin	Limmer	Reiter	Terwilliger
Berg	Kiscaden	Neuville	Robertson	
Day	Kleis	Oliver	Robling	
Dille	Knutson	Olson	Scheevel	
Frederickson	Larson	Ourada	Schwab	

Those who voted in the negative were:

Anderson	Higgins	Langseth	Pappas	Sams
Berglin	Hottinger	Lessard	Pogemiller	Samuelson
Betzold	Johnson, Dave	Lourey	Price	Scheid
Chaudhary	Johnson, Dean	Marty	Ranum	Tomassoni
Cohen	Johnson, Doug	Moe, R.D.	Rest	Vickerman
Foley	Kinkel	Murphy	Ring	Wiener
Fowler	Krentz	Orfield	Sabo	Wiger

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

Senator Pogemiller moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 397, delete section 2

Pages 401 and 402, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Oliver moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 463, after line 14, insert:

"Section 1. [16A.78] [MINNESOTACARE-SUBSIDIZED HEALTH INSURANCE ACCOUNT.]

(a) A MinnesotaCare-subsidized health insurance account is established in the general fund.

(b) Beginning with the payment due December 31, 2003, the commissioner shall credit to the account the ongoing tobacco settlement payments received by the state each December as a result of the settlement of the lawsuit styled as State v. Philip Morris Inc., No. C1-94-8565 (Minnesota District Court Second Judicial District) and the entire balance of the health care access fund.

(c) Money in the account is available for and may only be spent for expenditures associated with the MinnesotaCare-subsidized health insurance program.

(d) The balance in the account does not cancel and remains in the account until appropriated by law for the purposes described in this section.

(e) Notwithstanding section 11A.20, investment earnings on the account are credited to the account.

(f) Effective July 1, 2003, all programs formerly funded out of the health care access fund, other than the MinnesotaCare-subsidized health insurance program, shall be funded out of the general fund.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 2. [62Q.48] [PASS-THROUGH OF SAVINGS TO PURCHASERS.]

Subdivision 1. [PREMIUMS TO REFLECT SAVINGS.] Health plan company premium rates must reflect all savings resulting from:

(1) the contingent elimination of the MinnesotaCare provider taxes under section 295.52, subdivision 8, and the resulting reduction in the transfer of additional expenses generated by section 295.52 obligations to third-party contracts under section 295.582; and

(2) the contingent elimination of the tax on nonprofit health plan company premiums under section 297I.05, subdivision 5, paragraph (b).

Subd. 2. [DOCUMENTING COMPLIANCE.] Each health plan company shall annually submit documentation indicating compliance with subdivision 1 to the appropriate commissioner.

Subd. 3. [ENFORCEMENT.] If the appropriate commissioner finds that a health plan company has not complied with subdivision 1, the commissioner may take enforcement action against that health plan company. The commissioner may, by order, require premium rate reductions, fine or censure the health plan company, or revoke or suspend the certificate of authority or license of the health plan company to do business in this state, if the commissioner finds that the health plan company has not complied with this section. The health plan company may appeal the commissioner's order through a contested case hearing in accordance with chapter 14.

[EFFECTIVE DATE.] This section is effective July 1, 2003."

Page 463, after line 28, insert:

"Sec. 4. Minnesota Statutes 2000, section 256L.02, subdivision 3, is amended to read:

~~Subd. 3. [FINANCIAL MANAGEMENT.] (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve in accordance with section 16A.76. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve requirements described in section 16A.76, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house ways and means committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of finance makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.~~

~~(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for~~

families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 5. Minnesota Statutes 2000, section 295.52, is amended by adding a subdivision to read:

Subd. 8. **[CONTINGENT ELIMINATION OF TAX.]** The commissioner shall establish tax rates for calendar years beginning on or after January 1, 2004, based upon determinations made by the commissioner of finance regarding the actual balance of the health care access fund. The commissioner of finance shall, on September 1 of each year, beginning September 1, 2003, determine the actual balance of the MinnesotaCare-subsidized health insurance account for the fiscal year that begins the following July 1. If the commissioner of finance determines on September 1 that for the following fiscal year, the actual balance will be equal to or greater than 20 percent of the forecasted direct appropriations for the MinnesotaCare program, no taxes shall be imposed under subdivisions 1, 1a, 2, 3, and 4 for the calendar year that begins immediately following that September 1. If the commissioner of finance determines on September 1 that the actual balance in the account will be less than 20 percent of the forecasted direct appropriations for the MinnesotaCare program for the following fiscal year, then the commissioner, in consultation with the commissioner of finance, shall determine the amount needed to eliminate the deficit and shall impose taxes under subdivisions 1, 1a, 2, 3, and 4 for the calendar year that begins immediately following that September 1. The commissioner shall determine the rate of the tax to the nearest one-quarter of one percent up to two percent, using the lowest of the rates that the commissioner determines will produce sufficient revenue to restore the actual balance in the account to 20 percent of the forecasted direct appropriations for the MinnesotaCare program. The commissioner shall publish in the State Register by October 1 of each year, beginning October 1, 2003, the amount of the tax to be imposed for the following calendar year. In determining the actual balance of the MinnesotaCare-subsidized health insurance account under this subdivision, the commissioner of finance shall not count revenues resulting from any increase in the one percent premium tax under section 297I.05, subdivision 5, paragraph (b).

[EFFECTIVE DATE.] This section is effective July 1, 2003."

Page 465, after line 25, insert:

"Sec. 7. Minnesota Statutes 2000, section 297I.05, subdivision 5, is amended to read:

Subd. 5. **[HEALTH MAINTENANCE ORGANIZATIONS, NONPROFIT HEALTH SERVICE PLAN CORPORATIONS, AND COMMUNITY INTEGRATED SERVICE NETWORKS.]** (a) Health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations are exempt from the tax imposed under this section for premiums received in calendar years 2001 and 2002.

(b) For calendar years ~~after 2002~~ year 2003, a tax is imposed on health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations. The rate of tax is equal to one percent of gross premiums less return premiums received in the calendar year.

(c) For calendar years after 2003, a contingent tax is imposed on health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations. The commissioner of finance shall establish premium tax rates for calendar years beginning on or after January 1, 2004, based upon determinations made by the commissioner regarding the actual balance of the MinnesotaCare-subsidized health insurance account. The commissioner of finance shall, on September 1 of each year, beginning September 1, 2003, determine actual balance of the health care access fund for the fiscal year that begins the following July 1. If the commissioner determines on September 1 that for the following fiscal year, the actual

balance will be equal to or greater than 20 percent of the forecasted direct appropriations for the MinnesotaCare program, no tax shall be imposed for the calendar year that begins immediately following that September 1. If the commissioner determines on September 1 that the actual balance in the account will be less than 20 percent of the forecasted direct appropriations for the MinnesotaCare program for the following fiscal year, then the commissioner, in consultation with the commissioner of revenue, shall determine the amount needed to eliminate the deficit and a tax shall be imposed for the calendar year that begins immediately following that September 1. The commissioner shall determine the rate of the tax as either one-quarter of one percent, one-half of one percent, three-quarters of one percent, or one percent of gross premiums, less return premiums received in the calendar year, whichever is the lowest of those rates that the commissioner determines will produce sufficient revenue to restore the actual balance in the account to 20 percent of the forecasted direct appropriations for the MinnesotaCare program. The commissioner of finance shall publish in the State Register by October 1 of each year, beginning October 1, 2003, the amount of tax to be imposed for the following calendar year. In determining the actual balance of the MinnesotaCare-subsidized health insurance account under this paragraph, the commissioner of finance shall count revenues resulting from any increase in taxes under section 295.52.

(e) (d) In approving the premium rates as required in sections 62L.08, subdivision 8, and 62A.65, subdivision 3, the commissioners of health and commerce shall ensure that any exemption from tax as described in paragraph (a) is reflected in the premium rate.

(d) (e) The commissioner shall deposit all revenues, including penalties and interest, collected under this chapter from health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations in the health care access fund. Refunds of overpayments of tax imposed by this subdivision must be paid from the health care access fund. There is annually appropriated from the health care access fund to the commissioner the amount necessary to make any refunds of the tax imposed under this subdivision.

[EFFECTIVE DATE.] This section is effective July 1, 2003."

Page 465, line 27, before "Minnesota" insert "(a)"

Page 465, after line 30, insert:

"(b) Minnesota Statutes 2000, sections 16A.76; and 16A.724, are repealed effective July 1, 2003."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.7, Senator Pogemiller raised a point of order as to whether the Oliver amendment was in order.

The President ruled the point of order well taken, so the Oliver amendment was not in order.

Senator Oliver appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Larson	Pappas	Samuelson
Berglin	Hottinger	Lessard	Pogemiller	Scheid
Betzold	Johnson, Dave	Lourey	Price	Tomassoni
Chaudhary	Johnson, Dean	Marty	Ranum	Vickerman
Cohen	Kinkel	Moe, R.D.	Rest	Wiener
Foley	Krentz	Murphy	Ring	Wiger
Fowler	Langseth	Orfield	Sabo	

Those who voted in the negative were:

Bachmann	Frederickson	Lesewski	Pariseau	Schwab
Belanger	Johnson, Debbie	Limmer	Reiter	Stevens
Berg	Kierlin	Neuville	Robertson	Terwilliger
Day	Kiscaden	Oliver	Robling	
Dille	Kleis	Olson	Sams	
Fischbach	Knutson	Ourada	Scheevel	

So the decision of the President was sustained.

Senator Reiter moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Pages 70 and 71, delete section 2

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 34, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, Debbie	Knutson	Oliver	Robling
Belanger	Kelly, R.C.	Larson	Olson	Scheevel
Berg	Kierlin	Lesewski	Ourada	Schwab
Day	Kiscaden	Limmer	Pariseau	Stevens
Fischbach	Kleis	Neuville	Reiter	Terwilliger

Those who voted in the negative were:

Anderson	Fowler	Langseth	Pogemiller	Sams
Berglin	Higgins	Lourey	Price	Samuelson
Betzold	Hottinger	Marty	Ranum	Scheid
Chaudhary	Johnson, Dave	Moe, R.D.	Rest	Tomassoni
Cohen	Johnson, Dean	Murphy	Ring	Vickerman
Dille	Kinkel	Orfield	Robertson	Wiener
Foley	Krentz	Pappas	Sabo	

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

Senator Rest moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 24, line 23, delete "12" and insert "10"

Page 24, line 24, delete "20" and insert "15"

Page 24, line 28, delete "25" and insert "20"

Page 24, lines 31 and 35, delete "12" and insert "15"

Page 24, line 32, delete "33" and insert "25"

Page 24, line 36, delete "50" and insert "33"

Page 25, after line 1, insert:

"For assessment year 2006, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the difference between the current assessment and the preceding assessment."

The motion prevailed. So the amendment was adopted.

Senator Kleis moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 14, line 15, strike "and"

Page 74, line 20, after "Code" insert "; and

(14) to the extent included in federal taxable income, the first \$1,500 of compensation for personal services in the Minnesota national guard or armed forces reserves, or for active duty in the armed forces of the United States or the United Nations"

Amend the first Pogemiller amendment to H.F. 2498, adopted by the Senate May 11, 2001, as follows:

Page 1, delete lines 23 to 29

Pursuant to Rule 41, Senator Johnson, Dean moved that he be excused from voting on the Kleis amendment. The motion prevailed.

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

The roll was called, and there were yeas 49 and nays 8, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Langseth	Ourada	Scheevel
Belanger	Johnson, Dave	Larson	Pariseau	Scheid
Berg	Johnson, Debbie	Lesewski	Price	Schwab
Chaudhary	Johnson, Doug	Lessard	Ranum	Stevens
Cohen	Kierlin	Limmer	Reiter	Terwilliger
Day	Kinkel	Marty	Rest	Tomassoni
Dille	Kiscaden	Murphy	Ring	Vickerman
Fischbach	Kleis	Neuville	Robertson	Wiener
Fowler	Knutson	Oliver	Robling	Wiger
Frederickson	Krentz	Olson	Sams	

Those who voted in the negative were:

Berglin	Foley	Orfield	Pogemiller	Sabo
Betzold	Higgins	Pappas		

The motion prevailed. So the amendment was adopted.

Senator Robling moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Pages 113 to 115, delete section 12

Pages 369 and 370, delete section 25

Page 375, after line 20, insert:

"Sec. 29. [APPROPRIATION.]

\$13,300,000 in 2002 and \$14,800,000 in 2003 are appropriated to the metropolitan council for transit operations. A portion of these appropriations must be used to increase existing transit service or provide new service to areas in the 11-county metropolitan area that are affected by major highway construction or reconstruction."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Robling then moved to amend the second Robling amendment to H.F. No. 2498 as follows:

Page 1, line 4, delete "25" and insert "26"

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

The question recurred on the second Robling amendment, as amended.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, Debbie	Limmer	Reiter	Stevens
Belanger	Kierlin	Neuville	Robertson	Terwilliger
Berg	Kiscaden	Oliver	Robling	Wiger
Day	Kleis	Olson	Scheevel	
Dille	Knutson	Ourada	Scheid	
Fischbach	Larson	Pariseau	Schwab	

Those who voted in the negative were:

Anderson	Higgins	Krentz	Orfield	Sabo
Betzold	Hottinger	Langseth	Pappas	Sams
Chaudhary	Johnson, Dave	Lessard	Pogemiller	Samuelson
Cohen	Johnson, Dean	Lourey	Price	Tomassoni
Foley	Johnson, Doug	Marty	Ranum	Vickerman
Fowler	Kelly, R.C.	Moe, R.D.	Rest	Wiener
Frederickson	Kinkel	Murphy	Ring	

The motion did not prevail. So the second Robling amendment, as amended, was not adopted.

Senator Pogemiller moved to amend H.F. No. 2498, the unofficial engrossment, as follows:

Page 371, line 15, delete "2001" and insert "2002"

The motion prevailed. So the amendment was adopted.

H.F. No. 2499 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 37 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Pogemiller	Scheid
Berglin	Johnson, Dave	Lesewski	Price	Tomassoni
Betzold	Johnson, Dean	Lessard	Ranum	Vickerman
Chaudhary	Johnson, Doug	Lourey	Rest	Wiener
Cohen	Kelly, R.C.	Moe, R.D.	Ring	Wiger
Foley	Kinkel	Murphy	Sabo	
Fowler	Kiscaden	Orfield	Sams	
Higgins	Krentz	Pappas	Samuelson	

Those who voted in the negative were:

Bachmann	Frederickson	Larson	Olson	Robling
Belanger	Johnson, Debbie	Limmer	Ourada	Scheevel
Berg	Kierlin	Marty	Pariseau	Schwab
Day	Kleis	Neuville	Reiter	Stevens
Dille	Knutson	Oliver	Robertson	Terwilliger

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2368 and the reports pertaining to appointments. The motion prevailed.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 1561: A bill for an act relating to commerce; revised Article 9 of the Uniform Commercial Code; making corrective and conforming amendments; appropriating money; amending Minnesota Statutes 2000, sections 27.138, subdivisions 2 and 3; 86B.820, subdivisions 10 and 11; 86B.880, subdivision 2; 168A.01, subdivisions 18 and 19; 168A.05, subdivision 8; 168A.17, subdivision 2; 169A.63, subdivisions 7 and 11; 268.058, subdivision 1; 270.69, subdivisions 2, 9, and 13; 270.7001, subdivision 4; 272.483; 272.484; 272.488, subdivision 3; 277.20, subdivision 8; 300.112, subdivision 1; 325L.16; 336.2-210; 336.9-102; 336.9-201; 336.9-203; 336.9-311; 336.9-317; 336.9-334; 336.9-407; 336.9-509; 336.9-521; 336.9-601; 336.9-607; 336.9-617; 336.9-619; 336A.01, subdivision 4; 507.24, subdivision 2; 514.18, subdivision 2; 514.221, subdivisions 2 and 3; 514.661, subdivisions 3, 4, 5, and 6; 514.945, subdivisions 2, 4, and 6; 515B.3-116; 515B.3-117; 550.13; 557.12, subdivision 5; 583.26, subdivisions 1 and 2; and 583.284; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 336; 507; 508; and 508A; repealing Minnesota Statutes 2000, sections 168A.17, subdivision 3; 336.11-101; 336.11-102; 336.11-103; 336.11-104; 336.11-105; 336.11-106; 336.11-107; and 336.11-108; Minnesota Rules, parts 8260.0600; 8260.0700; 8260.0800; 8260.0900; 8260.1000; 8260.1100; 8270.0010; 8270.0050; 8270.0100; 8270.0105; 8270.0110; 8270.0115; 8270.0200; 8270.0205; 8270.0210; 8270.0215; 8270.0220; 827.0225; 8270.0230; 8270.0235; 8270.0240; 8270.0245; 8270.0255; 8270.0260; 8270.0265; and 8270.0270.

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

Page 2, after line 18, insert:

"Sec. 3. [336.1-110] [UNIFORM COMMERCIAL CODE ACCOUNT.]

The uniform commercial code account is established as an account in the state treasury. Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under this chapter must be deposited in the state treasury and credited to the uniform commercial code account.

Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the central filing system under this chapter and to provide electronic access to other computerized records maintained by the secretary of state."

Page 30, line 10, delete "; UNIFORM COMMERCIAL CODE ACCOUNT"

Page 31, delete lines 13 to 29

Page 37, line 17, delete "document" and insert "record"

Page 41, line 11, delete "fixture"

Page 42, line 3, delete "FIXTURE"

Page 42, line 4, delete "as a fixture filing"

Page 42, line 34, delete "FIXTURE"

Page 42, line 35, delete "as a fixture filing"

Page 43, after line 17, insert:

"Sec. 24. [USER MANUAL FOR DIRECT ACCESS SUBSCRIBERS.]

The secretary of state shall prepare a user manual for persons who are direct access subscribers to the central filing system. The user manual must provide information on revised Article 9 of the Uniform Commercial Code, including information on effective searching, filing, and practices under revised Article 9. Copies of the user manual must be available to the public by August 1, 2001."

Renumber the sections in sequence

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

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 1438: A bill for an act relating to public employment; ratifying certain labor agreements and proposals; modifying public employee compensation provisions; amending Minnesota Statutes 2000, sections 3.855, subdivision 3; 15A.0815, subdivision 1, and by adding a subdivision; 43A.04, subdivision 8; 136F.07; 136F.40, subdivision 2; and 179A.15; repealing Minnesota Statutes 2000, section 43A.18, subdivisions 4a and 5.

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

Pages 3 and 4, delete section 4

Page 5, line 7, strike "in"

Page 5, line 8, delete "writing"

Page 6, line 16, delete "9" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 6 and 7, delete "43A.04, subdivision 8;"

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

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 1486: A bill for an act relating to wetlands; modifying provisions relating to classification and replacement; creating a wetland delineator certification program; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2000, sections 103F.516, subdivisions 1, 2, and 3; 103F.612, by adding a subdivision; 103G.127; 103G.201; 103G.223; 103G.2242, subdivisions 9, 12, and by adding a subdivision; 103G.2372, subdivision 1; and 103G.245, subdivision 5.

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

Page 5, delete section 8

Pages 9 to 11, delete section 13

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "authorizing"

Page 1, line 5, delete "appropriating money;"

Page 1, lines 8 and 9, delete ", and by adding a subdivision"

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

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 1098: A bill for an act relating to state government; codifying reorganization order No. 181; transferring the remaining duties of the commissioner of public service to the commissioner of commerce; transferring the administration and enforcement of the Unfair Cigarette Sales Act from the commissioner of revenue to the commissioner of commerce; appropriating money; amending Minnesota Statutes 2000, sections 3C.12, subdivision 2; 13.679; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16B.32, subdivision 2; 16B.335, subdivision 4; 16B.56, subdivision 1; 16B.76, subdivision 1; 17.86, subdivision 3; 18.024, subdivision 1; 43A.08, subdivision 1a; 45.011, subdivision 1; 45.012; 103F.325, subdivisions 2 and 3; 115A.15, subdivision 5; 116O.06, subdivision 2; 123B.65, subdivisions 1, 3, and 5; 161.45, subdivision 1; 168.61, subdivision 1; 169.073; 174.03, subdivision 7; 181.30; 216A.01; 216A.035; 216A.036; 216A.05, subdivision 1; 216A.07, subdivision 1; 216A.08; 216A.085, subdivision 3; 216B.02, subdivisions 1, 7, and 8; 216B.16, subdivisions 1, 2, 6b, and 15; 216B.162, subdivisions 7 and 11; 216B.1675, subdivision 9; 216B.241, subdivisions 1a, 1b, and 2b; 216C.01, subdivisions 1, 2, and 3; 216C.051, subdivision 6; 216C.37, subdivision 1; 216C.40, subdivision 4; 237.02; 237.075, subdivisions 2 and 9; 237.082; 237.21; 237.30; 237.462, subdivision 6; 237.51, subdivisions 1, 5, and 5a; 237.52, subdivisions 2, 4, and 5; 237.54, subdivision 2; 237.55; 237.59, subdivision 2; 237.768; 239.01; 270.06; 297F.04, subdivision 1; 297F.13, subdivision 4; 325D.33, subdivision 8, and by adding a subdivision; 325D.405; 325D.415; 325E.11; 325E.115, subdivision 2; 326.243; and 484.50; repealing Minnesota Statutes 2000, sections 216A.06; 237.69, subdivision 3; and 325D.33, subdivision 5.

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

Pages 1 to 55, delete article 1

Page 55, delete line 34

Page 63, delete line 36 and insert "act. Consistent with Minnesota Statutes, section 15.039, subdivision 6, the commissioner of finance shall transfer a portion of the general fund appropriations in fiscal years 2002 and 2003 for the department of revenue to the department of commerce for the enforcement and administration of Minnesota Statutes, sections 325D.30 to 325D.42."

Page 64, delete section 10

Page 64, line 12, delete "article" and insert "act"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to state government; transferring the administration and enforcement of the Unfair Cigarette Sales Act from the commissioner of revenue to the commissioner of commerce; amending Minnesota Statutes 2000, sections 45.011, subdivision 1; 270.06; 297F.04, subdivision 1; 297F.13, subdivision 4; 325D.33, subdivision 8, by adding a subdivision; 325D.405; 325D.415; repealing Minnesota Statutes 2000, section 325D.33, subdivision 5."

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

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 2368: A bill for an act relating to agriculture; expanding emergency authority of the board of animal health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals in the state; amending Minnesota Statutes 2000, section 35.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 35.

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

Delete everything after the enacting clause and insert:

"Section 1. [35.0661] [TEMPORARY EMERGENCY RESTRICTIONS ON MOVEMENT OF PEOPLE, LIVESTOCK, MACHINERY, AND OTHER PERSONAL PROPERTY.]

Subdivision 1. [DISASTROUS ANIMAL DISEASE OUTBREAKS; DECLARATION OF EMERGENCY.] (a) If the board determines that a confirmed case of a disease in this state presents a substantial and imminent threat to the state's domestic animal population, it shall certify the case to the governor. After receiving certification from the board, the governor may declare an emergency under this section for purposes of allowing the board to establish quarantine zones of control to protect the health of domestic animals from animal diseases of potentially disastrous proportions. The governor may declare an emergency under this section without declaring a peacetime emergency under section 12.31. A declaration under this section may specify that it applies to all or certain units of state or local government, must specify the time period for which it applies, and must be filed with the secretary of state. This section is in addition to and does not limit authority granted to the governor or local government officials by chapter 12 or other law.

(b) The board may meet by electronic means without violating state open meeting laws for the purpose of declaring that a confirmed case of a disease in this state presents a substantial and imminent threat to the state's domestic animal population. If the board meets by electronic means for this purpose, it shall comply with the emergency meeting notice provisions of section 13D.04, subdivision 3, and, to the fullest extent possible, provide public and media access to the meeting.

Subd. 2. [QUARANTINE ZONES.] Upon an emergency declaration by the governor under subdivision 1, the board or any licensed veterinarian designated by the board may establish quarantine zones of control in any area where a specific animal is deemed by a licensed veterinarian as likely to be infected with the disease based on an actual veterinary examination or laboratory testing. Quarantine zones of control must be the smallest size practicable to prevent the spread of disease and must exist for the shortest duration consistent with effective disease control. A quarantine zone of control must not extend beyond a radius of three miles from an animal deemed as likely to be infected with the disease, unless the board has adopted a rule regarding a specific disease requiring a larger quarantine zone of control.

Subd. 3. [RESTRICTIONS ON MOVEMENT OUT OF QUARANTINE ZONES.] (a) The board may issue orders restricting the movement of persons, livestock, machinery, and personal property out of zones designated by the board as quarantined under subdivision 2. The executive director of the board or any licensed veterinarian designated by the board may issue the orders. An order may be issued upon a determination that reasonable cause exists to believe that the movement of persons or personal property out of a quarantine zone will reasonably threaten to transport a dangerous, infectious, or communicable disease outside of the quarantine zone.

(b) The order must be served upon any person subject to the order. The restrictions sought by the board on movement out of a quarantine zone must be limited to the greatest extent possible consistent with the paramount disease control objectives as determined by the board. An order under this section may be served on any day at any time. The order must include a notice of the person's rights under this section, including the ability to enter into an agreement to abide by disease control measures under paragraph (c) and the right to request a court hearing under paragraph (d).

(c) No person may be restricted by an order under this subdivision for longer than 72 hours, exclusive of Saturdays, Sundays, and legal holidays, so long as the person agrees to abide by the disease control measures established by the board. The person shall sign an acknowledgment form prepared by the board evidencing the person's agreement to abide by the disease control measures established by the board.

(d) A person whose movements are restricted by an order under this subdivision may seek a district court hearing on the order at any time after it is served on the person. The hearing may be held by electronic means as soon as possible. The subject of the order may:

(1) contest imposition of the order on grounds that it is an abuse of the board's discretion under this section; or

(2) seek a variance from it to allow movement of a person inconsistent with the order, upon a showing that the person would otherwise suffer irreparable harm.

Sec. 2. [35.0662] [TEMPORARY EMERGENCY RESTRICTIONS HEARING.]

Subdivision 1. [GROUNDS.] If the board determines that a person is not reasonably likely to abide by the disease control measures established by the board, the board may request a court hearing to determine if the emergency temporary restrictions should continue. The court shall schedule the hearing as expeditiously as possible. When the board requests a court hearing under this section, restrictions under section 1, subdivision 3, continue to apply to the person until the court has held the temporary emergency restrictions hearing and issues an order.

Subd. 2. [TIME OF NOTICE.] If the board requests a court hearing pursuant to this section, notice of the hearing must be served upon the person or persons to be restricted at least 24 hours before the hearing.

Subd. 3. [CONTENTS OF NOTICE.] The notice must contain the following information:

(1) the time, date, and place of the hearing;

(2) the grounds and underlying facts upon which continued restrictions are sought;

(3) the person's right to appear by electronic means at the hearing and the right to have a representative appear in person at the hearing;

(4) the person's right to present and cross-examine witnesses; and

(5) the person's right to counsel, including the right, if the person is indigent, to representation by counsel designated by the court or county of venue.

Subd. 4. [ORDER FOR CONTINUED TEMPORARY RESTRICTIONS.] The court may order the continued restriction on the movement of the person if it finds, by a preponderance of the evidence, that travel outside of the quarantine zone by the person would pose an imminent threat of transporting a dangerous, infectious, or communicable disease outside of the boundaries of the quarantine zone. If the person agrees to sign and comply with the acknowledgment form referred to in section 35.0661, subdivision 3, the temporary restrictions must not continue longer than 30 days. If the person refuses to sign and comply with the acknowledgment form, the temporary restrictions may continue for a longer time specified by the court. Refusal by the person to sign and comply with the acknowledgment form constitutes a knowing violation of section 35.0661 and subjects the person to the penalties specified in section 35.96.

Sec. 3. Minnesota Statutes 2000, section 35.09, subdivision 3, is amended to read:

Subd. 3. [EMERGENCIES.] (a) When it is determined by the board that it is necessary to eradicate any dangerous, infectious, communicable disease among domestic animals in the state, the presence of which constitutes an emergency declared by resolution of the board, order of the governor, or by the United States Department of Agriculture, the board may take reasonable and necessary steps to suppress and eradicate the disease. ~~If the emergency is declared by the United States Department of Agriculture,~~ The board may cooperate with the animal and plant health inspection service of the United States Department of Agriculture, federally recognized Indian tribes, state or local government agencies, or any other private or public entity in the suppression and eradication of the disease.

(b) When an emergency has been declared, the board may appraise and destroy animals affected with, or which have been exposed to the disease, and or which are highly susceptible to exposure to the disease because of proximity to diseased animals, appraise and destroy personal property in order to remove the infection and complete the cleaning and disinfection of the premises, condemn real property for the purpose of disposing of animals, and do any act and incur any other expense reasonably necessary to suppress the disease.

(c) The governor, at the request of the board, may temporarily commandeer agricultural or other suitable nonresidential land under the provisions of chapter 12 to be used for disposal of the destroyed animals when an emergency has been declared by the governor under section 35.0661 and the board determines that:

- (1) the owner of destroyed animals lacks sufficient land to properly dispose of the animals;
- (2) the animals cannot be transported to other sites;
- (3) no landowner within the appropriate area will consent to voluntarily provide land for animal disposal;
- (4) time pressures prevent formal condemnation procedures; and
- (5) other means of animal disposal are either impractical or contrary to good disease control practices.

After the land has been used for animal disposal, possession shall return to the owner or occupant. Damages resulting from the temporary taking shall be paid in the same amount and manner as if the land had been temporarily condemned for other public purposes.

(d) The board may accept, on behalf of the state, the rules adopted by the animal and plant health inspection service of the United States Department of Agriculture pertaining to the disease, authorized under an act of Congress, or the portion of the regulations deemed necessary, suitable, or applicable, and cooperate with the animal and plant health inspection service of the United States Department of Agriculture, in the enforcement of those rules. Alternatively, the board may follow the procedure only as to quarantine, inspection, condemnation, appraisal, compensation, destruction, burial of animals, disinfection, or other acts the board considers reasonably necessary for the suppression of the disease, as agreed upon and adopted by the board and representatives or authorized agents of the animal and plant health inspection service of the United States Department of Agriculture. If the procedures have been followed under an emergency declared by the United States Department of Agriculture, the total expense must be shared equally between the state and federal governments.

(e) For the purpose of compensation under paragraph (f), appraisals of animals affected with, or exposed to, the disease, or contact animals, or personal property destroyed in order to remove the infection and complete the cleaning and disinfection of premises where the animals are found, must be made by an appraisal board consisting of a representative of the board, a representative of the animal and plant health inspection service of the United States Department of Agriculture, and the owner of the animals or the owner's representative. Notwithstanding any law to the contrary, when, in the judgment of the board, physical appraisal of the animals to be killed or personal property to be destroyed poses a disease threat, appraisals may be conducted after the animals are killed based on documents, testimony, or other relevant evidence. Appraisals must be in writing and signed by the appraisers, and must be made at the true market value of all animals and personal property appraised, unless otherwise provided by applicable federal law or regulation when compensation is paid by federal funds.

(f) Upon destruction of animals or personal property, or both condemnation of real property, and burial or other disposition of the carcasses of the animals in accordance with the law and rules of the board and the animal and plant health inspection service of the United States Department of Agriculture, and the completion of the cleaning and disinfection of the premises, the board shall certify the appraisal or the condemnation award to the commissioner of finance, who shall draw a warrant on the state treasurer for the proper amount payable to the owner, excluding any compensation received by the owner from other sources, from appropriations made available for this purpose. If the appraisal is made in respect to animals or other property destroyed under an emergency declared by the United States Department of Agriculture, the commissioner of finance shall draw a warrant on the state treasurer for one-half of the amount of the appraisal payable to the owner, and the remaining one-half of the appraisal must be paid by the federal government under the cooperative arrangement. If the disease is of a nature that any part of the carcasses of the diseased or exposed animals may be salvaged for human food or other purposes, the net amount of

~~the salvage paid to the owner must be deducted from the appraisal, and the remainder must be paid to the owner by the state or by the state and federal government pursuant to this section.~~

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; expanding emergency authority of the board of animal health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals in the state; amending Minnesota Statutes 2000, section 35.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 35."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration.

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

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 386: A bill for an act relating to crime prevention; requiring the collection and analysis of data and the adoption of policies on racial profiling; requiring the retention of an independent outside expert to analyze data for the study; requiring law enforcement officers to provide information to drivers of stopped vehicles; requiring law enforcement training and conferences in eliminating racial profiling; requiring a report; appropriating money; amending Minnesota Statutes 2000, section 13.871, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 13.871, subdivision 6, is amended to read:

Subd. 6. [TRAINING; INVESTIGATION; APPREHENSION; REPORTS.] (a) [REPORTS OF GUNSHOT WOUNDS.] Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.

(b) [CHILD ABUSE REPORT RECORDS.] Data contained in child abuse report records are classified under section 626.556.

(c) [INTERSTATE DATA EXCHANGE.] Disclosure of child abuse reports to agencies of another state is classified under section 626.556, subdivision 10g.

(d) [RELEASE TO FAMILY COURT SERVICES.] Release of child abuse data to a court services agency is authorized under section 626.556, subdivision 10h.

(e) [RELEASE OF DATA TO MANDATED REPORTERS.] Release of child abuse data to mandated reporters who have an ongoing responsibility for the health, education, or welfare of a child affected by the data is authorized under section 626.556, subdivision 10j.

(f) [RELEASE OF CHILD ABUSE INVESTIGATIVE RECORDS TO OTHER COUNTIES.] Release of child abuse investigative records to local welfare agencies is authorized under section 626.556, subdivision 10k.

(g) [CLASSIFYING AND SHARING RECORDS AND REPORTS OF CHILD ABUSE.] The classification of child abuse data and the sharing of records and reports of child abuse by and between local welfare agencies and law enforcement agencies are governed under section 626.556, subdivision 11.

(h) [DISCLOSURE OF INFORMATION NOT REQUIRED IN CERTAIN CASES.] Disclosure of certain data obtained from interviewing a minor is governed by section 626.556, subdivision 11a.

(i) [DATA RECEIVED FROM LAW ENFORCEMENT.] Classifying child abuse data received by certain agencies from law enforcement agencies is governed under section 626.556, subdivision 11b.

(j) [DISCLOSURE IN CHILD FATALITY CASES.] Disclosure of information relating to a child fatality is governed under section 626.556, subdivision 11d.

(k) [REPORTS OF ALCOHOL ABUSE.] Data on persons making reports under section 626.5563 are classified under section 626.5563, subdivision 5.

(l) [VULNERABLE ADULT REPORT RECORDS.] Data contained in vulnerable adult report records are classified under section 626.557, subdivision 12b.

(m) [ADULT PROTECTION TEAM INFORMATION SHARING.] Sharing of local welfare agency vulnerable adult data with a protection team is governed by section 626.5571, subdivision 3.

(n) [CHILD PROTECTION TEAM.] Data acquired by a case consultation committee or subcommittee of a child protection team are classified by section 626.558, subdivision 3.

(o) [CHILD MALTREATMENT REPORTS PEER REVIEW PANEL.] Sharing data of cases reviewed by the panel is governed under section 626.5593, subdivision 2.

(p) [PEACE OFFICER DISCIPLINE PROCEDURES.] Access by an officer under investigation to the investigating agency's investigative report on the officer is governed by section 626.89, subdivision 6.

(q) [RACIAL PROFILING DATA.] Traffic stop data collected for purposes of the racial profiling study and data of the racial profiling advisory committee are classified under sections 626.951, subdivision 7, and 626.9516, subdivision 4.

Sec. 2. [626.8515] [ELIGIBILITY FOR LICENSING EXAMINATION.]

A person with a baccalaureate degree from an accredited college or university who has successfully completed a board certified practical skills oriented basic training course is eligible to take the peace officer licensing examination.

Sec. 3. [626.8517] [ELIGIBILITY FOR RECIPROCITY EXAMINATION BASED ON RELEVANT MILITARY EXPERIENCE.]

(a) For purposes of this section, "relevant military experience" means three years of active duty military police service.

(b) A person who has relevant military experience and who has been honorably discharged from the military is eligible to take the reciprocity examination.

Sec. 4. [626.95] [LEGISLATIVE FINDINGS ON RACIAL PROFILING.]

The legislature finds that the reality or public perception of racial profiling alienates people from police, hinders community policing efforts, and causes law enforcement to lose credibility and trust among the people law enforcement is sworn to protect and serve. No stop initiated by a peace officer should be made without a legitimate reason; race, ethnicity, or national origin alone should never provide a sufficient reason. Law enforcement policies and training programs must emphasize the need to respect the balance between the rights of all persons to be free from unreasonable governmental intrusions and law enforcement's need to enforce the law.

Sec. 5. [626.9505] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 626.95 to 626.953, the following terms have the meanings given.

Subd. 2. [BOARD.] "Board" means the board of peace officer standards and training.

Subd. 3. [LAW ENFORCEMENT AGENCY.] "Law enforcement agency" has the meaning given in section 626.84.

Subd. 4. [LAW ENFORCEMENT OFFICER.] "Law enforcement officer" includes all licensed peace officers of a law enforcement agency.

Subd. 5. [RACIAL PROFILING.] "Racial profiling" includes any law enforcement officer-initiated action that relies on the race, ethnicity, or national origin of an individual, rather than on the behavior of that individual or on information that leads the officer to a particular individual who has been identified as being engaged in or having been engaged in criminal activity.

Subd. 6. [TRAFFIC STOP.] (a) "Traffic stop" means any time a law enforcement officer:

(1) causes the operator of a motor vehicle being operated on any street or highway in the state to stop the motor vehicle; or

(2) detains an occupied motor vehicle that is already stopped in any public or private place.

(b) Traffic stop does not include a checkpoint or roadblock stop, or a stop of multiple vehicles due to a traffic accident or emergency situation.

(c) Traffic stop as defined in paragraph (a), clause (2), does not include:

(1) a law enforcement officer's actions taken in response to a citizen complaint or tip, or at the direction of another law enforcement officer or a dispatcher; or

(2) roadside assistance provided by the officer.

(d) A law enforcement officer does not detain a motor vehicle under paragraph (a), clause (2), by asking the driver of the vehicle for identification or the purpose of the driver and vehicle being in the location.

Sec. 6. [626.951] [RACIAL PROFILING STUDY; REPORT REQUIRED.]

Subdivision 1. [RACIAL PROFILING STUDY.] (a) The commissioner of public safety shall oversee a statewide study on traffic stops of citizens to determine whether racial profiling exists. Law enforcement agencies that decide to participate in the study shall follow the procedures set forth by this section. Agencies that receive state money for the installation of video cameras in police vehicles shall participate in the study.

(b) The data that must be collected as part of this study include:

(1) the location of the stop;

(2) the date and time of the stop;

(3) the age, race/ethnicity, and gender of the driver;

(4) the traffic violation or reason that led to the stop;

(5) the disposition of the stop, arrest, citation, warning, or no action;

(6) whether a search was conducted of the driver, passengers, or vehicle;

(7) if a search was conducted, the authority for the search;

(8) if a search was conducted, whether any contraband was discovered or seized and the nature of the contraband;

(9) whether the officer knew the race/ethnicity of the driver before the stop; and

(10) the law enforcement agency's code.

(c) The commissioner shall ensure that data is collected for a minimum of 24 months, with data collection ending on or before August 31, 2003.

Subd. 2. [SUBMISSION OF DATA TO COMMISSIONER.] By the 15th of each month, each chief law enforcement officer of a law enforcement agency participating in the study shall submit to the commissioner of public safety, the data described in subdivision 1 for each traffic stop conducted by the agency's law enforcement officers in the preceding month.

Subd. 3. [METHOD OF DATA COLLECTION.] A chief law enforcement officer may collect and submit the data described in this section electronically if the method of doing so is compatible with the department of public safety's computer system or on paper forms supplied by the commissioner of public safety.

Subd. 4. [OUTSIDE EXPERT.] (a) The commissioner of administration, in consultation with the racial profiling advisory committee, shall retain a sufficiently experienced and independent organization or individual to:

(1) design and oversee the data collection process described in this section;

(2) develop baseline measures to analyze the data collected;

(3) develop and implement a data compliance auditing process that ensures the accuracy of data collected through, among other things, periodic spot checks; and

(4) analyze the data collected.

(b) Upon the request of the racial profiling advisory committee, the outside expert shall advise it about the status of the study as it is occurring, including, but not limited to, preliminary information and analysis on collected data.

Subd. 5. [OTHER DUTIES OF COMMISSIONER.] The commissioner of public safety shall:

(1) ensure that data forwarded to the commissioner under this section is entered into a central database in a timely manner;

(2) cooperate with the outside expert to facilitate the ability of the expert to fulfill its duties under this section, including allowing the expert sufficient access to the compiled data; and

(3) develop and distribute to law enforcement agencies participating in the study a paper form to collect the data.

Subd. 6. [REPORT REQUIRED.] The outside expert shall analyze the data collected to determine the degree to which, if at all, racial profiling occurs in traffic stops made by law enforcement agencies participating in the study within the state. By February 1, 2004, the expert shall report the results of the analysis to the chairs of the senate and house committees having jurisdiction over criminal justice policy.

Subd. 7. [DATA.] Traffic stop data collected for purposes of this section are private data on individuals or nonpublic data as defined in section 13.02, provided that data not on individuals become public when the report required under subdivision 6 is submitted to the legislature. This subdivision does not affect the classification of the same data collected for other law enforcement purposes.

Subd. 8. [EXPIRATION.] This section expires on February 1, 2004.

Sec. 7. [626.9513] [RACIAL PROFILING ADVISORY COMMITTEE.]

Subdivision 1. [COMMITTEE ESTABLISHED; MEMBERS.] (a) The racial profiling advisory committee consists of the following individuals or their designees:

- (1) the executive director of the Minnesota chiefs of police association;
- (2) the executive director of the Minnesota police and peace officers association;
- (3) the executive director of the Minnesota sheriffs association;
- (4) a chief of police, selected by the Minnesota chiefs of police association;
- (5) a member of the Minnesota police and peace officers association, selected by the association;
- (6) the executive director of the council on Asian-Pacific Minnesotans;
- (7) the executive director of the council on Black Minnesotans;
- (8) the executive director of the council on Indian affairs;
- (9) the executive director of the council on Chicano-Latino people affairs;
- (10) the executive director of an urban league chapter, selected by agreement of the executive directors of the urban league chapters within the state; and
- (11) the executive director of a National Association for the Advancement of Colored People branch, selected by agreement of the executive directors of the National Association for the Advancement of Colored People branches within the state.

(b) The committee may choose a chair from among its members.

Subd. 2. [ROLE OF COMMITTEE.] In addition to the other duties required of the committee in sections 626.95 to 626.953, the committee shall:

- (1) consult with the attorney general on the development and implementation of a public awareness campaign on the issue of racial profiling and the availability of the toll-free telephone number described in section 626.9515; and
- (2) generally oversee the implementation of sections 626.95 to 626.953, including reviewing and monitoring efforts to eliminate racial profiling.

Subd. 3. [IMMUNITY.] Members of the committee are immune from civil or criminal liability for actions taken in the performance of their duties, including, but not limited to actions taken under section 626.9516, provided that they are acting in good faith.

Sec. 8. [626.9515] [DUTY OF LAW ENFORCEMENT OFFICERS TO PROVIDE INFORMATION TO DRIVERS; TOLL-FREE TELEPHONE NUMBER.]

(a) A uniformed law enforcement officer who conducts a traffic stop shall issue an information card to the driver of the vehicle that provides:

- (1) a toll-free telephone number and advises the driver to immediately call the number to make a complaint if the driver believes that the driver has been treated in a biased manner; and
- (2) the law enforcement officer's badge number and agency number.

(b) The attorney general shall maintain the toll-free telephone number for complaints described in this section.

(c) The attorney general, in consultation with the racial profiling advisory committee, shall design and distribute to law enforcement agencies a uniform information card that complies with paragraph (a).

Sec. 9. [626.9516] [RACIAL PROFILING COMPLAINTS.]

Subdivision 1. [PROCEDURE.] (a) Upon receiving a complaint made through the toll-free

telephone number described in section 626.9515, the attorney general shall forward all relevant information on the complaint to the board and immediately inform the law enforcement agency employing the officer involved of the need to preserve any video tapes or disks that recorded the incident or other evidence related to the incident. The board shall notify in writing the law enforcement agency employing the officer involved of the nature and details of the complaint. The notice must inform the agency that within 30 days the agency must investigate the complaint, take appropriate disciplinary action against the officer if warranted, and report the results of the investigation and any disciplinary action taken back to the board.

(b) The board shall forward to the complainant:

(1) a copy of the notice sent to the law enforcement agency under paragraph (a);

(2) a notice that if the stop was recorded on a video camera installed in the police vehicle, the complainant, upon request and at the complainant's own expense, may receive a copy of the video tape or disk, and a description of the process for obtaining it; and

(3) a description of the complaint process, including how complaints will be investigated and the process the complainant must follow if the complainant disputes how the agency handled the complaint.

Subd. 2. [REVIEW OF INVESTIGATION.] A complainant who is not satisfied with a law enforcement agency's handling of a complaint under subdivision 1 may notify the board. The board shall forward all relevant information on the complaint to the racial profiling advisory committee and the committee shall review the investigation based on this information. If the committee determines that the process used by the agency to investigate the complaint was incomplete or otherwise deficient, the committee shall notify the board and recommend that the board investigate the complaint. Regardless of the committee's determination, the board shall notify the complainant of the final action on the complaint.

Subd. 3. [REPORTS.] By the 15th of each month, the board shall forward to the racial profiling advisory committee and make available to the public summary data on complaints received and the results of investigations under this section.

Subd. 4. [DATA; CONFIDENTIALITY OF PROCEEDINGS.] (a) For purposes of conducting a review of an investigation under this section, the racial profiling advisory committee has access to law enforcement investigative and personnel data that are not public data under chapter 13. Notwithstanding the classification of the data in the possession of the law enforcement agency, data acquired by the advisory committee from a law enforcement agency and data created by the advisory committee as part of its review are confidential or protected nonpublic data as defined in section 13.02. The data are not subject to subpoena or discovery. Data may be disclosed to the board for purposes of reporting the findings of the advisory committee and identifying issues that need further investigation or as otherwise necessary to carry out the purposes of the committee.

(b) A member of the advisory committee must not disclose what transpired at a meeting of the committee, except as necessary to carry out the duties of the committee under this section. The proceedings and records of the committee are not subject to discovery or introduction into evidence in a civil or criminal action arising out of the matters the committee is reviewing. Information otherwise available from other sources is not immune from discovery or use in a civil or criminal action solely because it was presented during proceedings of the committee. A member of the committee is not prevented from testifying about matters within the member's knowledge. However, in a civil or criminal proceeding, a member must not be questioned about opinions formed by the member as a result of a committee meeting.

Sec. 10. [626.9517] [GRANT PROGRAM FOR INSTALLATION OF VIDEO CAMERAS IN POLICE VEHICLES.]

Subdivision 1. [GRANTS; CAMERAS DESCRIBED.] The commissioner of public safety shall make grants to local law enforcement agencies participating in the racial profiling study described in section 626.951 for the installation of video cameras on police vehicles designed to record traffic stops. A video camera installed pursuant to a grant under this section must:

- (1) be automatically activated during every traffic stop;
- (2) contain an audio feature; and
- (3) be designed and installed so as to record the stop in its entirety.

Cameras may not be equipped with manual shut-off switches.

Subd. 2. [POST BOARD STANDARDS.] The board shall develop standards for the use of video cameras by law enforcement agencies consistent with this section. The board shall require that cameras be activated for the entirety of a traffic stop.

Subd. 3. [STORAGE OF VIDEO.] Notwithstanding section 138.163 or 138.17, chief law enforcement officers of agencies having video cameras in police vehicles shall ensure that the video tape or disk from the camera be stored for a minimum of 60 days after use. If the chief law enforcement officer has not been instructed by the board or the attorney general to maintain the tape or disk beyond that period, the chief law enforcement officer may reuse it. Tapes and disks must be stored and maintained under this subdivision in an accessible manner. The tapes and disks must be clearly labeled and ordered.

Subd. 4. [AVAILABILITY OF VIDEO TAPE.] A chief law enforcement officer shall provide a copy of a video tape or disk that recorded a traffic stop to the driver of the stopped vehicle upon the driver's request and at the driver's expense if the tape or disk has not yet been reused.

Subd. 5. [APPLICABILITY TO STATE PATROL.] The provisions of this section apply also to video cameras placed in state patrol vehicles.

Sec. 11. [626.952] [POLICIES REQUIRED ON ELIMINATING RACIAL PROFILING.]

Subdivision 1. [MODEL POLICY REQUIRED.] By September 15, 2001, the board, in consultation with the racial profiling advisory committee, shall develop and distribute to all chief law enforcement officers a model policy on eliminating traffic stops involving racial profiling.

Subd. 2. [LOCAL POLICIES REQUIRED.] By November 1, 2001, all chief law enforcement officers shall establish and implement a written policy that is identical or substantially similar to the model policy described in subdivision 1.

Subd. 3. [REVIEW.] The board shall periodically evaluate law enforcement agencies to determine whether the agency is complying with subdivision 2. In addition, upon receiving a complaint, the board shall determine whether an agency is failing to comply with subdivision 2.

Sec. 12. [626.953] [LAW ENFORCEMENT TRAINING ON ELIMINATING RACIAL PROFILING.]

Subdivision 1. [PRESERVICE TRAINING REQUIRED.] By July 1, 2001, the board, in consultation with the racial profiling advisory committee, shall prepare learning objectives for instructing peace officers in eliminating racial profiling in traffic stops. The objectives must be included in the curriculum of the professional peace officer education programs.

Subd. 2. [IN-SERVICE TRAINING REQUIRED.] By July 1, 2001, the board, in consultation with the racial profiling advisory committee, shall prepare learning objectives to eliminate racial profiling in traffic stops. The objectives must be included in continuing education courses approved for peace officer continuing education credit. The board shall monitor and evaluate continuing education courses to ensure that they meet the requirements of the learning objectives.

Sec. 13. [APPLICABILITY TO STATE PATROL.]

If an appropriation is enacted in the 2001 legislative session providing money to the state patrol for the installation of video cameras in state patrol vehicles, Minnesota Statutes, sections 626.951 and 626.9517, apply to the state patrol.

Sec. 14. [ELIMINATION OF RACIAL PROFILING CONFERENCES.]

The peace officer standards and training board shall facilitate conferences for peace officers designed to raise the awareness level of officers relating to traffic stops involving racial profiling. At least one conference must be statewide in scope attempting to attract officers from across the state and addressing racial profiling from a statewide perspective. Other conferences must be regional in scope and specifically address localized issues involving racial profiling, including potential community oriented responses. The board shall consult with the racial profiling advisory committee in developing the curriculum of the conferences.

Sec. 15. [STUDY.]

The chief of the state patrol shall identify measures to better recruit minorities and increase their representation in the state patrol so that the trooper population more accurately reflects the population served by the state patrol. By January 15, 2002, the chief shall report to the senate and house committees and divisions having jurisdiction over criminal justice and transportation policy and funding on the measures identified and the resources needed to implement these measures.

Sec. 16. [APPROPRIATIONS.]

Subdivision 1. [PUBLIC SAFETY.] (a) \$3,800,000 is appropriated for the fiscal year ending June 30, 2001, from the general fund to the commissioner of public safety. Of this amount:

(1) \$3,375,000 is for the video camera grant program described in Minnesota Statutes, section 626.9517, and for the purchase and installation of video cameras in state patrol vehicles;

(2) \$325,000 to be distributed as described in paragraph (d) is to reimburse local law enforcement agencies that participate in the racial profiling study described in Minnesota Statutes, section 626.951, for costs they incur in participating; and

(3) \$100,000 is to oversee the racial profiling study described in Minnesota Statutes, section 626.951, and to reimburse the state patrol for costs associated with its participation in the study.

(b) The commissioner shall issue a request for proposals and select a vendor from whom to purchase video cameras under Minnesota Statutes, section 626.9517. The vendor selected must provide maintenance and extended warranties for the cameras.

(c) The commissioner shall aggressively seek available federal grants related to eliminating racial profiling and assist local units of government to receive federal funding.

(d) The commissioner may reimburse local law enforcement agencies under paragraph (a), clause (2), in the following maximum amounts:

(1) up to \$5,000 for agencies with fewer than 100 full-time sworn peace officers;

(2) up to \$15,000 for agencies with at least 100, but fewer than 300 full-time sworn peace officers;

(3) up to \$30,000 for agencies with at least 300, but fewer than 500 full-time sworn peace officers;

(4) up to \$50,000 for agencies with at least 500, but fewer than 800 full-time sworn peace officers; and

(5) up to \$60,000 for agencies with 800 or more full-time sworn peace officers.

Subd. 2. [ADMINISTRATION.] \$250,000 is appropriated for the fiscal year ending June 30, 2001, from the general fund to the commissioner of administration to retain the outside expert described in Minnesota Statutes, section 626.951.

Subd. 3. [ATTORNEY GENERAL.] \$500,000 is appropriated for the fiscal year ending June 30, 2001, from the general fund to the attorney general:

(1) to obtain and maintain the toll-free telephone number to receive complaints under Minnesota Statutes, section 626.9515;

(2) to develop and implement, in consultation with the racial profiling advisory committee, a public awareness campaign on the issue of racial profiling and the availability of the toll-free telephone number described in Minnesota Statutes, section 626.9515; and

(3) for the development and distribution of uniform information cards under Minnesota Statutes, section 626.9515.

Subd. 4. [PEACE OFFICER STANDARDS AND TRAINING BOARD.] (a) \$400,000 is appropriated for the fiscal year ending June 30, 2001, from the general fund to the peace officer standards and training board:

(1) for costs associated with the training provisions described in Minnesota Statutes, section 626.953 and the conferences described in section 14; and

(2) to hire a standards coordinator to:

(i) serve as a liaison to the racial profiling advisory committee;

(ii) receive, evaluate, and investigate complaints;

(iii) ensure compliance with Minnesota statutes, rules, and laws;

(iv) coordinate special projects; and

(v) perform other duties as directed by the executive director of the board.

(b) \$50,000 is appropriated for the fiscal year ending June 30, 2001, from the general fund to the peace officer standards and training board to provide clerical and administrative support to the racial profiling advisory committee.

Subd. 5. [AVAILABILITY.] Appropriations in this section are available until June 30, 2003, except that appropriation in subdivision 2 is available until June 30, 2004.

Sec. 17. [EFFECTIVE DATES.]

Sections 1, 4 to 7, and 10 to 15 are effective the day following final enactment. Sections 8 and 9 are effective September 1, 2001, and apply to traffic stops conducted on or after that date."

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

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 451: A bill for an act relating to retirement; various statewide and local retirement plans and programs; clarifying the application of the open meeting law to local retirement plans; including certain American Indian tribal governments in police state aid; extending disability coverage to certain privatized university hospital and other public employees; authorizing voluntary employee benefit associations; authorizing various generalized and specific service credit purchases; excluding certain trades personnel from the public employees retirement association; including certain Dakota county agricultural society employees in the public employees retirement association; authorizing mail-in elections and referendums for the Minneapolis police relief association; modifying restrictions on supplemental retirement plans; clarifying membership for certain faculty collective bargaining representatives; requiring bonding or insurance by certain volunteer fire relief association financial consultants; providing a postretirement adjustment to certain Eveleth police and paid fire trust fund retirees; appropriating money; amending Minnesota Statutes 2000, sections 13D.01, subdivision 1; 69.011, subdivision 1; 352.01, subdivision 11; 352B.01, subdivision 3; 353.01, subdivisions 2a, 2b, 6, 16; 354.41, subdivision 4; 354.534, subdivision 1; 354.536, subdivision 1; 354.539; 354A.098, subdivision 1; 354A.101, subdivision 1; 354A.106; 356.24, subdivision 1; 356.55, subdivision 7; 356A.08, subdivision 1; 422A.155; 423B.01, by adding a subdivision; 423B.05, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 352; 352F; 353F; 354; 354A; 354B; 356; 383D; repealing Minnesota Statutes 2000, section 354.41, subdivision 9.

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

Page 3, line 24, delete "629.93" and insert "626.93"

Page 5, line 35, after "trusts" insert ", including a governmental trust or governmental trusts,"

Page 9, line 2, after "plan" insert "or to a governmental trust"

Page 35, line 16, after "agent" insert "or the labor organization's state affiliate"

Page 38, line 3, after "fund" insert "or to the international union of operating engineers pension fund, as applicable,"

Page 38, line 6, delete the first "that" and insert "the applicable"

Page 49, delete lines 27 to 32 and insert:

"Subd. 2. [PURCHASE OF SERVICE.] (a) A person described in subdivision 1 may purchase service credit under Minnesota Statutes, section 356.55, in the public employees retirement association general plan for the period described in subdivision 1, clause (3).

(b) To purchase the allowable service credit, the eligible person must pay an amount equal to the employee contribution rate or rates in effect during the service credit purchase period applied to the actual salary in effect during that period, plus 8.5 percent compound annual interest from the date the contributions should have been made until the date of actual payment.

(c) Upon receipt of the payment under paragraph (b) by the eligible person, the executive director of the public employees retirement association shall notify the chief administrative officer of the city of St. Paul of that fact. Within 30 days of that notification, the city of St. Paul shall pay to the public employees retirement association the balance of the service credit purchase payment amount under Minnesota Statutes, section 356.55, that is not paid by the eligible person.

(d) If the city of St. Paul does not make the payments required by paragraph (c) in a timely fashion, the executive director of the public employees retirement association shall notify the commissioner of finance, who shall then deduct the required amounts from any state aid payable to the city, plus interest at the rate of one percent per month or part of a month that has elapsed since the date on which the eligible person made payment under paragraph (b)."

Page 50, after line 14, insert:

"ARTICLE 12

VARIOUS ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 2000, section 3A.03, subdivision 2, is amended to read:

Subd. 2. [REFUND.] (1) Any ~~person~~ former member who has made contributions pursuant to under subdivision 1 who is no longer a member of the legislature is entitled to receive upon application to the director a refund of all contributions credited to the member's account with interest at an annual rate of six percent compounded annually.

(2) The refund of contributions as provided in clause (1) terminates all rights of a former member of the legislature or survivors of the former member under this chapter. Should the former member of the legislature again be a member of the legislature after having taken a refund as provided above, the member shall be considered a new member. However, a new member may reinstate the rights and credit for service forfeited, provided the new member repays all refunds taken plus interest at an annual rate of 8.5 percent compounded annually.

(3) No person shall be required to apply for or accept a refund.

Sec. 2. Minnesota Statutes 2000, section 11A.18, subdivision 7, is amended to read:

Subd. 7. [PARTICIPATION AND FINANCIAL REPORTING IN FUND.] (a) Each

participating public retirement fund or plan which has transferred money to the state board for investment in the postretirement investment fund shall have an undivided participation in the fund. The participation on any valuation date shall be determined by adding to the participation on the prior valuation date: ~~(a)~~ (1) funds transferred in accordance with subdivision 6, ~~(b)~~ (2) the amount of required investment income on its participation as defined in subdivision 9, ~~clause (1)(e)~~ paragraph (c), clause (1), and ~~(e)~~ (3) the reserves for any benefit adjustment made as of the current valuation date with the result adjusted for any mortality gains or losses determined pursuant to under subdivision 11.

(b) The total fair market value of the postretirement fund as of June 30 must be calculated in accordance with generally accepted accounting principles. The fair market value share of each fund participating in the postretirement investment fund shall be allocated by adding to the fair market value at the beginning of the fiscal year: (1) 100 percent of the funds transferred in accordance with subdivision 6; and (2) a pro rata distribution of unrealized gains or losses, based on a weighted percentage of participation at the end of each month of the fiscal year.

Sec. 3. [13.632] [TEACHERS RETIREMENT FUND ASSOCIATION DATA; CERTAIN CITIES.]

Subdivision 1. [BENEFICIARY AND SURVIVOR DATA.] The following data on beneficiaries and survivors of the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, and the Duluth teachers retirement fund association members are private data on individuals: home address, date of birth, direct deposit number, and tax withholding data.

Subd. 2. [LIMITS ON DISCLOSURE.] Required disclosure of data about members, survivors, and beneficiaries is limited to name, gross annuity, or benefit and type of annuity or benefit awarded.

Sec. 4. Minnesota Statutes 2000, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] (a) "State employee" includes:

- (1) employees of the Minnesota historical society;
- (2) employees of the state horticultural society;
- (3) employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed before July 1, 1963;
- (4) employees of the Minnesota crop improvement association;
- (5) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (6) employees of the Minnesota state colleges and universities employed under the university or college activities program;
- (7) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);
- (8) employees of the armory building commission;
- (9) employees of the legislature appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;
- (10) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(11) employees of the Minnesota safety council;

(12) any employees on authorized leave of absence from the transit operating division of the former metropolitan transit commission who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division;

(13) employees of the metropolitan council, metropolitan parks and open space commission, metropolitan sports facilities commission, metropolitan mosquito control commission, or metropolitan radio board unless excluded or covered by another public pension fund or plan under section 473.415, subdivision 3;

(14) judges of the tax court;

(15) personnel employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization; and

(16) seasonal help in the classified service employed by the department of revenue; ~~and~~

~~(17) a person who renders teaching or other service for the Minnesota state colleges and universities system and who also renders service on a part-time basis for an employer with employees covered by the general state employees retirement plan of the Minnesota state retirement system, for all service with the Minnesota state colleges and universities system, if the person's nonteaching service comprises at least 50 percent of the combined total salary received by the person as determined by the chancellor of the Minnesota state colleges and universities system or if the person is certified for general state employees retirement plan coverage by the chancellor of the Minnesota state colleges and universities system.~~

(b) Employees specified in paragraph (a), clause (15), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 5. Minnesota Statutes 2000, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

(1) ~~elective state officers;~~

~~(2) students employed by the University of Minnesota, or the state colleges and universities, and community colleges unless approved for coverage by the board of regents or the board of trustees of the Minnesota state colleges and universities, as the case may be;~~

~~(3) (2) employees who are eligible for membership in the state teachers retirement association except employees of the department of children, families, and learning who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;~~

~~(4) (3) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;~~

~~(5) (4) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;~~

~~(6) (5) election officers;~~

~~(7) (6) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;~~

(8) (7) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) (8) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;

(10) (9) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;

(11) (10) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) (11) employees of the Sibley House Association;

(13) (12) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving more than three years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(14) (13) state troopers;

(15) (14) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(16) (15) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(17) (16) persons described in section 352B.01, subdivision 2, clauses (2) to (5);

(18) (17) temporary employees in the classified service, and temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period;

(19) (18) trainee employees, except those listed in subdivision 2a, clause (10);

(20) (19) persons whose compensation is paid on a fee basis;

(21) (20) state employees who are employed by the board of trustees of the Minnesota state colleges and universities in unclassified positions enumerated in section 43A.08, subdivision 1, clause (9);

(22) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(23) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(24) chaplains and nuns who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1986, as amended through December 31, 1992;

(25) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(25) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(26) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(27) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(28) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(29) persons employed in positions designated by the department of employee relations as student workers;

(30) members of trades employed by the successor to the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(31) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(32) off-duty peace officers while employed by the metropolitan council;

(33) persons who are employed as full-time police officers by the metropolitan council and as police officers are members of the public employees police and fire fund;

(34) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund;

(35) foreign citizens with a work permit of less than three years, or an H-1b/JV visa valid for less than three years of employment, unless notice of extension is supplied which allows them to work for three or more years as of the date the extension is granted, in which case they are eligible for coverage from the date extended; and

(36) persons who are employed by the board of trustees of the Minnesota state colleges and universities and who elect to remain members of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, under section 136C.75.

Sec. 6. Minnesota Statutes 2000, section 352.113, subdivision 4, is amended to read:

Subd. 4. [MEDICAL OR PSYCHOLOGICAL EXAMINATIONS; AUTHORIZATION FOR PAYMENT OF BENEFIT.] An applicant shall provide medical or psychological evidence to support an application for total and permanent disability. The director shall have the employee examined by at least one additional licensed chiropractor, physician, or psychologist designated by the medical adviser. The chiropractors, physicians, or psychologists shall make written reports to the director concerning the employee's disability including medical opinions as to whether the employee is permanently and totally disabled within the meaning of section 352.01, subdivision 17. The director shall also obtain written certification from the employer stating whether the employment has ceased or whether the employee is on sick leave of absence because of a disability that will prevent further service to the employer and as a consequence the employee is

not entitled to compensation from the employer. The medical adviser shall consider the reports of the physicians, psychologists, and chiropractors and any other evidence supplied by the employee or other interested parties. If the medical adviser finds the employee totally and permanently disabled, the adviser shall make appropriate recommendation to the director in writing together with the date from which the employee has been totally disabled. The director shall then determine if the disability occurred within 180 days of filing the application, while still in the employment of the state, and the propriety of authorizing payment of a disability benefit as provided in this section. A terminated employee may apply for a disability benefit within 180 days of termination as long as the disability occurred while in the employment of the state. The fact that an employee is placed on leave of absence without compensation because of disability does not bar that employee from receiving a disability benefit. Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because the employee has reached normal retirement age as provided in this section, the disability benefit shall cease with the last payment received by the disabled employee or which had accrued during the lifetime of the employee unless there is a spouse surviving; in that event the surviving spouse is entitled to the disability benefit for the calendar month in which the disabled employee died.

Sec. 7. Minnesota Statutes 2000, section 352.113, subdivision 6, is amended to read:

Subd. 6. [REGULAR MEDICAL OR PSYCHOLOGICAL EXAMINATIONS.] At least once each year during the first five years following the allowance of a disability benefit to any employee, and at least once in every three-year period thereafter, the director may require any disabled employee to undergo a medical or psychological examination. The examination must be made at the place of residence of the employee, or at any place mutually agreed upon, by a physician or physicians designated by the medical adviser and engaged by the director. If any examination indicates to the medical adviser that the employee is no longer permanently and totally disabled, or is engaged in or can engage in a gainful occupation, payments of the disability benefit by the fund must be discontinued. The payments shall discontinue as soon as the employee is reinstated to the payroll following sick leave, but in no case shall payment be made for more than 60 days after the medical adviser finds that the employee is no longer permanently and totally disabled.

Sec. 8. Minnesota Statutes 2000, section 352.22, subdivision 8, is amended to read:

Subd. 8. [REFUND SPECIFICALLY LIMITED.] If a former employee covered by the system does not apply for refund within five years after the last deduction was taken from salary for the retirement fund, and does not have enough service to qualify for a deferred annuity, accumulated contributions must be credited to and become a part of the retirement fund. If the former employee returns to state service and becomes a state employee covered by the system, the amount credited to the retirement fund, if more than \$2 \$25, shall be restored to the individual account. If the amount credited to the fund is over \$2 \$25 and the former employee applies for refund or an annuity under section 352.72, the amount must be restored to the former employee's individual account and refund made or annuity paid whichever applies.

Sec. 9. Minnesota Statutes 2000, section 352.87, subdivision 4, is amended to read:

Subd. 4. [NON-JOB-RELATED DISABILITY BENEFITS.] An eligible member described in subdivision 1, ~~who is less than 55 years of age and~~ who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while not engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 15 years of service qualifying under this section and waiving the minimum age requirement. If the eligible member becomes disabled under this subdivision with more than 15 years of service covered under this section, the eligible member is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the minimum age requirement.

Sec. 10. Minnesota Statutes 2000, section 352.87, subdivision 5, is amended to read:

Subd. 5. [JOB-RELATED DISABILITY BENEFITS.] An eligible member defined in

subdivision 1, ~~who is less than 55 years of age and~~ who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 20 years of service qualifying under this section and waiving the minimum age requirement. An eligible member who becomes disabled under this subdivision with more than 20 years of service credited under this section is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the age requirement.

Sec. 11. Minnesota Statutes 2000, section 352.95, subdivision 4, is amended to read:

Subd. 4. ~~[MEDICAL OR PSYCHOLOGICAL EVIDENCE.]~~ (a) An applicant shall provide ~~medical or psychological~~ evidence to support an application for disability benefits. The director shall have the employee examined by at least one additional licensed physician or psychologist designated by the medical adviser. The physicians shall make written reports to the director concerning the employee's disability, including medical opinions as to whether the employee is disabled within the meaning of this section. The director shall also obtain written certification from the employer stating whether the employee is on sick leave of absence because of a disability that will prevent further service to the employer, and as a consequence the employee is not entitled to compensation from the employer.

(b) If on considering the physicians' reports and any other evidence supplied by the employee or others, the medical adviser finds the employee disabled within the meaning of this section, the advisor shall make appropriate recommendation to the director in writing, together with the date from which the employee has been disabled. The director shall then determine the propriety of authorizing payment of a disability benefit as provided in this section.

(c) Unless payment of a disability benefit has terminated because the employee is no longer disabled, or because the employee has reached age ~~62~~ 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later, the disability benefit shall cease with the last payment received by the disabled employee or which had accrued during the employee's lifetime. While disability benefits are paid, the director has the right at reasonable times to require the disabled employee to submit proof of the continuance of the disability claimed. If any examination indicates to the medical adviser that the employee is no longer disabled, the disability payment must be discontinued upon reinstatement to state service or within 60 days of the finding, whichever is sooner.

Sec. 12. Minnesota Statutes 2000, section 352.95, subdivision 5, is amended to read:

Subd. 5. ~~[RETIREMENT STATUS AT NORMAL RETIREMENT AGE.]~~ The disability benefit paid to a disabled correctional employee under this section shall terminate at the end of the month in which the employee reaches age ~~62~~ 65, or the five-year anniversary of the effective date of the disability benefit, whichever is later. ~~If the disabled correctional employee is still disabled when the employee reaches age 62 65, or the five-year anniversary of the effective date of the disability benefit, whichever is later, the employee shall be deemed to be a retired employee.~~ If the employee had elected an optional annuity under subdivision 1a, the employee shall receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 1a, the employee may within 90 days of attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later, either elect to receive a normal retirement annuity computed in the manner provided in section 352.93 or elect to receive an optional annuity as provided in section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made within 90 days before attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later. If an optional annuity is elected, the optional annuity shall begin to accrue on the first of the month following the month in which the employee reaches age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later.

Sec. 13. Minnesota Statutes 2000, section 352.95, subdivision 7, is amended to read:

Subd. 7. [RESUMPTION OF EMPLOYMENT.] If the disabled employee resumes a gainful occupation from which earnings are less than the salary received at the date of disability or the salary currently paid for similar positions, or if the employee is entitled to receive workers' compensation benefits work, the disability benefit must be continued in an amount which when added to current earnings and workers' compensation benefits does not exceed the salary received at the date of disability or the salary currently paid for similar positions, whichever is higher, if the disability benefit in that case does not exceed the disability benefit originally authorized and in effect rate at the date of disability as adjusted by the same percentage increase in United States average wages used by social security in calculating average indexed monthly earnings.

Sec. 14. Minnesota Statutes 2000, section 352B.01, subdivision 11, is amended to read:

Subd. 11. [AVERAGE MONTHLY SALARY.] "Average monthly salary" means the average of the highest monthly salaries for five years of service as a member. Average monthly salary must be based upon all allowable service if this service is less than five years. It does not include any lump sum annual leave payments and overtime payments made at the time of separation from state service, any amounts of severance pay, or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability. A member on leave of absence receiving temporary workers' compensation payments and a reduced salary or no salary from the employer who is entitled to allowable service credit for the period of absence may make payment to the fund for the difference between salary received, if any, and the salary the member would normally receive if not on leave of absence during the period. The member shall pay an amount equal to the member and employer contribution rate under section 352B.02, subdivisions 1b and 1c, on the differential salary amount for the period of the leave of absence. The employing department, at its option, may pay the employer amount on behalf of the member. Payment made under this subdivision must include interest at the rate of 8.5 percent per year, and must be completed within one year of the return from the leave of absence.

Sec. 15. Minnesota Statutes 2000, section 352B.10, subdivision 3, is amended to read:

Subd. 3. [ANNUAL AND SICK LEAVE; WORK AT LOWER PAY.] No member shall receive any disability benefit payment when the member has unused annual leave or sick leave or under any other circumstances, when during the period of disability there has been no impairment of salary. Should the member or former member resume gainful work and earn less than the salary received at the date of disability or the salary currently paid for similar positions, the disability benefit must be continued in an amount which when added to current earnings does not exceed the salary rate received at the date of disability or the salary currently paid for similar positions, whichever is higher. The disability benefit must not exceed the disability benefit originally allowed as adjusted by the same percentage increase in United States average wages used by social security in calculating average indexed monthly earnings.

Sec. 16. Minnesota Statutes 2000, section 352B.101, is amended to read:

352B.101 [APPLICATION FOR DISABILITY BENEFIT.]

A member claiming a disability benefit must file a written application for benefits in the office of the system in a form and manner prescribed by the executive director. The member shall provide medical or psychological evidence to support the application. The benefit begins to accrue the day following the start of disability or the day following the last day for which the member was paid, whichever is later, but not earlier than 180 days before the date the application is filed with the executive director.

Sec. 17. Minnesota Statutes 2000, section 354.05, subdivision 2, is amended to read:

Subd. 2. [TEACHER.] (a) "Teacher" means:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in the public schools of the state located outside of the corporate limits of the cities of the first class or in the Minnesota state colleges and universities system, or in any charitable, penal, or correctional institutions of a governmental

subdivision, or who is engaged in educational administration in connection with the state public school system, ~~including the Minnesota state colleges and universities system~~, but excluding the University of Minnesota, whether the position be a public office or an employment, not including members or officers of any general governing or managing board or body;

(2) an employee of the teachers retirement association ~~unless the employee is covered by the Minnesota state retirement system due to prior employment by that system~~;

(3) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit. A person whose teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit. If the person's teaching service comprises less than 50 percent of the combined employment salary, the executive director must determine whether all or none of the combined service is covered by the association; or

(4) a person not covered by the plans established under chapter 352D, 354A, or 354B and who is employed by the board of trustees of the Minnesota state colleges and universities system in an unclassified position as a:

(i) president, vice-president, or dean;

(ii) other manager or professional in an academic or academic support program;

(iii) administrative or service support faculty; or

(iv) teacher or research assistant.

(b) Teacher does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) a person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has, as of the later of March 30, 1978, or the date of employment, sufficient service credit in the retirement association to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Training and Employment Act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution;

(3) a person holding a part-time adult supplementary technical college license who renders part-time teaching service or a customized trainer as defined by the Minnesota state colleges and universities system in a technical college if (i) the service is incidental to the regular nonteaching occupation of the person; and (ii) the applicable technical college stipulates annually in advance that the part-time teaching service or customized training service will not exceed 300 hours in a fiscal year and retains the stipulation in its records; and (iii) the part-time teaching service or customized training service actually does not exceed 300 hours in a fiscal year; or

(4) a person exempt from licensure under section 122A.30.

Sec. 18. Minnesota Statutes 2000, section 354.52, subdivision 4, is amended to read:

Subd. 4. [REPORTING AND REMITTANCE REQUIREMENTS.] An employer shall remit all amounts due to the association and furnish a statement indicating the amount due and transmitted with any other information required by the executive director. If an amount due is not received by the association within ~~seven~~ 14 calendar days of the payroll warrant, the amount accrues interest at an annual rate of 8.5 percent compounded annually from the due date until the amount is received by the association. All amounts due and other employer obligations not

remitted within 60 days of notification by the association must be certified to the commissioner of finance who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit.

Sec. 19. Minnesota Statutes 2000, section 354A.011, subdivision 24, is amended to read:

Subd. 24. [SALARY; COVERED SALARY.] (a) "Salary" or "covered salary" means the entire compensation, upon which member contributions are required and made, that is paid to a teacher before ~~any allowable reductions permitted under the federal Internal Revenue Code of 1986, as amended, for employee selected fringe benefits, tax sheltered annuities, deferred compensation, or any combination of these items~~ deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) "Salary" does not mean:

(1) lump sum annual leave payments;

(2) lump sum wellness and sick leave payments;

~~(3) payments in lieu of any employer-paid group insurance coverage employer-paid amounts used by an employee toward the cost of insurance coverage, employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses, or any payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage and certain amounts determined by the executive secretary or director to be ineligible;~~

~~(4) payments for the difference between single and family premium rates that may be paid to a member with single coverage~~ any form of payment made in lieu of any other employer-paid fringe benefit or expense;

~~(5) employer-paid fringe benefits including, but not limited to, flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses, or automobile allowances and expenses~~ any form of severance payments;

~~(6) workers' compensation payments;~~

~~(7) disability insurance payments, including self-insured disability payments;~~

~~(8) payments to school principals and all other administrators for services in addition to the normal work year contract if these additional services are performed on an extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave day, or any other nonduty day;~~

~~(9) payments under section 356.24, subdivision 1, clause (4)(ii); and~~

~~(10) payments made under section 122A.40, subdivision 12, except for payments for sick leave accumulated under the provisions of a uniform school district policy that applies equally to all similarly situated persons in the district.~~

Sec. 20. [354A.107] [PAYMENT ACCEPTANCE ALLOWED.]

Payment for allowable service credit or repayment of a prior refund or payment for an eligible leave of absence by a member of the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, or the Duluth teachers retirement fund association, may be made with funds distributed from a plan qualified under section 401(a), 401(k), 403(a), 403(b), or 457(b) of the federal Internal Revenue Code of 1986, as amended from time to time, or funds distributed from an individual retirement account used solely in a manner eligible for treatment as a nontaxable rollover under applicable law. The rollover must be separately accounted for as member contributions not previously taxed. Before accepting any transfers to which this section applies, the executive secretary or director must require the member to provide written documentation that the amounts to be transferred are eligible for tax free rollover and qualify for that treatment under the federal Internal Revenue Code of 1986, as amended.

Sec. 21. [354A.108] [PAYMENT BY TEACHERS COLLECTING WORKERS' COMPENSATION.]

(a) A member of the Duluth teachers retirement fund association who is receiving temporary workers' compensation payments related to the member's teaching service and who either is receiving a reduced salary from the employer or is receiving no salary from the employer is entitled to purchase allowable service credit for the period of time that the member is receiving the workers' compensation payments.

(b) The required amount payable by the member must be calculated first by determining the differential salary amount, which is the difference between the salary received, if any, during the period of time that the member is collecting workers' compensation payments, and the salary that the member received for an identical length period immediately before collecting the workers' compensation payments. The member shall pay an amount equal to the employee contribution rate under section 354A.12, subdivision 1, multiplied by the differential salary amount.

(c) If the member makes the employee payment under this section, the employing unit shall make an employer payment to the Duluth teachers retirement fund association equal to the employer contribution rate under section 354A.12, subdivision 2a, multiplied by the differential salary amount.

(d) Payments made under this subdivision are payable without interest if paid by June 30 of the year during which the workers' compensation payments are received by the member. If paid after June 30, payments made under this subdivision must include interest at the rate of 8.5 percent per year. Payment under this section must be completed within one year of the termination of the workers' compensation payments to the member.

Sec. 22. Minnesota Statutes 2000, section 354A.12, subdivision 5, is amended to read:

Subd. 5. [EMPLOYEE REPORTING AND REMITTANCE REQUIREMENTS.] (a) Each school district employing unit shall provide to the appropriate teachers retirement fund association information the following member data regarding all new or returning employees on a form provided by the executive secretary or director before the employee's first payroll date; in a format approved by the executive secretary or director. Data changes and the dates of those changes must be reported to the association on an ongoing basis for the payroll cycle in which they occur. Data on the member includes:

(1) legal name, address, date of birth, association member number, employer-assigned employee number, and social security number;

(2) association status, including, but not limited to, basic, coordinated, exempt annuitant, exempt technical college teacher, and exempt independent contractor or consultant;

(3) employment status, including, but not limited to, full time, part time, intermittent, substitute, or part-time mobility;

(4) employment position, including, but not limited to, teacher, superintendent, principal, administrator, or other;

(5) employment activity, including, but not limited to, hire, termination, resumption of employment, disability, or death;

(6) leaves of absence; and

(7) other information as may be required by the association.

(b) Each employing unit shall provide the following data to the appropriate association for each payroll cycle in a format approved by the executive secretary or director:

(1) association member number;

(2) employer-assigned employee number;

- (3) social security number;
- (4) amount of each salary deduction;
- (5) amount of salary as defined in section 354A.011, subdivision 24, from which each deduction was made;
- (6) reason for payment;
- (7) service credit;
- (8) the beginning and ending dates of the payroll period covered and the date of actual payment;
- (9) fiscal year of salary earnings;
- (10) total remittance amount including employee, employer, and employer additional contributions; and
- (11) other information as may be required by the association.

(c) On or before August 1 each year, each employing unit must report to the appropriate association giving an itemized summary for the preceding 12 months of the total amount withheld from the salaries of teachers for deductions and all other information required by the association.

(d) An employing unit that does not comply with the reporting requirements under this section shall pay a fine of \$5 per calendar day until the association receives the required member data.

(e) An employing unit shall remit all amounts due to the association and shall furnish for each pay period an itemized statement indicating the total amount due and transmitted with any other information required by the association. All amounts due and other employer obligations not remitted within 30 days of notification by the association must be certified to the commissioner of finance who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit.

Sec. 23. Minnesota Statutes 2000, section 354A.31, subdivision 3, is amended to read:

Subd. 3. [RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.] (a) Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 or any person receiving a basic program retirement annuity under the governing sections in the articles of incorporation or bylaws and who has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the secretary of health and human services under United States Code, title 42, section 403. The amount of the reduction must be one-third the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

(b) If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

(c) After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

(d) The amount of the retirement annuity reduction must be handled or disposed of as provided in section 356.58.

(e) For the purpose of this subdivision, income from teaching service includes: (i) all income for services performed as a consultant or independent contractor; or income resulting from working with the school district in any capacity; and (ii) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in the school district in which the teachers retirement fund association exists and at the same level as the position occupied by the person who resumes teaching service.

(f) On or before February 15 of each year, each employing unit shall report to the teachers retirement fund association the amount of postretirement income as defined in this section, earned as a teacher, consultant, or independent contractor during the previous calendar year by each retiree of a teachers retirement fund association for teaching service performed after retirement. The report shall be in a format approved by the executive secretary or director.

Sec. 24. Minnesota Statutes 2000, section 354A.35, subdivision 4, is amended to read:

Subd. 4. [PAYMENT OF MINIMAL REFUND AND BENEFIT AMOUNTS.] If a coordinated member or former coordinated member dies without having designated a beneficiary or if the designated beneficiary dies without there existing any other designated beneficiary and prior to making application for the refund credited to the deceased coordinated member or coordinated former member, and if the amount of the refund does not exceed \$500 ~~\$1,500~~, the board in its discretion may, in absence of probate proceedings, make payment 90 days after the date of death of the coordinated member or former coordinated member to the surviving spouse of the deceased coordinated member or former coordinated member, or if none, to the next of kin as determined under the laws of descent of the state. A payment under this subdivision shall be a bar to recovery by any other person or persons. Any retirement annuity in any amount which has accrued at the time of the death of a coordinated retiree may be paid by the board in its discretion using the procedure set forth in this subdivision.

Sec. 25. [356.866] [CONVERSION OF LUMP SUM POSTRETIREMENT AND SUPPLEMENTAL PAYMENT TO AN INCREASED MONTHLY ANNUITY.]

Subdivision 1. [LUMP SUM POSTRETIREMENT PAYMENT CONVERSION.] For benefits paid after December 31, 2001, to eligible persons under sections 356.86 and 356.865, the amount of the most recent lump sum benefit payable to an eligible recipient under sections 356.86 and 356.865, must be divided by 12 and the result must be added to the monthly annuity or benefit otherwise payable to an eligible recipient and become a permanent part of the benefit recipient's pension and included in any pension benefit subject to future increases.

Subd. 2. [TRANSFER OF REQUIRED RESERVES TO MINNESOTA POSTRETIREMENT INVESTMENT FUND.] Public employee retirement funds participating in the state board of investment postretirement investment fund shall transfer the required reserves for the postretirement conversion under subdivision 1 to the postretirement investment fund by January 31, 2002.

Sec. 26. Minnesota Statutes 2000, section 356A.06, subdivision 5, is amended to read:

Subd. 5. [INVESTMENT BUSINESS RECIPIENT DISCLOSURE.] The chief administrative officer of a covered pension plan, with respect to investments made by the plan, and the executive director of the state board of investment, with respect to investments of plan assets made by the board, shall annually disclose in writing the recipients of investment business placed with or investment commissions allocated among commercial banks, investment bankers, brokerage organizations, or other investment managers. The disclosure document must be prepared within 60 days after the close of the fiscal year of the plan and must be available for public inspection during regular office hours at the office of the plan. The disclosure document must also be filed with the executive director of the legislative commission on pensions and retirement within 90 days after the close of the fiscal year of the plan. For the state board of investment and a first class city teacher pension fund, a disclosure document included as part of a regular annual report of the

board or the first class city teacher pension fund when filed with the executive director of the legislative commission on pensions and retirement is considered to have been filed on a timely basis.

Sec. 27. Minnesota Statutes 2000, section 490.121, subdivision 4, is amended to read:

Subd. 4. [ALLOWABLE SERVICE.] "Allowable service" means ~~a whole year, or any fraction thereof any calendar month~~, subject to the service credit limit in subdivision 22, served as a judge at any time, or served as a referee in probate for all referees in probate who were in office prior to January 1, 1974.

Sec. 28. [DELAYED EFFECTIVE DATE.]

Notwithstanding Laws 2000, chapter 461, article 10, section 3, the amendment to Minnesota Statutes, section 353E.03, made by Laws 2000, chapter 461, article 10, section 2, is effective on the first day of the first full pay period beginning after January 1, 2003.

Sec. 29. [APPROPRIATION.]

\$2,500,000 in the fiscal year ending June 30, 2002, and \$2,500,000 in the fiscal year ending June 30, 2003, are appropriated from the general fund to the commissioner of finance for transfer to the public employees retirement association general employees retirement fund.

Sec. 30. [REPEALER.]

Minnesota Statutes 2000, section 354A.026, is repealed.

Sec. 31. [EFFECTIVE DATE.]

(a) Sections 1 to 20, 22 to 24, 26, 27, and 30 are effective on July 1, 2001.

(b) Section 21 is effective on May 1, 2001.

(c) Section 25 is effective on January 1, 2002.

ARTICLE 13

STATE PATROL RETIREMENT PLAN MEMBERSHIP EXPANSION

Section 1. Minnesota Statutes 2000, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

(1) elective state officers;

(2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents or the board of trustees of the Minnesota state colleges and universities, as the case may be;

(3) employees who are eligible for membership in the state teachers retirement association except employees of the department of children, families, and learning who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;

(4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;

(5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving more than three years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(14) state troopers;

(15) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(16) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(17) persons described in section 352B.01, subdivision 2, clauses (2) to ~~(5)~~ (6);

(18) temporary employees in the classified service, and temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period;

(19) trainee employees, except those listed in subdivision 2a, clause (10);

(20) persons whose compensation is paid on a fee basis;

(21) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(22) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(23) chaplains and nuns who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1986, as amended through December 31, 1992;

(24) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(25) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(26) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(27) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(28) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(29) persons employed in positions designated by the department of employee relations as student workers;

(30) members of trades employed by the successor to the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(31) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(32) off-duty peace officers while employed by the metropolitan council;

(33) persons who are employed as full-time police officers by the metropolitan council and as police officers are members of the public employees police and fire fund;

(34) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund;

(35) foreign citizens with a work permit of less than three years, or an H-1b/JV visa valid for less than three years of employment, unless notice of extension is supplied which allows them to work for three or more years as of the date the extension is granted, in which case they are eligible for coverage from the date extended; and

(36) persons who are employed by the board of trustees of the Minnesota state colleges and universities and who elect to remain members of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, under section 136C.75.

Sec. 2. Minnesota Statutes 2000, section 352B.01, subdivision 2, is amended to read:

Subd. 2. [MEMBER.] "Member" means:

~~(a) persons referred to and~~ (1) a state patrol member currently employed after June 30, 1943, under Laws 1929, chapter 355, as amended or supplemented, currently employed section 299D.03 by the state, who is a peace officer under section 626.84, and whose salaries salary or compensation is paid out of state funds;

~~(b) (2)~~ (2) a conservation officer employed under section 97A.201, currently employed by the state, whose salary or compensation is paid out of state funds;

~~(c) (3)~~ (3) a crime bureau officer who was employed by the crime bureau and was a member of the highway patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by

warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds;

(d) (4) a person who is employed by the state in the department of public safety in a data processing management position with salary or compensation paid from state funds, who was a crime bureau officer covered by the state patrol retirement plan on August 15, 1987, and who was initially hired in the data processing management position within the department during September 1987, or January 1988, with membership continuing for the duration of the person's employment in that position, whether or not the person has the power of arrest by warrant after August 15, 1987; and

(e) (5) a public safety employees employee defined as a peace officers officer in section 626.84, subdivision 1, paragraph (c), and employed with the division of alcohol and gambling enforcement under section 299L.01; and

(6) a fugitive apprehension unit officer after October 31, 2000, employed by the office of special investigations of the department of corrections who is a peace officer under section 626.84.

Sec. 3. [DISPOSITION OF CERTAIN CONTRIBUTIONS.]

(a) The employee contributions for the period November 1, 2000, to the effective date of this section for a person described in Minnesota Statutes, section 352B.01, subdivision 2, clause (6), must be transferred, with 8.5 percent per annum interest for the period from the date of the contribution to the date of transfer, from the general state employees retirement plan of the Minnesota state retirement system to the state patrol retirement fund.

(b) The employer contributions associated with the employee contributions governed by paragraph (a) also must be transferred for the period from the date of the contribution to the date of transfer, with 8.5 percent per annum interest, from the general state employees retirement plan of the Minnesota state retirement system to the state patrol retirement fund.

(c) A person described in Minnesota Statutes, section 352B.01, subdivision 2, clause (6), must pay, by additional payroll deduction, to the state patrol retirement fund an amount equal to the difference between the transferred employee contributions and interest and the full member contribution under Minnesota Statutes, section 352B.02, subdivision 1a, plus 8.5 percent per annum interest on the balance from March 1, 2001, to the date the additional payment is complete. The additional payment must be completed by December 31, 2001, or by the date of retirement, whichever is earlier.

(d) The department of corrections, for each person described in Minnesota Statutes, section 352B.01, subdivision 2, clause (6), must pay, in a lump sum on July 1, 2001, to the state patrol retirement fund an amount equal to the difference between the transferred employer contributions and interest and the full employer contribution under Minnesota Statutes, section 352B.02, subdivision 1c, plus 8.5 percent per annum interest on the amount from March 1, 2001, to July 1, 2001.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective retroactively to November 1, 2000. Section 3 is effective on the day following final enactment.

ARTICLE 14

REMEDIAL MEASURES FOR THE PERA-GENERAL FUNDING DEFICIENCY

Section 1. Minnesota Statutes 2000, section 353.01, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] Unless the language or context clearly indicates that a different meaning is intended, each of the following terms, for the purposes of this chapter, ~~shall be~~ have the meaning given the meanings subjoined to them it.

Sec. 2. Minnesota Statutes 2000, section 353.01, subdivision 2, is amended to read:

Subd. 2. [PUBLIC EMPLOYEE.] "Public employee" means ~~an a governmental employee performing personal services for a governmental subdivision under defined in subdivision 6, whose salary is paid, in whole or in part, from revenue derived from taxation, fees, assessments, or from other sources. The term also includes special the classes of persons described or listed in subdivision 2a, but.~~ persons who elect association membership under subdivision 2d, paragraph (a), and persons for whom the applicable governmental subdivision had elected association membership under subdivision 2d, paragraph (b). The term excludes ~~special the classes of persons listed in subdivision 2b for purposes of membership in the association. Public employee does not include independent contractors and their employees. A reemployed annuitant under section 353.37 must not be considered to be a public employee for purposes of that reemployment.~~

Sec. 3. Minnesota Statutes 2000, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] (a) ~~Public employees whose salary from one governmental subdivision exceeds \$425 in any month shall participate as members of the association. If the salary of an employee is less than \$425 in a subsequent month, the employee retains membership eligibility. The following persons are considered public employees:~~

~~(1) employees whose annual salary from one governmental subdivision exceeds a stipulation prepared in advance, in writing, to be not more than \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period expected to be of less than a full year's duration. If compensation from one governmental subdivision to an employee under this clause exceeds \$5,100 per calendar year or school year after being stipulated in advance not to exceed that amount, the stipulation is no longer valid and contributions must be made on behalf of the employee under section 353.27, subdivision 12, from the month in which the employee's salary first exceeded \$425;~~

~~(2) employees whose total salary from concurrent nontemporary positions in one governmental subdivision exceeds \$425 in any month;~~

~~(3) elected officers for service to which they were elected by the public at large, or persons appointed to fill a vacancy in an elective office, who elect to participate by filing an application for membership, but not for service on a joint or regional board that is a governmental subdivision under subdivision 6, paragraph (a), unless the salary earned for that service exceeds \$425 in any month. The option to become a member, once exercised, may not be withdrawn during the incumbency of the person in office;~~

~~(4) members who are appointed by the governor to be a state department head and elect not to be covered by the Minnesota state retirement system under section 352.021;~~

~~(5) employees of elected officers;~~

~~(6) persons who elect to remain members under section 480.181, subdivision 2;~~

~~(7) employees of a school district who receive separate salaries for driving their own buses;~~

~~(8) employees of the Minnesota association of townships when the board of the association, at its option, certifies to the executive director that its employees are to be included for purposes of retirement coverage, in which case coverage of all employees of the association is permanent;~~

~~(9) employees of a county historical society who are county employees;~~

~~(10) employees of a county historical society located in the county whom the county, at its option, certifies to the executive director to be county employees for purposes of retirement coverage under this chapter, which status must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society and is not excluded under subdivision 2b; and~~

~~(11) employees who became members before July 1, 1988, based on the total salary of~~

positions held in more than one governmental subdivision, shall participate as members of the association with retirement coverage by the public employees retirement plan or the public employees police and fire retirement plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies, as a condition of their employment on the first day of employment unless they:

(1) are specifically excluded under subdivision 2b;

(2) do not exercise their option to elect retirement coverage in the association as provided in subdivision 2d, paragraph (a); or

(3) are employees of the governmental subdivisions listed in subdivision 2d, paragraph (b), where the governmental subdivision has not elected to participate as a governmental subdivision covered by the association.

(b) A public employee who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership until the employee terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

Sec. 4. Minnesota Statutes 2000, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following public employees shall be not eligible to participate as members of the association with retirement coverage by the public employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire retirement plan:

(1) elected public officers, other than county sheriffs, who are elected to a governing body, or persons who are appointed to fill a vacancy in an elective office who do not elect to participate in the association by filing an application for membership of a governing body, whose term of office first commences on or after July 1, 2002, for the service to be rendered in that elective position. Elected governing body officials who were active members of the association's coordinated or basic retirement plans as of June 30, 2002, continue participation throughout incumbency in office until termination of public service occurs as defined in subdivision 11a;

(2) election officers or election judges;

(3) patient and inmate personnel who perform services in charitable, penal, or correctional institutions of a governmental subdivision;

(4) employees who are hired for a temporary position under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision, but not those. An employer must not apply the definition of temporary position so as to exclude employees who are hired for an unlimited period to fill positions that are permanent or that are for an unspecified period but who are serving a probationary period at the start of the employment. If the period of employment extends beyond six consecutive months and the employee earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee under section 353.27, subdivision 4.

The membership eligibility of an employee who resigns or is dismissed from a temporary position and within 30 days accepts another temporary position in the same governmental subdivision is determined on the total length of employment rather than on each separate position. Membership eligibility of an employee who holds concurrent temporary and nontemporary positions in one governmental subdivision is determined by the length of employment and salary of each separate position;

(5) employees whose actual salary from one governmental subdivision does not exceed \$425

~~per month, or whose annual salary from one governmental subdivision does not exceed a stipulation prepared in advance, in writing, that the salary must not exceed \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration;~~

~~(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster;~~

~~(7) (6) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota state retirement system, the teachers retirement association, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees retirement association, or any local police or firefighters consolidation account but who have not elected the type of benefit coverage provided by the public employees police and fire fund under sections 353A.01 to 353A.10, or any persons covered by section 353.665, subdivision 4, 5, or 6, who have not elected public employees police and fire plan benefit coverage. This clause must not be construed to prevent a person from being a member of and contributing to the public employees retirement association and also belonging to and contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association by a teacher as defined in section 354.05, subdivision 2;~~

~~(8) (7) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended through January 1, 1987, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;~~

~~(9) full-time students who (8) employees who at the time they are hired by a governmental subdivision are enrolled and on a full-time basis to attend or are regularly attending classes at an accredited school, college, or university and who are part-time employees as defined by a governmental subdivision in an undergraduate, graduate, or professional-technical program, or a public or charter high school, if the employment is predicated on the student status of the individual;~~

~~(10) (9) resident physicians, medical interns, and pharmacist residents and pharmacist interns who are serving in a degree or residency program in public hospitals;~~

~~(11) (10) students who are serving in an internship or residency program sponsored by an accredited educational institution;~~

~~(12) (11) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;~~

~~(13) (12) foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens are eligible for membership from the date of the extension;~~

~~(14) (13) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;~~

~~(15) (14) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public~~

employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

~~(16)~~ (15) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the public employees retirement association and a participant in the public employees retirement fund or the public employees police and fire fund, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

~~(17) pipefitters and associated trades personnel employed by independent school district No. 625, St. Paul, with coverage by the pipefitters local 455 pension plan under a collective bargaining agreement who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12; and~~

~~(18) (16) electrical workers, plumbers, carpenters, and associated trades personnel employed by independent school district No. 625, St. Paul, or the city of St. Paul, with who have retirement coverage by the electrical workers local 110 pension plan, the united association plumbers local 34 pension plan, or the carpenters local 87 pension plan under a collective bargaining agreement who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;~~

~~(17) employees who are hired after June 30, 2002, to fill seasonal positions under subdivision 12b which are limited in duration by the employer to 185 consecutive calendar days or less in each business year of the governmental subdivision;~~

~~(18) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to three years or less, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;~~

~~(19) independent contractors and the employees of independent contractors;~~

~~(20) reemployed annuitants of the association during the course of that reemployment; and~~

~~(21) employees of a common school district as defined in section 120A.05, subdivision 5, an independent school district as defined in section 120A.05, subdivision 10, a special school district as defined in section 120A.05, subdivision 14, any instrumentality of a common, independent, or special school district, or any governmental entity comprised wholly of common, independent, or special school districts.~~

Sec. 5. Minnesota Statutes 2000, section 353.01, is amended by adding a subdivision to read:

Subd. 2d. [OPTIONAL MEMBERSHIP.] (a) Membership in the association is optional by action of the individual employee for the following public employees who meet the conditions set forth in subdivision 2a:

(1) members of the coordinated plan who are also employees of labor organizations as defined in section 353.017, subdivision 1, for their employment by the labor organization only if they elect to have membership under section 353.017, subdivision 2;

(2) persons who are elected or persons who are appointed to elected positions other than local governing body elected positions who elect to participate by filing a written election for membership;

(3) members of the association who are appointed by the governor to be a state department

head and who elect not to be covered by the general state employees retirement plan of the Minnesota state retirement system under section 352.021; and

(4) city managers as defined in section 353.028, subdivision 1, who do not elect to be excluded from membership in the association under section 353.028, subdivision 2.

(b) Membership in the association is optional by action of the governmental subdivision for the employees of the following governmental subdivisions under the conditions specified:

(1) the Minnesota association of townships if the board of the association, at its option, certifies to the executive director that its employees are to be included for purposes of retirement coverage, in which case the status of the association as a participating employer is permanent; and

(2) a county historical society if the county in which the historical society is located, at its option, certifies to the executive director that the employees of the historical society are to be county employees for purposes of retirement coverage under this chapter. The status as a county employee must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society.

(c) For employees who are covered by paragraph (a), clause (1), (2), or (3), or covered by paragraph (b), if the necessary membership election is not made, the employee is excluded from retirement coverage under this chapter. For employees who are covered by paragraph (a), clause (4), if the necessary election is not made, the employee must become a member and have retirement coverage under this chapter. The option to become a member, once exercised under this subdivision, may not be withdrawn until termination of public service as defined under subdivision 11a.

Sec. 6. Minnesota Statutes 2000, section 353.01, subdivision 6, is amended to read:

Subd. 6. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, city, or town, ~~school district~~ within this state, or a department or unit of state government, or any public body whose revenues are derived from taxation, fees, assessments or from other sources.

(b) Governmental subdivision also means the public employees retirement association, the league of Minnesota cities, the association of metropolitan municipalities, public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions, the association of Minnesota counties, the metropolitan intercounty association, the Minnesota municipal utilities association, the metropolitan airports commission, the Minneapolis employees retirement fund for employment initially commenced after June 30, 1979, the range association of municipalities and schools, soil and water conservation districts, and economic development authorities created or operating under sections 469.090 to 469.108.

(c) Governmental subdivision does not mean a school district; any municipal housing and redevelopment authority organized under the provisions of sections 469.001 to 469.047; or any port authority organized under sections 469.048 to 469.089; or any hospital district organized or reorganized prior to July 1, 1975, under sections 447.31 to 447.37 or the successor of the district, nor the Minneapolis community development agency.

Sec. 7. Minnesota Statutes 2000, section 353.01, subdivision 7, is amended to read:

Subd. 7. [MEMBER.] "Member" means a person who accepts employment as a "public employee" under subdivision 2, who is an employee who works in one or more positions that require or allow membership in the association under subdivision 2a or 2d, for whom contributions have been withheld from salary and who is not covered by the plan established in chapter 353D or excluded under subdivision 2b. A person who is a member remains a member while performing services as a public employee and while on an authorized leave of absence or an authorized temporary layoff.

Sec. 8. Minnesota Statutes 2000, section 353.01, subdivision 11b, is amended to read:

Subd. 11b. [TERMINATION OF MEMBERSHIP.] (a) "Termination of membership" means the conclusion of membership in the association and occurs:

(1) upon termination of public service under subdivision 11a;

(2) ~~when a member who is a part-time employee is excluded from membership as a full-time student under subdivision 2b, clause (9);~~

(3) ~~when a member does not return to work within 30 days of the expiration of an authorized temporary layoff under subdivision 12 or an authorized leave of absence under subdivision 31. If the employee subsequently returns to a position in the same governmental subdivision, the employee shall not again be required to earn a salary in excess of \$425 per month, unless the employee has taken a refund of accumulated employee deductions plus interest under section 353.34, subdivision 1 as evidenced by the appropriate record filed by the governmental subdivision; or~~

(4) (3) when a person files a written election to discontinue employee deductions under section 353.27, subdivision 7, paragraph (a), clause (1).

(b) The termination of membership must be reported to the association by the governmental subdivision.

Sec. 9. Minnesota Statutes 2000, section 353.01, subdivision 12, is amended to read:

Subd. 12. [AUTHORIZED TEMPORARY LAYOFF.] "Authorized temporary layoff," ~~including seasonal leave of absence,~~ means a suspension of public service authorized by the employing governmental subdivision for a specified period not exceeding three months in any calendar year, as evidenced by appropriate record of the employer and promptly transmitted to the association. The association shall credit the member for an authorized temporary layoff only as provided in subdivision 16, paragraph (a), clause (4).

Sec. 10. Minnesota Statutes 2000, section 353.01, subdivision 12a, is amended to read:

Subd. 12a. [TEMPORARY POSITION.] (1) "Temporary position" means an employment position predetermined by the employer at the time of hiring to be a period of six months or less ~~or. Temporary position also means an employment position occupied by a person hired by the employer as a temporary replacement who is employed for a predetermined period of six months or less.~~

(2) "Temporary position" does not mean an employment position for ~~an unlimited period a specified term in which a person serves a probationary period or works an irregular schedule as a requirement for subsequent employment on a permanent or unlimited basis.~~

Sec. 11. Minnesota Statutes 2000, section 353.01, is amended by adding a subdivision to read:

Subd. 12b. [SEASONAL POSITION.] "Seasonal position" means a position where the nature of the work or its duration are related to a specific season or seasons of the year, regardless of whether or not the employing agency anticipates that the same employee will return to the position each season in which it becomes available. The entire period of employment in a business year must be used to determine whether or not a position may be excluded as seasonal when there is less than a 30-day break between one seasonal position and a subsequent seasonal position for employment with the same governmental employer. Seasonal positions include, but are not limited to, coaching athletic activities; employment to plow snow or to maintain roads or parks, or to operate skating rinks, ski lodges, golf courses, or swimming pools.

Sec. 12. Minnesota Statutes 2000, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE; LIMITS AND COMPUTATION.] (a) "Allowable service" means:

(1) service during years of actual membership in the course of which employee contributions were made, periods covered by payments in lieu of salary deductions under section 353.35, ~~and;~~

(2) service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect;

~~(b) "Allowable service" also means (3) a period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund;~~

~~(c) "Allowable service" also means (4) a period of authorized personal, parental, or medical leave of absence without pay, including a leave of absence covered under the federal Family Medical Leave Act, that does not exceed one year, and during or for which a member obtained full or fractional service credit for each month in the leave period by payments to the fund made in place of salary deductions, provided that The payments are must be made in an amount or amounts based on the member's average salary on which deductions were paid for the last six months of public service, or for that portion of the last six months while the member was in public service, to apply to the period in either case that immediately preceding precedes the commencement of the leave of absence. If the employee elects to pay the employee contributions for the period of any authorized personal, parental, or medical leave of absence without pay, or for any portion of the leave, the employee shall also, as a condition to the exercise of the election, pay to the fund an amount equivalent to both the required employer and the additional employer contributions, if any, for the employee. The payment must be made within one year from the expiration of the leave of absence or within 20 days after termination of public service under subdivision 11a. The employer, if by appropriate action of its governing body, which is made a part of its official records, and which is adopted before the date of the first payment of the employee contribution, may certify to the association in writing its commitment to pay the employer and additional employer contributions from the proceeds of a tax levy made under section 353.28. Payments under this paragraph must include interest at an annual rate of 8.5 percent compounded annually from the date of the termination of the leave of absence to the date payment is made. An employee shall return to public service and receive render a minimum of three months of allowable service in order to be eligible to pay employee and employer contributions for a subsequent authorized leave of absence without pay. Upon payment, the employee must be granted allowable service credit for full calendar months or fractions of a month during the leave period as described in paragraph (d), clauses (1) and (2), based on the salary or the compensated hours used in computing the payment amount;~~

~~(d) "Allowable service" also means (5) a periodic, repetitive leave that is offered to all employees of a governmental subdivision. The leave program may not exceed 208 hours per annual normal work cycle as certified to the association by the employer. A participating member obtains service credit by making employee contributions in an amount or amounts based on the member's average salary that would have been paid if the leave had not been taken. The employer shall pay the employer and additional employer contributions on behalf of the participating member. The employee and the employer are responsible to pay interest on their respective shares at the rate of 8.5 percent a year, compounded annually, from the end of the normal cycle until full payment is made. An employer shall also make the employer and additional employer contributions, plus 8.5 percent interest, compounded annually, on behalf of an employee who makes employee contributions but terminates public service. The employee contributions must be made within one year after the end of the annual normal working cycle or within 20 days after termination of public service, whichever is sooner. The association shall prescribe the manner and forms to be used by a governmental subdivision in administering a periodic, repetitive leave. Upon payment, the member must be granted allowable service credit for full calendar months or fractions of a month during the leave period as described in paragraph (d), clauses (1) and (2), based on the salary or the compensated hours used in computing the payment amount;~~

~~(e) "Allowable service" also means a period during which a member is on an authorized sick leave of absence, without pay, limited to one year. An employee who has received one year of allowable service shall return to public service and receive a minimum of three months of allowable service to receive allowable service for a subsequent authorized sick leave of absence.~~

~~(f) "Allowable service" also means (6) an authorized temporary layoff under subdivision 12. For temporary layoffs that begin before July 1, 2001, allowable service credit is limited to three~~

months allowable service per authorized temporary layoff in one calendar year. ~~An employee who has received the maximum service allowed for an authorized temporary layoff shall return to public service and receive a minimum of three months of allowable service to receive allowable service for a subsequent authorized temporary layoff. For temporary layoffs that begin on or after July 1, 2001, allowable service credit for the calendar month in which the member does not receive salary due to the layoff must be determined using the following formula:~~

~~(i) members who earned one month of allowable service credit for each of the nine calendar months of compensated employment with the governmental subdivision authorizing the layoff that immediately preceded the layoff shall receive one month of allowable service credit, limited to three months of allowable service credit per year, for each month of the temporary layoff; or~~

~~(ii) members who earned less than nine months of allowable service credit in the year of compensated employment with the governmental subdivision authorizing the layoff that immediately preceded the layoff shall receive allowable service credit on a fractional basis for each month of the authorized layoff, limited to three months of allowable service credit, determined by dividing the total number of months of service credit earned for the compensated employment by nine and multiplying the resulting number by the total number of months in the layoff period that are not compensated; or~~

~~(g) Notwithstanding any law to the contrary, "allowable service" also means a parental leave. The association shall grant a maximum of two months service credit for a parental leave, within six months after the birth or adoption, upon documentation from the member's governmental subdivision or presentation of a birth certificate or other evidence of birth or adoption to the association.~~

~~(h) "Allowable service" also means (7) a period during which a member is on an authorized leave of absence to enter military service in the armed forces of the United States, provided that the member returns to public service upon discharge from military service under section 192.262 and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. Payment must be made within three times the length of the military leave period, or five years of the date of discharge from the military service, whichever is less. The amount of these contributions must be in accord with the contribution rates and salary limitations, if any, in effect during the leave, plus interest at an annual rate of 8.5 percent compounded annually from the date of return to public service to the date payment is made. The matching employer contribution and additional employer contribution under section 353.27, subdivisions 3 and 3a, must be paid by the governmental subdivision employing the member upon return to public service if the member makes the employee contributions. The governmental subdivision involved may appropriate money for those payments. A member may not receive credit for a voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction, or call to active duty. Upon payment, the employee must be granted allowable service credit for full calendar months or fractions of a month during the leave period as described in paragraph (d), clauses (1) and (2), based on the salary or compensated hours used in computing the payment amount.~~

~~(i) (b) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the Community Corrections Act, chapter 401, and transferred into county service under section 401.04, "allowable service" means combined years of allowable service as defined in paragraphs paragraph (a) to (i), clauses (1) to (6), and section 352.01, subdivision 11.~~

~~(j) (c) For a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the public employees retirement association or to which section 353.665 applies, and who has elected the type of benefit coverage provided by the public employees police and fire fund either under section 353A.08 following the consolidation or under section 353.665, subdivision 4, "applicable service" is a period of service credited by the local police or firefighters relief association as of the effective date of the consolidation based on law and on bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure.~~

(d) For persons who, after June 30, 2001, either first become members or terminated membership under subdivision 11b, and again become members, of the public employees retirement plan, the public employees police and fire plan under this chapter, or the local government correctional employee retirement plan under chapter 353E, whichever applies, "allowable service" means credit for compensated hours from which deductions are made, or for which payments are made in lieu of salary deductions as provided under this subdivision, and which are deposited and credited in the fund as provided in section 353.27, determined as follows:

(1) one month of allowable service credit for each month during which the employee has received salary for 80 or more compensated hours; or

(2) a fraction of one month of allowable service for each month for which the employee has received salary for less than 80 compensated hours equal to the percentage relationship that the number of compensated hours bear to 80 hours.

(e) Elected officials and other public employees who are compensated solely on an annual basis shall be granted a full year of credit for each year for which compensation is earned.

(f) Allowable service that is determined and credited on a fractional basis must be used only in calculating the amount of benefits payable. In determining the length of service required for vesting, a member shall be granted a month of service credit for each month in which the member received compensation from which employee contributions were deducted. For periods of part-time service that are duplicated service credit, section 356.30, subdivision 1, paragraphs (g) and (h), govern.

(g) No member shall receive more than 12 months of allowable service credit in a year for either vesting purposes or for benefit calculation purposes.

Sec. 13. Minnesota Statutes 2000, section 353.01, is amended by adding a subdivision to read:

Subd. 38. [BUSINESS YEAR.] "Business year" means the first day of the first full pay period through the last day of the last full pay period of the 12-month fiscal year applicable to the respective governmental subdivision.

Sec. 14. Minnesota Statutes 2000, section 353.01, is amended by adding a subdivision to read:

Subd. 39. [COMPENSATED HOURS.] "Compensated hours" means the hours during which an employee performs services in one or more positions for a single governmental subdivision for which the employee receives compensation. The term also includes the following:

(1) paid holiday hours for which the employee is not required to work;

(2) paid used sick leave hours;

(3) paid used personal leave hours and vacation hours; and

(4) the paid hours drawn from accrued compensatory time.

Sec. 15. Minnesota Statutes 2000, section 353.026, is amended to read:

353.026 [COVERAGE FOR CERTAIN MUNICIPAL AND SCHOOL DISTRICT EMPLOYEES.]

Any person who was employed by the city of Minneapolis, ~~Special School District No. 1~~, or public corporation as defined in section 422A.01, subdivision 9, on or after July 1, 1978 and prior to July 1, 1979, and who was excluded from retirement coverage by the coordinated program of the Minneapolis municipal employees retirement fund pursuant to section 422A.09, subdivision 3, shall be entitled to retirement coverage by the public employees retirement association unless specifically excluded pursuant to section 353.01, subdivision 2b, from and after May 19, 1981.

Sec. 16. Minnesota Statutes 2000, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] (a) The management of the public employees retirement fund is vested in an 11-member board of trustees consisting of ten members and the state auditor who. The state auditor may designate a deputy auditor with expertise in pension matters as the auditor's representative on the board.

(b) The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards townships and special districts, one to represent cities, one to represent counties, one who is a retired annuitant, and one who is a public member knowledgeable in pension matters.

(c) The membership of the association, including recipients of retirement annuities and disability and survivor benefits, shall elect five trustees, one of whom must be a member of the police and fire fund and one of whom must be a former member who met the definition of public employee under section 353.01, subdivisions 2 and 2a, for at least five years prior to terminating membership or a member who receives a disability benefit, for terms of four years. Except as provided in this subdivision, trustees elected by the membership of the association must be public employees and members of the association.

(d) For seven days beginning October 1 of each year preceding a year in which an election is held, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund. No name may be withdrawn from nomination by the nominee after October 15. At the request of a candidate for an elected position on the board of trustees, the board shall mail a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. The secretary of state shall resolve disputes between the board and a candidate concerning application of these policies to a particular statement.

(e) A candidate who:

(1) receives contributions or makes expenditures in excess of \$100; or

(2) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100 for the purpose of bringing about the candidate's election, shall file a report with the campaign finance and public disclosure board disclosing the source and amount of all contributions to the candidate's campaign. The campaign finance and public disclosure board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate shall file a report within 30 days from the day that the results of the election are announced. The campaign finance and public disclosure board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it.

(f) By January 10 of each year in which elections are to be held the board shall distribute by mail to the members ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position is void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund is January 31. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are qualified. The ballot envelopes must be so designed and the ballots counted in a manner that ensures that each vote is secret. The secretary of state shall supervise the elections.

(g) The board of trustees and the executive director shall undertake their activities consistent with chapter 356A.

Sec. 17. Minnesota Statutes 2000, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] (a) The employee contribution is an the following applicable percentage of total salary amount (1) for a "basic member" equal to 8.75 percent of total salary; and (2) for a "coordinated member" equal to 4.75 percent of total salary.;

	<u>basic program</u>	<u>coordinated program</u>
before January 1, 2002	8.75	4.75
effective January 1, 2002	<u>9.10</u>	<u>5.10</u>
effective January 1, 2003	<u>9.45</u>	<u>5.45</u>

(b) These contributions must be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution must be based on the total salary received from all sources.

Sec. 18. Minnesota Statutes 2000, section 353.27, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION.] (a) The employer contribution is ~~an~~ the following applicable percentage of total salary amount equal to the employee contribution under subdivision 2.:

	<u>basic program</u>	<u>coordinated program</u>
before January 1, 2002	8.75	4.75
effective January 1, 2002	<u>9.10</u>	<u>5.10</u>
effective January 1, 2003	<u>9.45</u>	<u>5.45</u>

(b) This contribution must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

Sec. 19. Minnesota Statutes 2000, section 353.27, subdivision 4, is amended to read:

Subd. 4. [EMPLOYER REPORTING REQUIREMENTS; CONTRIBUTIONS; MEMBER STATUS.] (a) A representative authorized by the head of each department shall deduct employee contributions from the salary of each employee who qualifies for membership under this chapter and remit payment in a manner prescribed by the executive director for the aggregate amount of the employee contributions, the employer contributions and the additional employer contributions to be received within 14 calendar days. The head of each department or the person's designee shall for each pay period submit to the association a salary deduction report in the format prescribed by the executive director. Data to be submitted as part of salary deduction reporting must include, but are not limited to:

- (1) the legal names and social security numbers of employees who are members;
- (2) the amount of each employee's salary deduction;
- (3) the amount of salary from which each deduction was made;
- (4) the beginning and ending dates of the payroll period covered and the date of actual payment; ~~and~~
- (5) adjustments or corrections covering past pay periods; and
- (6) the number of compensated hours of each employee during the payroll period.

(b) Employers must furnish the data required for enrollment for each new employee who qualifies for membership in the format prescribed by the executive director. The required enrollment data on new employees must be submitted to the association prior to or concurrent with the submission of the initial employee salary deduction. The employer shall also report to the association all member employment status changes, such as leaves of absence, terminations, and death, and the effective dates of those changes, on an ongoing basis for the payroll cycle in which they occur. The employer shall furnish data, forms, and reports as may be required by the executive director for proper administration of the retirement system. Before implementing new or different computerized reporting requirements, the executive director shall give appropriate advance notice to governmental subdivisions to allow time for system modifications.

(c) Notwithstanding paragraph (a), the association may provide for less frequent reporting and payments for small employers.

Sec. 20. Minnesota Statutes 2000, section 353.27, subdivision 10, is amended to read:

Subd. 10. [EMPLOYER EXCLUSION REPORTS.] The head of a department shall annually furnish the executive director with an exclusion report listing only those employees in potentially PERA-eligible positions who were not reported as members of the association and who worked during the school year for school employees and calendar year for nonschool employees. The department head must certify the accuracy and completeness of the exclusion report to the association. The executive director shall prescribe the manner and forms, including standardized exclusion codes, to be used by a governmental subdivision in preparing and filing exclusion reports. The executive director shall also check the exclusion report to ascertain whether any omissions have been made by a department head in the reporting of new public employees for membership. The executive director may delegate an association employee under section 353.03, subdivision 3a, paragraph (b), clause (5), to conduct a field audit to review the payroll records of a governmental subdivision.

Sec. 21. Minnesota Statutes 2000, section 353.27, subdivision 11, is amended to read:

Subd. 11. [EMPLOYERS; REQUIRED TO FURNISH REQUESTED INFORMATION.] All governmental subdivisions shall furnish promptly such other information relative to the employment status of all employees or former employees, including but not limited to payroll abstracts pertaining to all past and present employees, as may be requested by the association or its executive director, including schedules of salaries applicable to various categories of employment, and the number of actual or estimated compensated hours for employees. In the event payroll abstract records have been lost or destroyed, for whatever reason or in whatever manner, so that such schedules of salaries cannot be furnished therefrom, the employing governmental subdivision, in lieu thereof, shall furnish to the association an estimate of the earnings of any employee or former employee for any period as may be requested by the association or its executive director. Should the association receive such schedules of estimated earnings, the executive director is hereby authorized to use the same as a basis for making whatever computations might be necessary for determining obligations of the employee and employer to the retirement fund. If estimates are not furnished by the employer pursuant to the request of the association or its executive director, the association may estimate the obligations of the employee and employer to the retirement fund based upon such records as are in its possession. Where payroll abstracts have been lost or destroyed, the governmental agency need not furnish any information pertaining to employment prior to July 1, 1963. The association shall make no estimate of any obligation of any employee, former employee, or employer covering employment prior to July 1, 1963.

Sec. 22. [353.275] [STATE AID FOR PERA-GENERAL.]

(a) Annually, on July 1, \$2,000,000 is appropriated from the general fund to the commissioner of finance for transmittal to the executive director of the public employees retirement association.

(b) The state aid transmitted under paragraph (a) must be deposited in the general employees retirement fund upon receipt and must be credited as an asset of the general employees retirement plan of the public employees retirement association.

Sec. 23. Minnesota Statutes 2000, section 353.28, subdivision 8, is amended to read:

Subd. 8. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation upon the power of a county, city, or town, ~~or school district~~ to levy taxes, the governmental subdivision concerned, ~~if it is other than a school district~~, may levy taxes in excess of the limitation in such amount as is necessary to meet its obligations under this section. The expenditures authorized to be made under this chapter by any municipality are not included in computing the cost of government as defined in any home rule charter of any municipality which employs members covered by the retirement fund.

Sec. 24. Minnesota Statutes 2000, section 353.86, subdivision 1, is amended to read:

Subdivision 1. [PARTICIPATION.] Volunteer ambulance service personnel, as defined in

section 353.01, subdivision 35, who are or become members of and participants in the public employees retirement fund or the public employees police and fire fund before July 1, 2002, and make contributions to either of those funds based on compensation for service other than volunteer ambulance service may elect to participate in that same fund with respect to compensation received for volunteer ambulance service, provided that the volunteer ambulance service is not credited to another public or private pension plan including the public employees retirement plan established by chapter 353D and provided further that the volunteer ambulance service is rendered for the same governmental unit for which the nonvolunteer ambulance service is rendered.

Sec. 25. Minnesota Statutes 2000, section 354.05, subdivision 2, is amended to read:

Subd. 2. [TEACHER.] (a) "Teacher" means:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in the public schools of the state located outside of the corporate limits of the cities of the first class or in the Minnesota state colleges and universities system, or in any charitable, penal, or correctional institutions of a governmental subdivision, or who is engaged in educational administration in connection with the state public school system, including the Minnesota state colleges and universities system, but excluding the University of Minnesota, whether the position be a public office or an employment, not including members or officers of any general governing or managing board or body;

(2) an employee of the teachers retirement association unless the employee is covered by the Minnesota state retirement system due to prior employment by that system;

(3) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit. A person whose teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit. If the person's teaching service comprises less than 50 percent of the combined employment salary, the executive director must determine whether all or none of the combined service is covered by the association; or

(4) an employee of a common, independent, or special school district, an instrumentality of a school district, or a governmental entity that is comprised wholly of school districts who are not included in clause (1) other than a person who was a member of the Minneapolis employees retirement fund on March 1, 2001.

(b) Teacher does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) a person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has, as of the later of March 30, 1978, or the date of employment, sufficient service credit in the retirement association to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Training and Employment Act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution;

(3) a person holding a part-time adult supplementary technical college license who renders part-time teaching service or a customized trainer as defined by the Minnesota state colleges and universities system in a technical college if (i) the service is incidental to the regular nonteaching occupation of the person; and (ii) the applicable technical college stipulates annually in advance that the part-time teaching service or customized training service will not exceed 300 hours in a fiscal year and retains the stipulation in its records; and (iii) the part-time teaching service or customized training service actually does not exceed 300 hours in a fiscal year; ~~or~~

(4) a person exempt from licensure under section 122A.30;

(5) a person who is employed by special school district No. 1 and who was a member of the Minneapolis employees retirement fund on March 1, 2001;

(6) pipefitters and associated trades personnel employed by independent school district No. 625, St. Paul, with coverage by the pipefitters local 455 pension plan under a collective bargaining agreement who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12; or

(7) electrical workers, plumbers, carpenters, and associated trades personnel employed by independent school district No. 625, St. Paul, with coverage by the electrical workers local 110 pension plan, the united association plumbers local 34 pension plan, or the carpenters local 87 pension plan under a collective bargaining agreement who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5.

Sec. 26. [354.411] [TRANSFER OF MEMBERSHIP; TRANSFER OF LIABILITIES, ASSETS, AND RELEVANT RECORDS.]

Subdivision 1. [MEMBERSHIP TRANSFER.] Unless excluded from membership under section 354.05, subdivision 2, active members of the general employees retirement plan of the public employees retirement association on June 30, 2001, who are employees of a common school district, an independent school district, a special school district, an instrumentality of a school district, or a governmental entity comprised wholly of school districts are active members of the teachers retirement association under this chapter on July 1, 2001, and are not active members of the general employees retirement plan of the public employees retirement association under chapter 353.

Subd. 2. [SERVICE CREDIT TRANSFER.] (a) For every person transferred under subdivision 1, all past allowable service credit in the general employees retirement plan of the public employees retirement association under section 353.01, subdivision 16, arising from school district or related employment is allowable and formula service credit under section 354.05, subdivisions 13 and 25.

(b) The executive director of the public employees retirement association shall certify the amount of service credit transferred under paragraph (a) for each active member provided future retirement plan coverage under subdivision 1.

(c) Following the certification under paragraph (b), effective June 30, 2001, the applicable service credit of transferred members in the general employees retirement plan of the public employees retirement association cancels and is forfeited.

Subd. 3. [LIABILITY TRANSFER.] The liability to provide retirement coverage related to the service credit transferred under subdivision 2, paragraph (a), becomes the liability of the teachers retirement association as of July 1, 2001, and is no longer the liability of the general employees retirement plan of the public employees retirement association as of June 30, 2001. This liability transfer must be reflected in the actuarial valuations of the teachers retirement association and the general employees retirement plan of the public employees retirement association as of July 1, 2001, every July 1, thereafter.

Subd. 4. [ASSET TRANSFER.] The executive director of the public employees retirement association shall transfer from the general employees retirement plan of the public employees retirement association to the executive director of the teachers retirement association assets, at market value, equal to 74.89 percent of the amount of actuarial accrued liabilities transferred under subdivision 3. The executive director of the teachers retirement association shall deposit the assets transferred under this subdivision to the teachers retirement fund. The transfer may not include a transfer of any amounts payable or amounts receivable.

Subd. 5. [RECORDS TRANSFER.] The executive director of the public employees retirement association shall transfer relevant records relating to members transferred to teachers retirement association retirement coverage under subdivision 1.

Subd. 6. [APPLICABILITY OF CLAIMS.] The teachers retirement association is the successor in interest for all claims related to members transferred under subdivision 1. The teachers retirement association may assert any applicable defense in any judicial proceeding which the public employees retirement association would have otherwise been entitled to assert with respect to claims related to members transferred under subdivision 1.

Sec. 27. Minnesota Statutes 2000, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [AMORTIZATION CONTRIBUTIONS.] (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation must contain an exhibit indicating the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 354, 354A, and 490, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared. For funds governed by chapter 3A, sections 352.90 through 352.951, chapters 352B, 352C, sections 353.63 through 353.68, and chapters 353C, 354A, and 490, the level percent additional contribution must be calculated assuming annual payroll growth of 6.5 percent. For funds governed by sections 352.01 through 352.86 and chapter 354, the level percent additional contribution must be calculated assuming an annual payroll growth of five percent. For the fund governed by sections 353.01 through 353.46, the level percent additional contribution must be calculated assuming an annual payroll growth of six percent. For all other funds, the additional annual contribution must be calculated on a level annual dollar amount basis.

(b) For any fund other than the Minneapolis employees retirement fund and the public employees retirement association general plan, after the first actuarial valuation date occurring after June 1, 1989, if there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1989, and each successive actuarial valuation is the first actuarial valuation date occurring after June 1, 2020.

(c) For any fund or plan other than the Minneapolis employees retirement fund and the public employees retirement association general plan, after the first actuarial valuation date occurring after June 1, 1989, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the interest assumption specified in subdivision 4d in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund must be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a

period of 30 years from the end of the plan year in which the applicable change is effective must be calculated using the applicable interest assumption specified in subdivision 4d in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution under item (iv) must be added to the level annual dollar amortization contribution or level percentage calculated under item (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the interest assumption specified in subdivision 4d in effect after any applicable change, rounded to the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined under item (vi) must be added to the date as of which the actuarial valuation was prepared and the date obtained is the new established date for full funding.

(d) For the Minneapolis employees retirement fund, the established date for full funding is June 30, 2020.

(e) For the public employees retirement association general plan, the established date for full funding is June 30, 2031.

(f) For the retirement plans for which the annual actuarial valuation indicates an excess of valuation assets over the actuarial accrued liability, the valuation assets in excess of the actuarial accrued liability must be recognized as a reduction in the current contribution requirements by an amount equal to the amortization of the excess expressed as a level percentage of pay over a 30-year period beginning anew with each annual actuarial valuation of the plan.

Sec. 28. [IMPLEMENTATION PLAN; MAJOR STATEWIDE RETIREMENT SYSTEM ADMINISTRATIVE SERVICES CONSOLIDATION.]

(a) Based on the July 15, 2001, report required under Laws 1999, chapter 222, article 22, section 5, the executive directors of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association jointly shall prepare a report detailing the implementation steps that would be necessary to consolidate the administrations of the three systems into a single administrative structure if the legislature subsequently determines that such a consolidation would be in the best interests of the state, its taxpayers, and its public employees.

(b) The report must include the draft proposed legislation that would be required to effect an administrative consolidation as well as a detailed schedule and timetable of the completion steps for a consolidation.

(c) The report must be filed by February 15, 2002, with the chair of the legislative commission on pensions and retirement, the chair of the senate committee on state and local government operations, and the chair of the house committee on government operations and veterans affairs policy.

Sec. 29. [IMPLEMENTATION PLAN; AGGREGATION OF TEACHER RETIREMENT PLANS.]

(a) The executive director of the teachers retirement association, the secretary of the Duluth teachers retirement fund association, the executive director of the Minneapolis teachers retirement fund association, and the secretary of the St. Paul teachers retirement fund association jointly shall prepare a report detailing the steps that would be necessary to create a restructured teacher retirement plan if the legislature subsequently determines that this restructuring would be in the best interests of the state, its taxpayers, and the public education community.

(b) In preparing the report, the pension plan administrators must establish and consult with a task force. The task force must consist of representatives of the affected employing units and representatives of the collective bargaining organizations representing members of the affected pension plans.

(c) The report must include the draft proposed legislation that would be required to create a restructured teacher retirement plan as well as a detailed schedule and timetable of the completion steps for the creation of a restructured teacher retirement plan.

(d) The report must be filed by February 15, 2002, with the chair of the legislative commission on pensions and retirement, the chair of the senate committee on state and local government operations, and the chair of the house committee on government operations and veterans affairs policy.

Sec. 30. [EFFECTIVE DATE.]

(a) Sections 1, 4 as it relates to the exclusion of school district employees, 6, 15, 16, 20, 23, 25, and 26 are effective June 30, 2001.

(b) Sections 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, and 24 are effective July 1, 2002.

(c) Section 27 is effective for actuarial valuations prepared after June 1, 2001.

(d) Sections 12, 14, 17, 18, 19, 21, and 22 are effective July 1, 2001.

(e) Sections 28 and 29 are effective on the day following final enactment.

ARTICLE 15

CLOSED CHARTER SCHOOL RETIREMENT CONTRIBUTIONS

Section 1. [STATE PAYMENT OF CERTAIN UNPAID CHARTER SCHOOL RETIREMENT CONTRIBUTIONS.]

Subdivision 1. [UNPAID CONTRIBUTIONS.] (a) The state of Minnesota shall make any unpaid employee and employer contributions to the applicable retirement association for teaching or other service in a designated charter school which closed without having paid such contributions to the retirement association.

(b) By June 1 each year, the chief administrative officer of the retirement association shall certify to the commissioner of finance the amount of accrued contributions, plus applicable interest, which were not paid by each designated charter school before its closure. On or after July 1 each year, the commissioner of finance shall subtract the amounts certified from the state total building lease aid otherwise payable under Minnesota Statutes, section 124D.11, subdivision 4a. The amount subtracted is appropriated from the general fund to the commissioner of finance for payment to the affected retirement associations. The commissioner of finance shall remit directly to the retirement association the amounts certified under this section. The applicable retirement association shall credit employee contribution payments to the applicable member accounts and shall credit to applicable members allowable and formula service and covered salary for the period when the teaching or other service was actually performed in the charter school. State payments representing unpaid employee contributions must be considered accumulated employee or member deductions for purposes of Minnesota Statutes, section 353.34; 354.49; or 354A.37.

Subd. 2. [COVERED RETIREMENT ASSOCIATIONS.] This section applies to the following public retirement associations providing retirement coverage for employees in charter schools:

- (1) teachers retirement association;
- (2) Minneapolis teachers retirement fund association;
- (3) St. Paul teachers retirement fund association;
- (4) Duluth teachers retirement fund association; and

(5) public employees retirement association.

Subd. 3. [DESIGNATED CLOSED CHARTER SCHOOLS.] This section applies to the Frederick Douglass charter school and any other charter school that has closed and that is approved by the legislative commission on pensions and retirement for coverage by this section.

Sec. 2. [CONTINUING RECOVERY AUTHORITY.]

Nothing in section 1 relieves the sponsor of a closed charter school or the operator of a closed charter school from any financial responsibility that those parties may have to pay unpaid employee or employer contributions to applicable public retirement plans. The commissioner of finance shall undertake all reasonable efforts to recover these amounts. Any recovered amounts must be deposited in the general fund.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 16

MINNEAPOLIS FIREFIGHTERS RELIEF ASSOCIATION BENEFIT PLAN CODIFICATION AND REVISION

Section 1. [423C.01] [MINNEAPOLIS FIREFIGHTERS RELIEF ASSOCIATION; DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of this chapter, unless the context clearly indicates otherwise, the terms defined in this section have the meanings given them.

Subd. 2. [ACTIVE MEMBER.] "Active member" means a person who was hired and duly appointed by the city of Minneapolis before June 15, 1980, as a firefighter who is regularly entered on the fire department payroll and who serves on active duty.

Subd. 3. [ACTIVE MEMBER PERCENTAGE.] "Active member percentage" means the total number of units accrued by active members divided by the sum of the total number of units to which eligible members are entitled and active members have accrued.

Subd. 4. [ACTUARIAL EQUIVALENT OR ACTUARIALLY EQUIVALENT.] "Actuarial equivalent" or "actuarially equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit determined as of a given date at a specified age with each actuarial present value based on the appropriate mortality table adopted by the board based on the experience of the special fund and approved by the actuary retained by the legislative commission on pensions and retirement and using the applicable preretirement or postretirement interest rate assumptions specified in section 356.216.

Subd. 5. [AGE.] "Age" means a person's age at the person's latest birthday.

Subd. 6. [ANNUAL POSTRETIREMENT ADJUSTMENT.] "Annual postretirement adjustment" means the payment of a lump-sum, postretirement benefit pursuant to section 423C.06, subdivision 1, to an eligible member on June 1 following the determination date in any year.

Subd. 7. [ASSOCIATION.] "Association" means the Minneapolis firefighters relief association.

Subd. 8. [BOARD.] "Board" means the board established in section 423C.03 to govern the association.

Subd. 9. [CITY.] "City" means the city of Minneapolis.

Subd. 10. [DEFERRED MEMBER.] "Deferred member" means a person who served on active duty and was regularly entered on the fire department payroll and separated from active service

prior to attaining 50 years of age and is entitled to receive a service pension upon reaching age 50 under the law existing at the time the member separated from active service for at least five years.

Subd. 11. [DEPENDENT.] "Dependent" means:

(1) a biological or adopted child of a deceased, active, or retired member who is unmarried and under the age of 18;

(2) a biological or adopted child of a deceased, active, or retired member who is between the ages of 18 and 22 and is enrolled full time at an accredited educational institution approved by the board; or

(3) a biological child of an active or retired member conceived during the active or retired member's lifetime and born after the active or retired member's death.

Subd. 12. [DETERMINATION DATE.] "Determination date" means December 31 of each year.

Subd. 13. [DISABILITY.] "Disability" has the meaning specified in the bylaws of the relief association on April 1, 2001.

Subd. 14. [DISCHARGE.] "Discharge" means a complete separation from and termination of active service as a member of the fire department.

Subd. 15. [ELIGIBLE MEMBER.] "Eligible member" means:

(1) for purposes of section 423C.06, subdivision 1, a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit from the relief association during the 12 months before the determination date. A person who received a pension or benefit for the entire 12 months before the determination date is eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment; and

(2) for purposes of section 423C.06, subdivision 4, a person who receives a service, survivor, or disability pension payable from the special fund of the association.

Subd. 16. [ENROLLED FULL TIME.] "Enrolled full time" means the situation of an individual who is in full-time attendance as a student at an educational institution, as determined by the board of trustees of the relief association in light of the standards and practices of the school involved. A person who is paid by the person's employer while attending school at the request of that employer may not be considered to be a full-time student. A person may be considered a full-time student during a period of up to four months of nonattendance during any 12 month period if the person shows to the satisfaction of the board of trustees that the person intends to continue in full-time school attendance immediately upon the conclusion of the nonattendance period.

Subd. 17. [EXCESS INVESTMENT INCOME.] "Excess investment income" means the amount, if any, by which the time-weighted total rate of return earned by the special fund in the prior five fiscal years has exceeded the actual percentage increase in the current monthly salary of a first grade firefighter in the most recent fiscal year plus two percent. The excess investment income must be expressed as a dollar amount and may not exceed one percent of the total assets of the special fund except when the actuarial value of assets of the special fund, according to the most recent annual actuarial valuation prepared in accordance with sections 356.215 and 356.216, is greater than 102 percent of its actuarial accrued liabilities, in which case the amount must not exceed 1.5 percent of the assets of the special fund.

Subd. 18. [FIRE DEPARTMENT.] "Fire department" means the Minneapolis fire department.

Subd. 19. [FUND.] "Fund" means the special fund of the relief association.

Subd. 20. [NET EXCESS ASSET AMOUNT PAYMENT.] "Net excess asset amount payment" means the payment of an additional postretirement payment under section 423C.06, subdivision 4, to an eligible member on June 1 following the determination date in the given year.

Subd. 21. [NET TOTAL EXCESS ASSET AMOUNT.] "Net total excess asset amount" means the total excess asset amount stated in dollars and multiplied by one minus the active member percentage.

Subd. 22. [PERIOD OF SERVICE.] "Period of service" means:

(1) any service rendered by a firefighter for any calendar month when the member receives salary from which deductions are made, deposited, and credited to the special fund. Leaves of absence of more than 90 days, except those granted because of disability due to sickness or accident or to enable a member to accept an appointive position in the fire department, shall be excluded in computing a member's period of service;

(2) any period in which the member, after entering the fire department, leaves to either enter the military forces of the United States in a time of war or national emergency and subsequently receives an honorable discharge from the military or renders fire prevention services to the United States government in a time of war or national emergency, provided the member who serves either applies for reinstatement in or resumes active duty in the fire department within six months. During any period of military or fire prevention service, the individual shall not be considered an active member. Any period of service a member qualifies for under this clause is limited as follows:

(i) credit shall be granted for service rendered subsequent to July 1, 1961, but the credit shall not exceed six calendar years;

(ii) no credit shall be granted for service rendered subsequent to July 1, 1961, if the period of service rendered prior to July 1, 1961, equals or exceeds six calendar years; and

(iii) if the period of service prior to July 1, 1961, is less than six calendar years, credit for service subsequent to July 1, 1961, shall be added to the prior service, but in no case shall total service credit exceed six calendar years.

Subd. 23. [RETIRED MEMBER.] "Retired member" means a former active member who has terminated active service with the fire department and is entitled to receive a pension or benefit under this chapter or any predecessor law.

Subd. 24. [RELIEF ASSOCIATION.] "Relief association" means the Minneapolis firefighters relief association.

Subd. 25. [SURVIVING SPOUSE MEMBER.] "Surviving spouse member" means a person who was:

(1) legally married to, and residing with, an active, deferred, or retired member both during the time the member was regularly entered on the payroll and serving on active duty in the fire department and at the time of the member's death;

(2) not in a common law marriage; and

(3) in the event the person was married to a retired or deferred member, the person was married to that retired or deferred member for at least two years prior to the member's discharge from the fire department.

Subd. 26. [TIME-WEIGHTED TOTAL RATE OF RETURN.] "Time-weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under section 11A.04, clause (11), and in effect on January 1, 1987.

Subd. 27. [TOTAL EXCESS ASSET AMOUNT.] (a) "Total excess asset amount" means the difference, if positive, expressed in dollars, between the special fund's market value of assets after

any deductions required by section 423C.06, subdivision 3, and 110 percent of the actuarial accrued liabilities based on the actuarial valuation indicated in paragraph (b).

(b) The total excess asset amount in paragraph (a) exists if the actuarial liability funding ratio, according to the most recent annual actuarial valuation of the special fund prepared in accordance with sections 69.77, 356.215, and 356.216, with adjustments required by section 423C.06, subdivision 3, equals or exceeds 110 percent.

Subd. 28. [UNIT.] "Unit" means 1/80 of the maximum monthly salary of a first grade firefighter on the first day of the month in which the pension benefits provided by this chapter are paid.

Sec. 2. [423C.02] [MINNEAPOLIS FIREFIGHTERS RELIEF ASSOCIATION.]

Subdivision 1. [CREATION.] The active and retired members of the fire department and their surviving spouses shall maintain the association. The association shall be duly incorporated under chapter 317A. The corporation shall have perpetual corporate existence. The association shall create, maintain, and administer those funds and accounts as set forth in section 423C.04 for the benefit of its members, surviving spouses, and dependents. The sources of revenue for each fund and account are governed by section 423C.04. The authorized disbursements from each fund and account are governed by sections 423C.04, 423C.05, and 423C.06.

Subd. 2. [MEMBERSHIP.] Active members, deferred members, retired members, and surviving spouse members as defined in section 423C.01 are members of the association.

Subd. 3. [MANAGEMENT OF ASSOCIATION.] The board created in section 423C.03 shall manage, control, and operate the association, including the funds and accounts set forth in section 423C.04, according to this chapter, other applicable law, and the association's articles of incorporation and its bylaws. Notwithstanding section 423A.01, subdivision 2, or any other law to the contrary, the board shall continue to govern the association until there are fewer than 100 members receiving benefits under this chapter. Thereafter, the special fund shall become a trust fund according to section 423A.01, subdivision 2.

Subd. 4. [DISPOSITION OF ASSETS UPON CONCLUSION OF BENEFIT PAYMENTS.] Upon the death of the last benefit recipient and the certification by the chief administrative officer of the city to the state auditor of the absence of any remaining person entitled to a benefit under this chapter, all assets of the association or trust fund, whichever applies, shall revert to the city. The city shall only use these assets for firefighting expenditure purposes.

Sec. 3. [423C.03] [BOARD MEMBERSHIP; ELECTIONS; DUTIES; COMPENSATION; BOND; MEETINGS; POWERS.]

Subdivision 1. [BOARD COMPOSITION AND ELECTIONS.] The board shall consist of two persons appointed by the city and ten other members selected by the members. Elections for active and retired positions on the board shall be conducted pursuant to the association's bylaws.

Subd. 2. [BOARD OFFICERS.] The officers of the association shall consist of a president, one or more vice-presidents, an executive secretary, a treasurer, an assistant executive secretary, and an assistant treasurer. Only elected members of the board are eligible to be officers. Officers shall have those duties and responsibilities as set forth in this chapter, other applicable law, and the association's bylaws. Officers shall be compensated as provided in subdivision 3. All officers shall be elected in even years at the association's annual meeting. Officers shall hold their office for a term of two years unless they are removed from the board before their two-year term expires.

Subd. 3. [COMPENSATION OF OFFICERS AND BOARD MEMBERS.] Notwithstanding any other law to the contrary, the association may provide for payment of the following salaries to its officers and board members:

(1) the executive secretary may receive a salary not exceeding 30 percent of the maximum salary of a first grade firefighter;

(2) the president may receive a salary not exceeding ten percent of the maximum salary of a first grade firefighter; and

(3) all other elected members of the board may receive a salary not exceeding 2.5 percent of the maximum salary of a first grade firefighter.

Subd. 4. [BOND FOR EXECUTIVE SECRETARY AND TREASURER.] (a) The executive secretary and the treasurer must furnish to the relief association a corporate bond for the faithful performance of the duties of that office in an amount as the board of trustees from time to time may determine, subject to the minimum amount specified in section 69.051, subdivision 2.

(b) The relief association must pay the premiums on these bonds from the general fund of the relief association.

Subd. 5. [MEETINGS.] Each December, the board shall hold an annual meeting. All other meetings of the board shall be held as provided in the association's articles or bylaws. Board members may participate in a board meeting by any means of communication through which the trustee, other board members participating, and all other board members physically present at the meeting may simultaneously hear each other during the meeting. Participating in a meeting by these means is the same thing as being physically present at the meeting.

Subd. 6. [ADDITIONAL BOARD POWERS.] In addition to the powers granted the board by this chapter, chapter 317A, other applicable state and federal law, and its articles and bylaws, the board shall authorize and create a board of examiners.

The board of examiners shall investigate and make a report on all applications for disability pensions and make recommendations as to the amount to be paid to each applicant; investigate and make report on all disability pensioners, and make recommendations as to the amount of pension to be paid to them, from year to year; and investigate and report on all applications for service pensions, and claims for relief. This board shall consist of a competent physician selected by the association, and at least three members of the relief association on active duty with the fire department.

Sec. 4. [423C.04] [ASSOCIATION FUNDS AND ACCOUNTS.]

Subdivision 1. [DUTIES.] The association shall create, maintain, and administer the funds and accounts in this section. The sources of revenue and authorized disbursements of each fund and account are governed by this section.

Subd. 2. [SPECIAL FUND; PURPOSE AND SOURCES OF REVENUE.] (a) The special fund may only be used to pay for defined and contingent benefits as set forth in sections 423C.05 and 423C.06; compensation for officers and board members as set forth in section 423C.03, subdivision 3; and expenses of officers and employees of the association in connection with the protection of the special fund, and expenses of operating, administering, and maintaining the association as authorized by this chapter, section 69.80, or other applicable law.

(b) The special fund is derived from the following sources:

(1) receipts from the state, including, but not limited to, any fire state aid, any fire insurance premium surcharge amount, or any additional amortization state aid;

(2) all money derived from taxation by the city under section 69.77 for the support of the association and for the payment of benefits set forth in sections 423C.05 and 423C.06;

(3) an amount equal to the minimum percentage specified in section 69.77, subdivision 2a, of the salary of a first grade firefighter deducted from the monthly salary of each active member; and

(4) the proceeds of the investment of special fund assets.

Subd. 3. [GENERAL FUND.] The general fund is separate and distinct from the special fund. The general fund may, consistent with applicable law, be expended for those purposes deemed

appropriate by the relief association. The city finance officer shall deduct from each active member's biweekly payroll check a sum equal to one-half of one percent of the maximum biweekly salary of a first grade firefighter. This sum shall be forwarded to the association's treasurer and deposited in the general fund. The general fund shall also consist of receipts from private sources, such as gifts, charges, fundraising projects, and dues paid by members; investment of, earnings on, and interest of the general fund; and all other sources. Money received from other sources may also be deposited in the general fund.

Subd. 4. [HEALTH INSURANCE ACCOUNTS.] Notwithstanding any law to the contrary, contributions of active members of the association with at least 25 years of service made after the 25th year of service must be deposited in a separate account and used to pay health care costs of the individual member upon retirement. The board shall adopt rules regarding the frequency and amounts of distributions from these accounts. A member with an account established pursuant to this section is entitled, upon retirement or disability, to receive periodic distributions from the account, in the amount and with the frequency specified by the retiring member consistent with the board's rules.

Sec. 5. [423C.05] [DEFINED BENEFITS.]

Subdivision 1. [DUTIES.] The association is authorized to and shall pay the benefits in this section to its members in accordance with this section. All benefits authorized in this section shall be paid from the association's special fund.

Subd. 2. [SERVICE PENSION.] (a) An active member who has performed duty for the fire department for five years or more, upon written application after retiring from duty and reaching at least age 50, is entitled to be paid monthly for life a service pension under paragraph (b).

(b) Based on the percentage that the actuarial value of assets of the special fund equal to the actuarial accrued liabilities of the special fund according to the most recent annual actuarial valuation of the relief association prepared in accordance with sections 356.215 and 356.216, the amount of the service pension is as follows:

<u>length of allowable service credit</u>	<u>service pension payable if under 90 percent</u>	<u>service pension payable if greater than 89.99 percent and less than 92.5 percent</u>	<u>service pension payable if greater than 92.49 percent</u>
5 years	-	8.0 units	8.0 units
6 years	-	9.6 units	9.6 units
7 years	-	11.2 units	11.2 units
8 years	-	12.8 units	12.8 units
9 years	-	14.4 units	14.4 units
10 years	16.0 units	16.0 units	16.0 units
11 years	17.6 units	17.6 units	17.6 units
12 years	19.2 units	19.2 units	19.2 units
13 years	20.8 units	20.8 units	20.8 units
14 years	22.4 units	22.4 units	22.4 units
15 years	24.0 units	24.0 units	24.0 units
16 years	25.6 units	25.6 units	25.6 units
17 years	27.2 units	27.2 units	27.2 units
18 years	28.8 units	28.8 units	28.8 units
19 years	30.4 units	30.4 units	30.4 units
20 years	33.0 units	33.5 units	34.0 units
21 years	34.6 units	35.1 units	35.6 units

<u>22 years</u>	<u>36.2 units</u>	<u>37.7 units</u>	<u>37.2 units</u>
<u>23 years</u>	<u>37.8 units</u>	<u>38.3 units</u>	<u>38.8 units</u>
<u>24 years</u>	<u>39.4 units</u>	<u>39.9 units</u>	<u>40.4 units</u>
<u>25 years or more</u>	<u>41.0 units</u>	<u>41.5 units</u>	<u>42.0 units</u>

(c) A member entitled to a benefit under this subdivision may elect to have it paid as an optional retirement annuity pursuant to the conditions set forth in subdivision 8. A member receiving a benefit pursuant to subdivision 5 or 6 shall not simultaneously be entitled to a benefit under this subdivision.

Subd. 3. [CALCULATION OF SERVICE PENSION FOR DEFERRED MEMBERS.] An association member who has performed services for the fire department for five years or more but has not reached the age of 50 years shall be eligible to retire from the department, without forfeiting service pension rights. The member shall, upon application, be placed on the association's deferred pension roll. The association shall, upon board approval, pay the pension of any member on the deferred pension roll who has attained 50 years of age from the date the application is approved. The pension shall be paid in accordance with the schedule in subdivision 2. Any person making this application waives all other rights, claims, or demands against the association for any cause that may have arisen from or that may be attributable to the person's service in the fire department. A member entitled to a benefit under this subdivision may elect to have the benefit paid as an optional retirement annuity pursuant to the conditions set forth in subdivision 7.

Subd. 4. [TEMPORARY DISABILITY PENSION.] An active member who, by sickness or accident, becomes temporarily disabled from performing firefighter duties for the fire department shall be entitled to a temporary disability pension. No allowance for disability shall be made unless notice of the disability and an application for benefits is made by or on behalf of the disabled member within 90 days after the beginning of the disability. This application shall include a certificate from a qualified medical professional setting forth the cause, nature, and extent of the disability. This certificate must also conclude that the disability was incurred or sustained while the member was in the service of the fire department. The board shall utilize the board of examiners established pursuant to section 423C.03, subdivision 6, to investigate and report on an application for benefits pursuant to this section and make recommendations as to eligibility and the benefit amount to be paid. A member entitled to a disability pension shall receive benefits in the amount and manner determined by the board.

Subd. 5. [SERVICE-RELATED PERMANENT DISABILITY PENSION.] An active member who becomes permanently disabled as the result of a service-related disease or injury shall, upon application and approval of the board, be entitled to a pension of 42 units or in the amount determined under subdivision 8. The application for service-related permanent disability shall include a certificate from a qualified medical professional setting forth the permanent nature of the disability or disease and that it was service related. The board shall utilize the board of examiners established pursuant to section 423C.03, subdivision 6, to investigate and make recommendations on an application for a pension pursuant to this subdivision.

Subd. 6. [NON-SERVICE-RELATED PERMANENT DISABILITY PENSION.] An active member who, by sickness or accident, becomes permanently disabled from performing firefighter duties for the fire department shall be entitled to a permanent disability pension. No allowance for disability shall be made unless notice of the disability and an application for benefits is made by or on behalf of the disabled member within 90 days after the beginning of the disability. This application shall include a certificate from a qualified medical professional setting forth the cause, nature, and extent of the disability. The board shall utilize the board of examiners established pursuant to section 423C.03, subdivision 6, to investigate and report on an application for benefits pursuant to this section and make recommendations as to eligibility and the benefit amount to be paid. A member entitled to a disability pension shall receive benefits in the amount and manner determined by the board, not to exceed 41 units.

Subd. 7. [SURVIVING SPOUSE AND DEPENDENT PENSIONS.] Notwithstanding any

other law to the contrary, when a service pensioner, disability pensioner, deferred pensioner, or active member of the association dies, recipient beneficiaries are entitled to a pension or pensions, as follows:

(1) to a surviving spouse, a pension of 22 units per month;

(2) to a surviving spouse of a deceased service pensioner, disability pensioner, or deferred pensioner who is otherwise not qualified for a pension may receive a benefit if the surviving spouse was legally married to the decedent for a period of two years and was residing with the decedent at the time of death. The surviving spouse benefit provided in this clause is the same as that provided to those who meet the definition of surviving spouse under section 423C.01, subdivision 25, except that if the surviving spouse is younger than the decedent, the surviving spouse benefit must be actuarially equivalent to a surviving spouse benefit that would have been paid to the member's spouse had the member been married to a person of the same or greater age than the member's age prior to retirement. A benefit paid in this circumstance may be less than 17 units notwithstanding the minimum set out in this clause;

(3) to each dependent, if the dependent's other parent is living, a pension not to exceed eight units per month. Dependents between the ages of 18 and 22 may continue to receive a pension upon board determination that the dependent complies with the requirements of section 423C.01, subdivision 11, and applicable association bylaws, except that if the dependent marries before the age of 22 years the pension shall cease as of the date of the marriage. The board shall make the final determination with respect to eligibility for benefits and compliance with section 423C.01, subdivision 11;

(4) to each dependent of a deceased member after the death of the dependent's other parent, or in the event the other parent predeceases the member, is entitled to receive a pension in the amount the board deems necessary to properly support each dependent until the dependent reaches the age of not less than 16 and not more than 18 years. Dependents between the ages of 18 and 22 may be entitled to continue receiving a pension upon board determination that the dependent complies with the requirements of section 423C.01, subdivision 11, and applicable association bylaws, except that if the dependent marries before the age of 22 years the pension shall cease as of the date of the marriage. The board shall make the final determination with respect to eligibility for benefits and compliance; and

(5) the total pension payable to a surviving spouse and all dependents of a deceased member shall in no event exceed 41 units per month.

Subd. 8. [OPTIONAL RETIREMENT ANNUITY ELECTION.] A member of the association who retires under subdivision 2 or becomes disabled under subdivision 6 may elect an optional retirement annuity prior to the receipt of any benefits. The optional retirement annuity may be a 50 percent, 75 percent, or 100 percent joint survivor annuity without reinstatement in the event the designated beneficiary predeceases the member or a joint and survivor annuity with reinstatement in the event the member predeceases the designated beneficiary. An optional retirement annuity must be actuarially equivalent to the service pension and automatic survivor coverage otherwise payable to the retired member and the member's beneficiaries. Once selected, the optional annuity is irrevocable.

Subd. 9. [ALTERNATIVE SERVICE PENSION FOR UNMARRIED MEMBER.] A retired member who is not legally married on September 1, 1997, and remains unmarried on the effective date of this article may select a service pension of 42.3 units in lieu of a service pension under subdivision 2.

Sec. 6. [423C.06] [INVESTMENT-RELATED POSTRETIREMENT ADJUSTMENTS.]

Subdivision 1. [ANNUAL ADJUSTMENTS.] Notwithstanding the provisions of chapter 69, or any other law to the contrary, the association may provide annual postretirement payments to eligible members under this section. No provision of or payment made under this section may be interpreted or relied upon by any member of the association to guarantee or entitle a member to annual postretirement adjustments for any period when the requirements in this section have not been met.

Subd. 2. [ACTUARIAL ASSETS OF SPECIAL FUND LESS THAN 102 PERCENT.] When the actuarial assets of the special fund in any year are less than 102 percent of its accrued liabilities according to the most recent annual actuarial valuation of the special fund prepared in accordance with sections 356.215 and 356.216, investment-related postretirement adjustments shall be determined and paid pursuant to this subdivision. Payment of the annual postretirement adjustment may be made only if there is excess investment income.

(a) The board shall determine by May 1 of each year whether or not the special fund has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the executive secretary to the mayor and governing body of the city, the state auditor, the commissioner of finance, and the executive director of the legislative commission on pensions and retirement. The dollar amount of excess investment income up to one percent of the assets of the special fund must be applied for the purpose specified in paragraph (b). Excess investment income must not be considered as income to or assets of the special fund for actuarial valuations of the special fund for that year under sections 69.77, 356.215, 356.216, and this section except to offset the annual postretirement adjustment. Additional investment income is any realized or unrealized investment income other than the excess investment income and must be included in the actuarial valuations performed under sections 69.77, 356.215, 356.216, and this section.

(b) The amount determined under paragraph (a) must be applied as follows: the association shall apply the first one-half of one percent of assets that constitute excess investment income to the payment of an annual postretirement adjustment to eligible members and the second one-half of one percent of assets which constitute excess investment income shall be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due the association under section 423A.02 for the current calendar year. The amounts of all payments to eligible members shall not exceed one-half of one percent of the assets of the fund. The amount of each eligible member's postretirement adjustment shall be calculated by dividing the total number of units to which eligible members are entitled into the excess investment income available for distribution to eligible members, and then multiplying that result by the number of units to which each eligible member is entitled. If this amount exceeds the total monthly benefit that the eligible member was entitled to in the prior year under the terms of this chapter, the association shall pay the eligible member the lesser amount. Payment of the annual postretirement adjustment must be in a lump-sum amount on June 1 following the determination date in any year. In the event an eligible member dies prior to the payment of the annual postretirement adjustment, the executive secretary shall pay the eligible member's estate the amount to which the member was entitled.

Subd. 3. [ACTUARIAL ASSETS OF SPECIAL FUND 102 PERCENT OR MORE.] When the actuarial assets of the special fund in any year are 102 percent or more of its accrued liabilities according to the most recent annual actuarial valuation of the special fund prepared in accordance with sections 356.215 and 356.216, an investment-related postretirement adjustment shall be determined and paid pursuant to this subdivision. Payment of the annual postretirement adjustment may only be made if there is excess investment income.

(a) The board shall determine by May 1 of each year whether or not the special fund has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the executive secretary to the mayor and governing body of the city, the state auditor, the commissioner of finance, and the executive director of the legislative commission on pensions and retirement. The dollar amount of excess investment income up to 1-1/2 percent of the assets of the fund must be applied for the purpose specified in paragraph (b). Excess investment income must not be considered as income to or assets of the special fund for actuarial valuations of the special fund for that year under sections 69.77, 356.215, 356.216, and this section except to offset the annual postretirement adjustment. Additional investment income is any realized or unrealized investment income other than the excess investment income and must be included in the actuarial valuations performed under sections 69.77, 356.215, 356.216, and this section.

(b) The amount determined under paragraph (a) must be applied as follows: the association shall apply the 1-1/2 percent of assets that constitute excess investment income to the payment of

an annual postretirement adjustment to eligible members. The amount of each eligible member's postretirement adjustment shall be calculated by dividing the total number of units to which eligible members are entitled into the excess investment income available for distribution to eligible members, and then multiplying that result by the number of units to which each eligible member is entitled. Payment of the annual postretirement adjustment must be in a lump-sum amount on June 1 following the determination date in any year. In the event an eligible member dies prior to the payment of the annual postretirement adjustment, the executive secretary shall pay the eligible member's estate the amount to which the member was entitled.

Subd. 4. [ACTUARIAL ASSETS OF SPECIAL FUND 110 PERCENT OR MORE.] When the actuarial assets of the special fund in any year are 110 percent or more of its accrued liabilities according to the most recent annual actuarial valuation of the special fund prepared in accordance with sections 356.215 and 356.216, an investment-related postretirement adjustment shall be determined and paid pursuant to this subdivision. Payment of the annual postretirement adjustment may be made only if a total excess asset amount exists.

(a) The board shall determine by May 1 of each year whether the special fund has a total excess asset amount for that year. If a total excess asset amount exists for the given year, the net total asset amount shall be determined. The executive secretary shall report the total excess asset amount and net total excess asset amount to the mayor and governing body of the city, the state auditor, the commissioner of finance, and the executive director of the legislative commission on pensions and retirement. The portion of the net excess asset amount which is distributed under this subdivision shall not be considered income to or assets of the special fund for actuarial valuations of the special fund for that year under sections 69.77, 356.215, and 356.216 and Laws 2000, chapter 461, except to offset the amount distributed.

(b) Twenty percent of the net total excess asset amount determined under paragraph (a) is available for excess asset amount payments under paragraph (c).

(c) Except as limited under paragraph (d), the net excess asset amount payment to an eligible member is equal to the amount determined under paragraph (b) multiplied by the units applicable to the eligible member and divided by the total units of all eligible members.

(d) A member who is an eligible member for the entire 12 months before the determination date is eligible for a full excess asset amount payment pursuant to paragraph (c). A member who is an eligible member for less than 12 months before the determination date is eligible for a prorated excess asset amount payment. If an eligible member dies before the determination date and before the excess asset amount payment commences, the association shall pay the eligible member's excess asset amount payment to the eligible member's surviving spouse or, if no surviving spouse, to the eligible member's estate.

(e) The excess asset amount payments determined under this subdivision commence on June 1 following the determination date. The board may disburse payments to eligible members in a lump sum, 12 monthly installments, or any other manner that the board determines.

Subd. 5. [REPORT ON ANNUAL POSTRETIREMENT ADJUSTMENTS.] The executive secretary shall submit a report on the amount of all postretirement adjustments made under this section and the manner in which those payments were determined to the state auditor, the executive director of the legislative commission on pensions and retirement, and the city clerk.

Subd. 6. [CITY TAX LEVY.] If in any year after the actuarial value of special fund assets, according to the most recent annual actuarial valuation prepared in accordance with sections 356.215 and 356.216, is greater than 102 percent of the actuarial accrued liabilities of the special fund and subsequently the actuarial value of assets is less than 100 percent of the actuarial accrued liabilities according to the most recent annual actuarial valuation prepared according to sections 356.215 and 356.216, the city of Minneapolis is not required to levy a property tax to fund any deficit unless the fund has two successive years when the actuarial value of assets is less than 100 percent of the actuarial accrued liabilities according to the most recent annual actuarial valuation prepared according to sections 356.215 and 356.216.

Sec. 7. [423C.07] [ACTUARIAL VALUATION DATE.]

Notwithstanding section 69.77, subdivision 2h; 356.215; or 356.216, the annual actuarial valuation of the association must be completed by May 1 of each year.

Sec. 8. [423C.08] [MEMBER CONTRIBUTION REFUND TO BENEFICIARY UPON DEATH.]

If an active, deferred, or retired member of the association dies and no survivor benefit is payable, the designated beneficiary of the decedent or, if none, the legal representative of the estate of the decedent is entitled, upon application, to a refund. The refund shall be an amount equal to the member contributions to the credit of the decedent, plus interest on those contributions at an annual compounded rate of five percent from the first day of the month following the date of death of the decedent, reduced by the sum of any service pension or disability benefit previously paid by the fund to the decedent.

Sec. 9. [423C.09] [PAYMENTS EXEMPT FROM PROCESS.]

All payments made, or to be made, by the association under this chapter shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. No person entitled to a payment shall have the right to assign the name, nor shall the association have authority to recognize any assignment or to pay any sum on account thereof. Any attempt to transfer any right or claim, or any part thereof, shall be void.

Sec. 10. [423C.10] [LAW GOVERNING PENSIONS AND BENEFITS.]

A service pension or other retirement benefit for or on behalf of a member of the Minneapolis firefighters relief association must be calculated under the laws, articles of incorporation, or relief association bylaws in effect on the day that the active member terminated active employment in the Minneapolis fire department as a firefighter.

Sec. 11. [423C.11] [WORKERS' COMPENSATION ACT NOT AFFECTED.]

This chapter shall not be construed as abridging, repealing, or amending the laws of this state relating to the provisions of the law commonly known as the Workers' Compensation Act.

Sec. 12. [423C.12] [RIGHT TO REDUCE PENSIONS.]

The relief association has the right and retains the right to reduce the amount of pensions and benefits paid from its special fund and to reduce and otherwise adjust those pensions and benefits. For any pension or benefit that was reduced, the relief association has the right and retains the right to increase or otherwise adjust these pensions or benefits within the limits of this act, as amended.

Sec. 13. [423C.13] [FINANCE DIRECTOR TO FILE REPORT WITH THE REVENUE COMMISSIONER.]

(a) On or before March 1, each year, the Minneapolis finance director shall file with the county auditor and the commissioner of revenue a certificate stating that the Minneapolis firefighters relief association exists and including any other information that the commissioner or auditor may require.

(b) The commissioner of revenue shall provide the Minneapolis finance director with the necessary documents for the city of Minneapolis and the Minneapolis firefighters relief association to carry out its duties and to receive the benefits of sections 69.011 to 69.051, 297I.05, and 297I.10.

Sec. 14. [423C.14] [STATE AUDITOR TO EXAMINE BOOKS.]

(a) The state auditor, annually, shall examine the books and accounts of the secretary and of the treasurer of the Minneapolis firefighters relief association.

(b) If the state auditor finds that any money in the special fund of the relief association was expended for purposes that were not authorized by this act, as amended, the state auditor shall report that to the governor, who shall then direct the commissioner of finance not to issue any further warrants to the relief association until the state auditor reports that the money which was unlawfully expended has been replaced. The governor additionally may take such further action as the emergency may demand.

Sec. 15. [423C.15] [ACTUARIAL PROVISIONS.]

Subdivision 1. [CITY NORMAL COST CONTRIBUTION ADJUSTMENT.] Notwithstanding sections 69.77, 356.215, and 356.216, or other law to the contrary, the required city contributions toward the association's normal cost, as determined by the actuary, are reduced below that otherwise payable by the full amount of active member contributions required by law to be directed to the association's health insurance escrow account rather than to the special fund.

Subd. 2. [SUSPENSION OF NORMAL COST CONTRIBUTIONS.] Notwithstanding the provisions of Minnesota Statutes, section 69.77, or any other law to the contrary, if a total excess asset amount exists, as defined in section 423C.01, subdivision 27, paragraph (a), the city is not required to make a contribution to the fund for the normal cost of active members.

Subd. 3. [AMORTIZATION TREATMENT.] Notwithstanding section 69.77, subdivision 2b; 356.215; 356.216; or any other law to the contrary, if the actuarial report for the Minneapolis firefighters relief association indicates an unfunded actuarial accrued liability, the unfunded obligation is to be amortized on a level dollar basis by December 31 of the year occurring 15 years later. If subsequent actuarial valuations determine a net actuarial experience loss incurred during the year which ended as of the day before the most recent actuarial valuation date, any unfunded liability due to that loss is to be amortized on a level dollar basis by December 31 of the year occurring 15 years later.

Subd. 4. [LIMITATION.] Notwithstanding subdivision 3, the amortization period may not exceed the average life expectancy of the remaining members.

Sec. 16. [REPEALER.]

(a) Laws 1907, chapter 24; Laws 1913, chapters 318 and 419; Laws 1917, chapter 196; Laws 1919, chapters 515 and 523; Laws 1921, chapter 404; Laws 1923, chapter 61; and Laws 1945, chapter 322, are repealed.

(b) Laws 1959, chapters 213; 491; and 568, are repealed.

(c) Laws 1961, chapter 109; Extra Session Laws 1961, chapter 3; Laws 1963, chapter 318; Laws 1965, chapters 519 and 578; Laws 1967, chapters 819 and 824; and Laws 1969, chapters 123 and 287, are repealed.

(d) Laws 1971, chapter 542; Laws 1975, chapter 57; and Laws 1977, chapter 164, section 2, are repealed.

(e) Laws 1980, chapter 607, article XV, sections 8, 9, and 10; Laws 1988, chapters 572, sections 4, 5, and 6; and 574, sections 3, 4, and 5; and Laws 1989, chapter 319, article 19, sections 6 and 7, are repealed.

(f) Laws 1990, chapter 589, article 1, sections 5 and 6; Laws 1992, chapters 429; 454, section 2; and 471, article 2; Laws 1993, chapters 125; and 192, section 32; Laws 1994, chapters 591; and 632, article 3, section 14; Laws 1996, chapter 448, articles 2, section 3; and 3, section 1; Laws 1997, chapter 233, article 4, sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22; Laws 1998, chapter 390, article 7, section 2; and Laws 2000, chapter 461, article 17, sections 6, 7, 8, 9, 10, 11, 12, and 13, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective on the day after the city council of the city of Minneapolis and its

chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 17

VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION PROVISIONS

Section 1. Minnesota Statutes 2000, section 424A.04, is amended by adding a subdivision to read:

Subd. 3. [CONDITIONS ON RELIEF ASSOCIATION CONSULTANTS.] (a) If a volunteer firefighter relief association hires or contracts with a consultant to provide legal or financial advice, the association shall obtain and the consultant shall provide a copy of the consultant's certificate of insurance.

(b) A consultant is any person who is employed under contract to provide legal or financial advice and who is or who represents to the volunteer firefighter relief association that the person is:

- (1) an actuary;
- (2) a licensed public accountant or a certified public accountant;
- (3) an attorney;
- (4) an investment advisor or manager, or an investment counselor;
- (5) an investment advisor or manager selection consultant;
- (6) a pension benefit design advisor or consultant; or
- (7) any other financial consultant.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 2001.

ARTICLE 18

SECOND SOCIAL SECURITY REFERENDUM FOR LEGISLATORS

Section 1. [3A.15] [COORDINATED PROGRAM OF LEGISLATORS RETIREMENT PLAN.]

The coordinated program of the legislators retirement plan is created. The provisions of sections 3A.01 to 3A.13 apply to the coordinated program.

Sec. 2. [355.629] [SECOND SOCIAL SECURITY REFERENDUM.]

Subdivision 1. [ELECTION OF SOCIAL SECURITY COVERAGE.] Any member of the legislators retirement plan established under chapter 3A who did not elect coverage under an agreement under section 218(d) of the Social Security Act as provided for in section 355.624 is entitled to elect social security coverage retroactive for the period consistent with applicable federal law, in a second social security referendum. Any member who so elects shall become a member of the coordinated program of the legislators retirement plan under section 3A.15. Sufficient assets shall be transferred to the program by the executive director of the Minnesota state retirement system under subdivision 4. The governor shall set a date for the referendum and shall undertake any duties to amend the state's Social Security Act, section 218 agreement with the Secretary of Health and Human Services.

Subd. 2. [PAYMENT OF RETROACTIVE SOCIAL SECURITY TAXES.] Effective retroactively with respect to any service after the date of retroactive coverage by a legislator who is in office on the date of the agreement or modification of the agreement with the Secretary of Health and Human Services, the executive director of the Minnesota state retirement system shall

cause to be paid an amount for each legislator, retroactively included, equal to the legislator and state of Minnesota taxes which would have been imposed by the Federal Insurance Contributions Act had the service been covered at the time performed. This payment shall be computed from the date of retroactive coverage to the date that deductions are first taken from the wages of each legislator for social security coverage. Nothing in this section shall require a legislator to elect retroactive social security coverage.

Subd. 3. [BALANCES DUE AFTER PAYMENT OF RETROACTIVE SOCIAL SECURITY TAXES.] A legislator who elects social security coverage under this section and thereby transfers from the legislators retirement plan to the coordinated program of the legislators retirement plan and from whose account retroactive social security employee taxes are paid by the executive director of the Minnesota state retirement system, shall be required to reimburse the state general fund in an amount equal to the Social Security employee and employer taxes paid on the legislator's behalf for the period of retroactivity. In the event that a legislator does not reimburse the state general fund within 30 days following notification by the executive director of the amount of reimbursement which is due, interest at the rate of six percent per annum compounded annually from the date the amount was first payable following notification until the date payment is made shall accrue.

Subd. 4. [APPROPRIATION.] \$155,000 is appropriated from the general fund for the fiscal year ending June 30, 2002, to the executive director of the Minnesota state retirement system for transfer to the coordinated program of the legislators retirement plan to implement this section.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; various statewide and local retirement plans and programs; clarifying the application of the open meeting law to local retirement plans; including certain American Indian tribal governments in police state aid; extending disability coverage to certain privatized university hospital and other public employees; authorizing voluntary employee benefit associations; authorizing various generalized and specific service credit purchases; excluding certain trades personnel from the public employees retirement association; including certain Dakota county agricultural society employees in the public employees retirement association; authorizing mail-in elections and referendums for the Minneapolis police relief association; modifying restrictions on supplemental retirement plans; clarifying membership for certain faculty collective bargaining representatives; requiring bonding or insurance by certain volunteer fire relief association financial consultants; providing a postretirement adjustment to certain Eveleth police and paid fire trust fund retirees; clarifying the eligibility for retirement coverage for various Minnesota state colleges and universities system employees; implementing various public pension plan administrative modifications; including fugitive apprehension officers in the state patrol retirement plan; expanding public employee retirement association general plan membership eligibility; prorating service credit for certain general public employee retirement plan members; extending certain unfunded actuarial accrued liability amortization target dates; eliminating mortality gain and loss transfers for the Minnesota postretirement investment fund; increasing general public employee retirement plan member and employer contribution rates; creating a direct state aid for the general public employees retirement plan; transferring noncertificated public school employees to membership in the teachers retirement association; mandating a statewide retirement plan administrative consolidation feasibility study; mandating an educational employees retirement plan aggregation feasibility study; funding unpaid retirement contributions from certain closed charter schools; codifying and revising the Minneapolis firefighters relief association law; authorizing social security coverage for legislators; appropriating money; amending Minnesota Statutes 2000, sections 3A.03, subdivision 2; 11A.18, subdivision 7; 13D.01, subdivision 1; 69.011, subdivision 1; 352.01, subdivisions 2a, 2b, 11; 352.113, subdivisions 4, 6; 352.22, subdivision 8; 352.87, subdivisions 4, 5; 352.95, subdivisions 4, 5, 7; 352B.01, subdivisions 2, 3, 11; 352B.10, subdivision 3; 352B.101; 353.01, subdivisions 1, 2, 2a, 2b, 6, 7, 11b, 12, 12a, 16, by adding subdivisions; 353.026; 353.03, subdivision 1; 353.27,

subdivisions 2, 3, 4, 10, 11; 353.28, subdivision 8; 353.86, subdivision 1; 354.05, subdivision 2; 354.41, subdivision 4; 354.52, subdivision 4; 354.534, subdivision 1; 354.536, subdivision 1; 354.539; 354A.011, subdivision 24; 354A.098, subdivision 1; 354A.101, subdivision 1; 354A.106; 354A.12, subdivision 5; 354A.31, subdivision 3; 354A.35, subdivision 4; 356.215, subdivision 4g; 356.24, subdivision 1; 356.55, subdivision 7; 356A.06, subdivision 5; 356A.08, subdivision 1; 422A.155; 423B.01, by adding a subdivision; 423B.05, by adding subdivisions; 424A.04, by adding a subdivision; 490.121, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 3A; 13; 352; 352F; 353; 353F; 354; 354A; 354B; 355; 356; 383D; proposing coding for new law as Minnesota Statutes, chapter 423C; repealing Minnesota Statutes 2000, section 354.41, subdivision 9; 354A.026; Laws 1907, chapter 24; Laws 1913, chapter 318; Laws 1913, chapter 419; Laws 1917, chapter 196; Laws 1919, chapter 515; Laws 1919, chapter 523; Laws 1921, chapter 404; Laws 1923, chapter 61; Laws 1945, chapter 322; Laws 1959, chapter 213; Laws 1959, chapter 491; Laws 1959, chapter 568; Laws 1961, chapter 109; Extra Session Laws 1961, chapter 3; Laws 1963, chapter 318; Laws 1965, chapter 519; Laws 1965, chapter 578; Laws 1967, chapter 819; Laws 1967, chapter 824; Laws 1969, chapter 123; Laws 1969, chapter 287; Laws 1971, chapter 542; Laws 1975, chapter 57; Laws 1977, chapter 164, section 2; Laws 1980, chapter 607, article XV, sections 8, 9, 10; Laws 1988, chapter 572, sections 4, 5, 6; Laws 1988, chapter 574, sections 3, 4, 5; Laws 1989, chapter 319, article 19, sections 6, 7; Laws 1990, chapter 589, article 1, sections 5, 6; Laws 1992, chapter 429; Laws 1992, chapter 454, section 2; Laws 1992, chapter 471, article 2; Laws 1993, chapter 125; Laws 1993, chapter 192, section 32; Laws 1994, chapter 591; Laws 1994, chapter 632, article 3, section 14; Laws 1996, chapter 448, article 2, section 3; Laws 1996, chapter 448, article 3, section 1; Laws 1997, chapter 233, article 4, sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22; Laws 1998, chapter 390, article 7, section 2; Laws 2000, chapter 461, article 17, sections 6, 7, 8, 9, 10, 11, 12, 13."

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

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which were referred the following appointments as reported in the Journal for April 18, 2001:

MINNESOTA RURAL FINANCE AUTHORITY

Patrick Thiry
William Thyne

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Gordon Baden
MaryLu Brunner
Violet Wagoner

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

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

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred the following appointment as reported in the Journal for May 8, 2001:

BOARD OF ANIMAL HEALTH

Gary Leff

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

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1561, 1438, 1486, 1098, 386 and 451 were read the second time.

RECESS

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 229: Senators Ranum, Foley and Limmer.

H.F. No. 82: Senators Stumpf; Pappas; Robertson; Kelley, S.P. and Tomassoni.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2361: A bill for an act relating to the operation of state government; modifying provisions relating to health; health department; human services; human services department; long-term care; medical assistance; general assistance medical care; MinnesotaCare; prescription drug program; home and community-based waivers; services for persons with disabilities; group residential housing; state-operated services; chemical dependency; mental health; Minnesota family investment program; general assistance program; child support enforcement; adoption; children in need of protection or services; termination of parental rights; child protection; veterans nursing homes board; health-related licensing boards; emergency medical services regulatory board; Minnesota state council on disability; ombudsman for mental health and mental retardation; ombudsman for families; adding an informed consent provision for abortion procedures; requiring reports; appropriating money; amending Minnesota Statutes 2000, sections 13.46, subdivision 4; 13.461, subdivision 17; 13B.06, subdivisions 4, 7; 15A.083, subdivision 4; 16A.06, by adding a subdivision; 16A.87; 62A.095, subdivision 1; 62A.48, subdivision 4, by adding subdivisions; 62J.152, subdivision 8; 62J.451, subdivision 5; 62J.692, subdivision 7; 62J.694, subdivision 2; 62Q.19, subdivision 2; 62S.01, by adding subdivisions; 62S.26; 103I.101, subdivision 6; 103I.112; 103I.208, subdivisions 1, 2; 103I.235, subdivision 1; 103I.525, subdivisions 2, 6, 8, 9; 103I.531, subdivisions 2, 6, 8, 9; 103I.535, subdivisions 2, 6, 8, 9; 103I.541, subdivisions 2b, 4, 5; 103I.545; 116L.11, subdivision 4; 116L.12, subdivisions 4, 5; 116L.13, subdivision 1; 121A.15, by adding subdivisions; 144.057; 144.0721, subdivision 1; 144.1202, subdivision 4; 144.122; 144.1464; 144.148, subdivision 2; 144.1494, subdivisions 1, 3, 4; 144.1496; 144.226, subdivision 4; 144.396,

subdivision 7; 144.98, subdivision 3; 144A.071, subdivisions 1, 1a, 2, 4a; 144A.073, subdivision 2; 145.881, subdivision 2; 145.882, subdivision 7, by adding a subdivision; 145.885, subdivision 2; 145.925, subdivision 1; 148.212; 148.263, subdivision 2; 148.284; 150A.10, by adding a subdivision; 157.16, subdivision 3; 157.22; 214.001, by adding a subdivision; 214.002, subdivision 1; 214.01, by adding a subdivision; 214.104; 241.272, subdivision 6; 242.192; 245.462, subdivision 18, by adding subdivisions; 245.466, subdivision 2; 245.470, by adding a subdivision; 245.474, subdivision 2, by adding a subdivision; 245.4871, subdivision 27, by adding subdivisions; 245.4875, subdivision 2; 245.4876, subdivision 1, by adding a subdivision; 245.488, by adding a subdivision; 245.4885, subdivision 1; 245.4886, subdivision 1; 245.98, by adding a subdivision; 245.982; 245.99, subdivision 4; 245A.03, subdivision 2b; 245A.04, subdivisions 3, 3a, 3b, 3c, 3d; 245A.05; 245A.06; 245A.07; 245A.08; 245A.13, subdivisions 7, 8; 245A.16, subdivision 1; 245B.08, subdivision 3; 252.275, subdivision 4b; 253.28, by adding a subdivision; 253B.02, subdivision 10; 253B.03, subdivisions 5, 10, by adding a subdivision; 253B.04, subdivisions 1, 1a, by adding a subdivision; 253B.045, subdivision 6; 253B.05, subdivision 1; 253B.07, subdivision 1; 253B.09, subdivision 1; 253B.10, subdivision 4; 254B.03, subdivision 1; 254B.09, by adding a subdivision; 256.01, subdivision 2, by adding a subdivision; 256.045, subdivisions 3, 3b, 4; 256.476, subdivisions 1, 2, 3, 4, 5, 8, by adding a subdivision; 256.741, subdivisions 1, 5, 8; 256.955, subdivisions 2, 2a, 7, by adding a subdivision; 256.9657, subdivision 2; 256.969, subdivision 3a, by adding a subdivision; 256.975, by adding subdivisions; 256.979, subdivisions 5, 6; 256.98, subdivision 8; 256B.02, subdivision 7; 256B.04, by adding a subdivision; 256B.055, subdivision 3a; 256B.056, subdivisions 1a, 4, 4b; 256B.057, subdivisions 2, 9, by adding subdivisions; 256B.061; 256B.0625, subdivisions 7, 13, 13a, 17, 17a, 18a, 19a, 19c, 20, 30, 34, by adding subdivisions; 256B.0627, subdivisions 1, 2, 4, 5, 7, 8, 10, 11, by adding subdivisions; 256B.0635, subdivisions 1, 2; 256B.0644; 256B.0911, subdivisions 1, 3, 5, 6, 7, by adding subdivisions; 256B.0913, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14; 256B.0915, subdivisions 1d, 3, 5; 256B.0917, by adding a subdivision; 256B.093, subdivision 3; 256B.431, subdivision 2e, by adding subdivisions; 256B.433, subdivision 3a; 256B.434, subdivision 4; 256B.49, by adding subdivisions; 256B.5012, subdivision 3, by adding subdivisions; 256B.69, subdivisions 4, 5c, 23, by adding a subdivision; 256B.75; 256B.76; 256D.053, subdivision 1; 256D.35, by adding subdivisions; 256D.425, subdivision 1; 256D.44, subdivision 5; 256I.05, subdivisions 1d, 1e, by adding a subdivision; 256J.08, subdivision 55a, by adding a subdivision; 256J.21, subdivision 2; 256J.24, subdivisions 2, 9, 10; 256J.31, subdivision 12; 256J.32, subdivision 4; 256J.37, subdivision 9; 256J.39, subdivision 2; 256J.42, subdivisions 1, 3, 4, 5; 256J.45, subdivisions 1, 2; 256J.46, subdivision 1; 256J.48, subdivision 1, by adding a subdivision; 256J.49, subdivisions 2, 13, by adding a subdivision; 256J.50, subdivisions 5, 10, by adding a subdivision; 256J.515; 256J.52, subdivisions 2, 3, 6; 256J.53, subdivisions 1, 2, 3; 256J.56; 256J.62, subdivisions 2a, 9; 256J.625; 256J.645; 256K.03, subdivisions 1, 5; 256K.07; 256L.01, subdivision 4; 256L.04, subdivision 2; 256L.05, subdivision 2; 256L.06, subdivision 3; 256L.07, subdivisions 1, 2, 3, by adding subdivisions; 256L.12, by adding a subdivision; 256L.15, subdivisions 1, 2; 256L.16; 257.0725; 260C.201, subdivision 1; 326.38; 393.07, by adding a subdivision; 518.551, subdivision 13; 518.5513, subdivision 5; 518.575, subdivision 1; 518.5851, by adding a subdivision; 518.5853, by adding a subdivision; 518.6111, subdivision 5; 518.6195; 518.64, subdivision 2; 518.641, subdivisions 1, 2, 3, by adding a subdivision; 548.091, subdivision 1a; 609.115, subdivision 9; 611.23; 626.556, subdivisions 2, 10, 10b, 10d, 10e, 10f, 10i, 11, 12, by adding a subdivision; 245.814, subdivision 1; 626.557, subdivisions 3, 9d, 12b; 626.5572, subdivision 17; 626.559, subdivision 2; Laws 1998, chapter 404, section 18, subdivision 4; Laws 1998, chapter 407, article 8, section 9; Laws 1999, chapter 152, section 4; Laws 1999, chapter 216, article 1, section 13, subdivision 4; Laws 1999, chapter 245, article 3, section 45, as amended; Laws 1999, chapter 245, article 4, section 110; Laws 1999, chapter 245, article 10, section 10, as amended; Laws 2000, chapter 364, section 2; proposing coding for new law in Minnesota Statutes, chapters 62Q; 62S; 116L; 144; 144A; 145; 214; 241; 244; 246; 256; 256B; 256J; 299A; repealing Minnesota Statutes 2000, sections 16A.76; 116L.12, subdivisions 2, 7; 144.148, subdivision 8; 144A.16; 145.882, subdivisions 3, 4; 145.9245; 145.927; 256.01, subdivision 18; 256.476, subdivision 7; 256.955, subdivision 2b; 256B.0635, subdivision 3; 256B.0911, subdivisions 2, 2a, 4, 8, 9; 256B.0912; 256B.0913, subdivisions 3, 15a, 15b, 15c, 16; 256B.0915, subdivisions 3a, 3b, 3c; 256B.434, subdivision 5; 256B.49, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 256D.066; 256E.06, subdivision 2b; 256J.08, subdivision 50a; 256J.12, subdivision 3; 256J.32, subdivision 7a; 256J.43; 256J.49, subdivision 11; 256J.53, subdivision 4; 256L.15, subdivision 3; 518.641,

subdivisions 4, 5; Laws 1997, chapter 203, article 9, section 21; Laws 1998, chapter 404, section 18, subdivision 4; Laws 1998, chapter 407, article 6, section 111; Laws 2000, chapter 488, article 10, section 28; Laws 2000, chapter 488, article 10, section 30; Minnesota Rules, parts 4655.6810; 4655.6820; 4655.6830; 4658.1600; 4658.1605; 4658.1610; 4658.1690; 9505.2390; 9505.2395; 9505.2396; 9505.2400; 9505.2405; 9505.2410; 9505.2413; 9505.2415; 9505.2420; 9505.2425; 9505.2426; 9505.2430; 9505.2435; 9505.2440; 9505.2445; 9505.2450; 9505.2455; 9505.2458; 9505.2460; 9505.2465; 9505.2470; 9505.2473; 9505.2475; 9505.2480; 9505.2485; 9505.2486; 9505.2490; 9505.2495; 9505.2496; 9505.2500; 9505.3010; 9505.3015; 9505.3020; 9505.3025; 9505.3030; 9505.3035; 9505.3040; 9505.3065; 9505.3085; 9505.3135; 9505.3500; 9505.3510; 9505.3520; 9505.3530; 9505.3535; 9505.3540; 9505.3545; 9505.3550; 9505.3560; 9505.3570; 9505.3575; 9505.3580; 9505.3585; 9505.3600; 9505.3610; 9505.3620; 9505.3622; 9505.3624; 9505.3626; 9505.3630; 9505.3635; 9505.3640; 9505.3645; 9505.3650; 9505.3660; 9505.3670; 9546.0010; 9546.0020; 9546.0030; 9546.0040; 9546.0050; 9546.0060.

Senate File No. 2361 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 2001

CONCURRENCE AND REPASSAGE

Senator Berglin moved that the Senate concur in the amendments by the House to S.F. No. 2361 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2361 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 37 and nays 25, as follows:

Those who voted in the affirmative were:

Bachmann	Fowler	Kleis	Murphy	Robling
Belanger	Frederickson	Knutson	Oliver	Scheevel
Berg	Johnson, Dean	Langseth	Olson	Schwab
Berglin	Johnson, Debbie	Larson	Ourada	Stevens
Chaudhary	Kelly, R.C.	Lesewski	Pariseau	Terwilliger
Day	Kierlin	Lessard	Reiter	
Dille	Kinkel	Limmer	Ring	
Foley	Kiscaden	Metzen	Robertson	

Those who voted in the negative were:

Anderson	Johnson, Dave	Moe, R.D.	Ranum	Scheid
Betzold	Johnson, Doug	Orfield	Rest	Tomassoni
Cohen	Krentz	Pappas	Sabo	Vickerman
Higgins	Lourey	Pogemiller	Sams	Wiener
Hottinger	Marty	Price	Samuelson	Wiger

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Senator Pogemiller introduced--

S.F. No. 2377: A bill for an act relating to redistricting; adopting legislative and congressional redistricting plans for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703; 2.742; 2.752; 2.762; 2.772; 2.782; 2.792; 2.802; 2.812.

Referred to the Committee on Rules and Administration.

Senator Pogemiller introduced--

S.F. No. 2378: A bill for an act relating to redistricting; adopting a congressional redistricting plan for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.742; 2.752; 2.762; 2.772; 2.782; 2.792; 2.802; 2.812.

Referred to the Committee on Rules and Administration.

Senator Pogemiller introduced--

S.F. No. 2379: A bill for an act relating to redistricting; adopting a legislative redistricting plan for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703.

Referred to the Committee on Rules and Administration.

Senators Ourada, Tomassoni and Scheid introduced--

S.F. No. 2380: A bill for an act relating to energy; authorizing the continued operation of the Prairie Island and Monticello nuclear generating plants; requiring a nuclear waste escrow account; amending Minnesota Statutes 2000, sections 116C.77; 116C.771; 116C.774; 116C.779; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Telecommunications, Energy and Utilities.

Senators Berglin, Sams, Stevens, Fischbach and Ring introduced--

S.F. No. 2381: A bill for an act relating to health; regulating hospice care providers; amending Minnesota Statutes 2000, sections 13.381, subdivision 10; 144A.43, subdivisions 1, 3, 4; 144A.45, subdivisions 1, 2; 144A.46, subdivisions 3a, 3b, 4; 144A.4605, subdivisions 2, 3, 4; 145C.01, subdivision 7; 157.17, subdivision 2; 609.7495, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144A; repealing Minnesota Statutes 2000, section 144A.48.

Referred to the Committee on Health and Family Security.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on S.F. No. 2361. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Having voted on the prevailing side, Senator Berglin moved that the vote whereby S.F. No. 2361 was repassed by the Senate on May 11, 2001, be now reconsidered.

The question was taken on the adoption of the motion.

Senator Berglin moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 12 and nays 50, as follows:

Those who voted in the affirmative were:

Bachmann	Lesewski	Robling	Scheevel	Stevens
Dille	Limmer	Samuelson	Schwab	Vickerman
Kleis	Ourada			

Those who voted in the negative were:

Anderson	Frederickson	Kiscaden	Murphy	Rest
Belanger	Higgins	Knutson	Oliver	Ring
Berg	Hottinger	Krentz	Olson	Robertson
Berglin	Johnson, Dave	Langseth	Orfield	Sabo
Betzold	Johnson, Dean	Larson	Pappas	Sams
Chaudhary	Johnson, Debbie	Lessard	Pariseau	Scheid
Cohen	Johnson, Doug	Lourey	Pogemiller	Terwilliger
Day	Kelly, R.C.	Marty	Price	Tomassoni
Foley	Kierlin	Metzen	Ranum	Wiener
Fowler	Kinkel	Moe, R.D.	Reiter	Wiger

The motion did not prevail. So the vote was not reconsidered.

MEMBERS EXCUSED

Senator Anderson was excused from the Session of today from 9:00 to 10:30 a.m. and 1:20 to 1:45 p.m. Senator Kelly, R.C. was excused from the Session of today from 11:25 a.m. to 12:25 p.m. Senator Lourey was excused from the Session of today from 1:10 to 1:25 p.m. Senator Fischbach was excused from the Session of today at 1:30 p.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, May 14, 2001. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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