

## FORTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, April 27, 2005

The Senate met at 1:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Dr. Lt. Col. Randall K. Taber.

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

Anderson	Gaither	Langseth	Nienow	Scheid
Bachmann	Gerlach	Larson	Olson	Senjem
Bakk	Hann	LeClair	Ortman	Skoe
Belanger	Higgins	Limmer	Pappas	Skoglund
Berglin	Hottinger	Lourey	Pariseau	Solon
Betzold	Johnson, D.E.	Marko	Pogemiller	Stumpf
Chaudhary	Jungbauer	Marty	Ranum	Tomassoni
Cohen	Kelley	McGinn	Reiter	Vickerman
Day	Kierlin	Metzen	Rest	Wergin
Dibble	Kiscaden	Michel	Robling	Wiger
Dille	Kleis	Moua	Rosen	
Foley	Koering	Murphy	Sams	
Frederickson	Kubly	Neuville	Saxhaug	

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

April 6, 2005

The Honorable James P. Metzen  
President of the Senate

Dear Senator Metzen:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

#### MINNESOTA VETERANS HOMES BOARD

Dean Ascheman, 537 - 17th St. N.W., Rochester, in the county of Olmsted, effective April 13, 2005, for a term that expires on January 5, 2009.

Jeffery Johnson, 71316 - 600th St., Alpha, in the county of Jackson, effective April 13, 2005, for a term that expires on January 5, 2009.

Violet Wagoner, 6375 St. Croix Tr. N., Oak Park Heights, in the county of Washington, effective April 13, 2005, for a term that expires on January 5, 2009.

(Referred to the Committee on Agriculture, Veterans and Gaming.)

Sincerely,  
Tim Pawlenty, Governor

April 26, 2005

The Honorable James P. Metzen  
President of the Senate

Dear President Metzen:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 451 and 692.

Sincerely,  
Tim Pawlenty, Governor

April 26, 2005

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2005 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 2005	Date Filed 2005
451		28	11:10 a.m. April 26	April 26
	1820	29	11:30 a.m. April 26	April 26
692		30	11:20 a.m. April 26	April 26

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 Files, herewith returned: S.F. Nos. 180 and 453.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 26, 2005

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. 244:** A bill for an act relating to education; providing for consecutive teaching experience for a teacher whose probationary employment is interrupted by military service; amending Minnesota Statutes 2004, section 122A.40, subdivision 5.

Senate File No. 244 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 26, 2005

### CONCURRENCE AND REPASSAGE

Senator Kiscaden moved that the Senate concur in the amendments by the House to S.F. No. 244 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 244:** A bill for an act relating to education; providing for consecutive teaching experience for a teacher whose probationary employment is interrupted by military service; amending Minnesota Statutes 2004, sections 122A.40, subdivision 5; 122A.41, subdivision 2.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Olson	Scheid
Bachmann	Hann	Larson	Ortman	Senjem
Bakk	Higgins	LeClair	Pappas	Skoe
Belanger	Hottinger	Limmer	Pariseau	Skoglund
Berglin	Johnson, D.E.	Lourey	Pogemiller	Solon
Betzold	Jungbauer	Marko	Ranum	Stumpf
Chaudhary	Kelley	McGinn	Reiter	Tomassoni
Day	Kierlin	Metzen	Rest	Vickerman
Dibble	Kiscaden	Michel	Robling	Wergin
Dille	Kleis	Moua	Rosen	Wiger
Foley	Koering	Neuville	Sams	
Gaither	Kubly	Nienow	Saxhaug	

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 adopted the recommendation and report of the Conference Committee on Senate File No. 1116, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 1116:** A bill for an act relating to natural resources; requiring lifejackets for children aboard watercraft; amending Minnesota Statutes 2004, section 86B.501, by adding a subdivision.

Senate File No. 1116 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 26, 2005

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1333 and 1915.

Albin A. Mathiowetz, Chief Clerk, House of Representatives  
Transmitted April 26, 2005

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred as indicated.

**H.F. No. 1333:** A bill for an act relating to local government; permitting the city of Wabasha to establish a port authority commission; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1275, now on General Orders.

**H.F. No. 1915:** A bill for an act relating to health; providing an exception to the hospital construction moratorium; amending Minnesota Statutes 2004, section 144.551, subdivision 1.

Referred to the Committee on Finance.

### SECOND READING OF SENATE BILLS

S.F. Nos. 2265 and 2266 were read the second time.

### MOTIONS AND RESOLUTIONS

Senator Limmer moved that the names of Senators Berglin, Kiscaden, Rosen and Wergin be added as co-authors to S.F. No. 1840. The motion prevailed.

### SPECIAL ORDERS

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 1334, S.F. Nos. 427, 969, 1355, 808, 1861, 1296, 289, 1056, 1869, 554, 1146 and H.F. No. 47.

### SPECIAL ORDER

**H.F. No. 1334:** A bill for an act relating to natural resources; modifying certain exemptions for an iron nugget production scale demonstration facility; amending Laws 2004, chapter 220, section 1.

Senator Bakk moved that the amendment made to H.F. No. 1334 by the Committee on Rules and Administration in the report adopted April 26, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1334 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

Bachmann	Higgins	LeClair	Pappas	Skoe
Bakk	Hottinger	Limmer	Pariseau	Skoglund
Belanger	Johnson, D.E.	Lourey	Pogemiller	Solon
Betzold	Jungbauer	Marko	Ranum	Stumpf
Chaudhary	Kelley	Marty	Reiter	Tomassoni
Cohen	Kierlin	McGinn	Rest	Vickerman
Day	Kiscaden	Metzen	Robling	Wergin
Dille	Kleis	Michel	Rosen	Wiger
Foley	Koering	Neuville	Sams	
Gaither	Kubly	Nienow	Saxhaug	
Gerlach	Langseth	Olson	Scheid	
Hann	Larson	Ortman	Senjem	

Those who voted in the negative were:

Anderson	Berglin	Dibble	Moua
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So the bill passed and its title was agreed to.

### SPECIAL ORDER

Senator Betzold moved that S.F. No. 427 be laid on the table. The motion prevailed.

### SPECIAL ORDER

**S.F. No. 969:** A bill for an act relating to renewable fuel use by state departments; clarifying the state's policy of minimizing energy use and requiring renewable fuels wherever appropriate; proposing coding for new law in Minnesota Statutes, chapter 16C.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Larson	Olson	Scheid
Bachmann	Higgins	LeClair	Ortman	Senjem
Belanger	Hottinger	Limmer	Pappas	Skoe
Berglin	Johnson, D.E.	Lourey	Pariseau	Skoglund
Betzold	Jungbauer	Marko	Pogemiller	Solon
Chaudhary	Kelley	Marty	Ranum	Stumpf
Cohen	Kierlin	McGinn	Reiter	Tomassoni
Day	Kiscaden	Metzen	Rest	Vickerman
Dibble	Kleis	Michel	Robling	Wergin
Dille	Koering	Moua	Rosen	Wiger
Foley	Kubly	Neuville	Sams	
Gaither	Langseth	Nienow	Saxhaug	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1355:** A bill for an act relating to professions; extending the application period for power limited technicians; amending Minnesota Statutes 2004, section 326.242, subdivision 3d.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Larson	Olson	Senjem
Bachmann	Hann	LeClair	Ortman	Skoe
Bakk	Higgins	Limmer	Pappas	Skoglund
Belanger	Hottinger	Lourey	Pariseau	Solon
Berglin	Johnson, D.E.	Marko	Pogemiller	Stumpf
Betzold	Jungbauer	Marty	Ranum	Tomassoni
Chaudhary	Kelley	McGinn	Reiter	Vickerman
Cohen	Kierlin	Metzen	Rest	Wergin
Day	Kiscaden	Michel	Robling	Wiger
Dibble	Kleis	Moua	Rosen	
Dille	Koering	Murphy	Sams	
Foley	Kubly	Neuville	Saxhaug	
Gaither	Langseth	Nienow	Scheid	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 808:** A bill for an act relating to traffic regulations; exempting motorized foot scooters from tax and registration fees; defining motorized foot scooters and regulating their use and operation; amending Minnesota Statutes 2004, sections 168.012, subdivision 1; 169.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Neuville	Sams
Bachmann	Hann	LeClair	Nienow	Saxhaug
Bakk	Higgins	Limmer	Olson	Scheid
Berglin	Hottinger	Lourey	Pappas	Senjem
Betzold	Johnson, D.E.	Marko	Pariseau	Skoglund
Chaudhary	Jungbauer	Marty	Pogemiller	Solon
Cohen	Kelley	McGinn	Ranum	Stumpf
Day	Kierlin	Metzen	Reiter	Tomassoni
Dibble	Kleis	Michel	Rest	Vickerman
Dille	Koering	Moua	Robling	Wergin
Gaither	Kubly	Murphy	Rosen	Wiger

Those who voted in the negative were:

Foley

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1861:** A bill for an act relating to building plan review; directing the commissioner of labor and industry to study procedures for supervision of installation of biotechnology piping systems; requiring a report to the legislature.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Neuville	Sams
Bachmann	Hann	Larson	Nienow	Saxhaug
Bakk	Higgins	LeClair	Olson	Scheid
Belanger	Hottinger	Limmer	Ortman	Senjem
Berglin	Johnson, D.E.	Lourey	Pappas	Skoe
Betzold	Jungbauer	Marko	Pariseau	Skoglund
Chaudhary	Kelley	Marty	Pogemiller	Solon
Cohen	Kierlin	McGinn	Ranum	Stumpf
Day	Kiscaden	Metzen	Reiter	Tomassoni
Dibble	Kleis	Michel	Rest	Vickerman
Foley	Koering	Moua	Robling	Wergin
Gaither	Kubly	Murphy	Rosen	Wiger

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1296:** A bill for an act relating to highways; allowing two-way operation of snowmobiles on either side of local road right-of-way when authorized by local road authorities; amending Minnesota Statutes 2004, section 84.87, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Neuville	Sams
Bachmann	Hann	Larson	Nienow	Saxhaug
Bakk	Higgins	LeClair	Olson	Scheid
Belanger	Hottinger	Limmer	Ortman	Senjem
Berglin	Johnson, D.E.	Lourey	Pappas	Skoe
Betzold	Jungbauer	Marko	Pariseau	Skoglund
Chaudhary	Kelley	Marty	Pogemiller	Solon
Cohen	Kierlin	McGinn	Ranum	Stumpf
Day	Kiscaden	Metzen	Reiter	Tomassoni
Dibble	Kleis	Michel	Rest	Vickerman
Foley	Koering	Moua	Robling	Wergin
Gaither	Kubly	Murphy	Rosen	Wiger

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 289:** A bill for an act relating to presidential electors; providing for alternates and providing certain voting procedures; amending Minnesota Statutes 2004, sections 208.03; 208.04, subdivision 1; 208.05; 208.06; 208.07; 208.08.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Bakk	Belanger	Berglin	Betzold
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Chaudhary	Kelley	Marty	Pogemiller	Skoglund
Cohen	Kierlin	McGinn	Ranum	Solon
Day	Kiscaden	Metzen	Reiter	Stumpf
Dibble	Kleis	Michel	Rest	Tomassoni
Dille	Koering	Moua	Robling	Vickerman
Foley	Kubly	Murphy	Rosen	Wergin
Gaither	Langseth	Neuville	Sams	Wiger
Higgins	Limmer	Olson	Scheid	
Hottinger	Lourey	Ortman	Senjem	
Johnson, D.E.	Marko	Pappas	Skoe	

Those who voted in the negative were:

Bachmann	Hann	Larson	Nienow	Pariseau
Gerlach	Jungbauer	LeClair		

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1056:** A bill for an act relating to motor vehicles; providing for issuance of registration plates and stickers to motor vehicle dealers; providing for electronic transmission of motor vehicle transfers; authorizing an optional electronic transfer fee for electronic transfer of ownership records; amending Minnesota Statutes 2004, sections 168.27, by adding a subdivision; 168.33, subdivision 7, by adding a subdivision; 168.66, subdivision 14, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Murphy	Sams
Bachmann	Gaither	Langseth	Neuville	Saxhaug
Bakk	Gerlach	Larson	Nienow	Scheid
Belanger	Higgins	LeClair	Ortman	Senjem
Berglin	Hottinger	Limmer	Pappas	Skoe
Betzold	Johnson, D.E.	Lourey	Pariseau	Skoglund
Chaudhary	Jungbauer	Marko	Pogemiller	Solon
Cohen	Kelley	Marty	Ranum	Stumpf
Day	Kierlin	McGinn	Reiter	Tomassoni
Dibble	Kiscaden	Metzen	Rest	Vickerman
Dille	Kleis	Michel	Robling	Wergin
Foley	Koering	Moua	Rosen	Wiger

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 1869:** A bill for an act relating to local government; modifying a shared hospital or ambulance service purchasing provision; amending Minnesota Statutes 2004, section 471.345, subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Bakk	Berglin	Cohen	Dibble
Bachmann	Belanger	Betzold	Day	Dille



Foley	Kiscaden	McGinn	Pogemiller	Skoglund
Frederickson	Kleis	Metzen	Ranum	Solon
Gaither	Koering	Michel	Reiter	Stumpf
Gerlach	Kubly	Moua	Rest	Tomassoni
Hann	Langseth	Murphy	Robling	Vickerman
Higgins	Larson	Neuville	Rosen	Wergin
Hottinger	LeClair	Nienow	Sams	Wiger
Johnson, D.E.	Limmer	Olson	Saxhaug	
Jungbauer	Lourey	Ortman	Scheid	
Kelley	Marko	Pappas	Senjem	
Kierlin	Marty	Pariseau	Skoe	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 554:** A bill for an act relating to agriculture; requiring equine teeth floaters to have indirect supervision; proposing coding for new law in Minnesota Statutes, chapter 156.

Senator Kubly moved to amend S.F. No. 554 as follows:

Page 1, line 10, delete "Floating" and after "teeth" insert "floating"

Page 2, delete lines 1 and 2 and insert:

"Subd. 2. [EQUINE TEETH FLOATING SERVICES.] (a) A person may perform equine teeth floating services after submitting to the board the following:

(1) proof of current certification from the International Association of Equine Dentistry or other professional equine dentistry association as determined by the board; and

(2) a written statement signed by the supervising veterinarian that the applicant will be under direct or indirect supervision when floating equine teeth.

(b) The board must waive the requirements in clauses (1) and (2) of paragraph (a), and allow a person to perform equine teeth floating services if the person provides satisfactory evidence of being actively engaged in floating equine teeth for at least ten of the past 15 years and has generated at least \$5,000 a year in personal income from this activity."

The motion prevailed. So the amendment was adopted.

S.F. No. 554 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 57 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Larson	Olson	Scheid
Bachmann	Higgins	LeClair	Ortman	Senjem
Bakk	Hottinger	Limmer	Pappas	Skoe
Belanger	Johnson, D.E.	Marko	Pariseau	Solon
Berglin	Jungbauer	Marty	Pogemiller	Stumpf
Chaudhary	Kelley	McGinn	Ranum	Tomassoni
Cohen	Kierlin	Metzen	Reiter	Vickerman
Day	Kiscaden	Michel	Rest	Wergin
Dibble	Kleis	Moua	Robling	Wiger
Dille	Koering	Murphy	Rosen	
Frederickson	Kubly	Neuville	Sams	
Gaither	Langseth	Nienow	Saxhaug	

Those who voted in the negative were:

Betzold	Foley	Lourey	Skoglund
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So the bill, as amended, was passed and its title was agreed to.

**SPECIAL ORDER**

**S.F. No. 1146:** A bill for an act relating to agriculture; clarifying the county agricultural society exemption from local zoning ordinances; amending Minnesota Statutes 2004, sections 38.01; 38.16.

Senator Vickerman moved to amend S.F. No. 1146 as follows:

Page 2, line 7, strike "constables" and insert "peace officers"

Page 2, line 9, strike "constables" and insert "peace officers"

Page 2, lines 13 and 14, strike "all the power and authority of constables at common law" and insert "full powers of arrest" and strike ", in addition" and after the stricken "thereto" strike the comma

Page 2, lines 23 and 25, strike "constables" and insert "peace officers"

The motion prevailed. So the amendment was adopted.

S.F. No. 1146 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Neuville	Scheid
Bachmann	Gaither	Larson	Nienow	Senjem
Bakk	Gerlach	LeClair	Olson	Skoe
Belanger	Higgins	Limmer	Pappas	Skoglund
Berglin	Hottinger	Lourey	Pariseau	Solon
Betzold	Johnson, D.E.	Marko	Pogemiller	Stumpf
Chaudhary	Jungbauer	Marty	Ranum	Tomassoni
Cohen	Kelley	McGinn	Reiter	Vickerman
Day	Kierlin	Metzen	Rest	Wergin
Dibble	Kiscaden	Michel	Robling	Wiger
Dille	Kleis	Moua	Sams	
Foley	Koering	Murphy	Saxhaug	

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

**SPECIAL ORDER**

**H.F. No. 47:** A bill for an act relating to state aid to cities; correcting the calculation of city aid base; amending Minnesota Statutes 2004, section 477A.011, subdivision 36.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Foley	Hottinger	Kiscaden
Bachmann	Chaudhary	Frederickson	Johnson, D.E.	Kleis
Bakk	Cohen	Gaither	Jungbauer	Koering
Belanger	Day	Gerlach	Kelley	Kubly
Berglin	Dibble	Higgins	Kierlin	Larson

LeClair	Moua	Pariseau	Saxhaug	Tomassoni
Limmer	Murphy	Pogemiller	Scheid	Vickerman
Lourey	Neuville	Ranum	Senjem	Wergin
Marko	Nienow	Reiter	Skoe	Wiger
Marty	Olson	Rest	Skoglund	
McGinn	Ortman	Robling	Solon	
Metzen	Pappas	Sams	Stumpf	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Senator Betzold moved that S.F. No. 427 be taken from the table. The motion prevailed.

**S.F. No. 427:** A bill for an act relating to retirement; various public pension plans; clarifying and revising various plan provisions; eliminating obsolete provisions; defining final average salary; modifying the definition of allowable service to include time on strike; permitting judges to purchase service credit for an authorized leave; requiring specified payments; clarifying references to actuarial services in determining actuarial equivalence; defining covered salary to include certain employer contributions to supplemental retirement plans; specifying itemized detail of plan administrative expenses in annual financial reporting; excluding police officers of the University of Minnesota from the public employees police and fire fund; clarifying collection procedures relating to charter schools; adding a uniform nonassignment and legal process exemption provision; adding employees of Bridges Medical Services, Hutchinson Area Health Care, and Northfield Hospital to privatization coverage; extending date for filing special law approval with the secretary of state for the RenVilla Nursing Home; requiring the privatization periodic filing of updated copies of articles of incorporation and bylaws; modifying a higher education individual retirement account plan investment option provision; implementing the recommendations of the Volunteer Firefighter Relief Association working group of the state auditor; modifying the trigger date for filing financial reports; revising the per firefighter financing requirements for monthly benefit service pensions; modifying the options for crediting interest on deferred service pensions; clarifying the deferred service pension options available to defined contribution plans; providing for the crediting of service during military service leaves; requiring the amortization of experience losses; clarifying the compliance requirements for the qualification for fire state aid; modifying a limit on mutual fund investments; clarifying corporate stock and exchange-traded funds investment authority; modifying the municipal representation requirements on relief association governing boards; clarifying exemptions from process and taxation; providing that certain laws do not apply to the consolidation of specified volunteer firefighter relief associations; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; authorizing the Maplewood Firefighters Relief Association to transfer assets to the Oakdale Firefighters Relief Association to cover service credits earned by certain individuals; appropriating money; amending Minnesota Statutes 2004, sections 3A.01, subdivisions 1, 2, 6, 8, by adding subdivisions; 3A.011; 3A.02, subdivisions 1, 1b, 3, 4, 5; 3A.03, subdivisions 1, 2; 3A.04, subdivisions 1, 2, 3, 4, by adding a subdivision; 3A.05; 3A.07; 3A.10, subdivision 1; 3A.12; 3A.13; 69.011, subdivision 2b, by adding a subdivision; 69.021, subdivisions 5, 11; 69.051, subdivisions 1, 1a; 69.33; 69.771; 69.772, subdivisions 3, 4; 69.773, subdivisions 4, 5; 69.775; 352.01, subdivisions 2a, 4, 5, 12, 21, 23, by adding a subdivision; 352.021, subdivisions 1, 2, 3, 4; 352.04, subdivisions 1, 12; 352.041, subdivisions 1, 2, 3, 5; 352.115, subdivisions 2, 3; 352.15, subdivisions 1, 3, 4; 352.22, subdivision 10; 352.87, subdivision 3; 352.91, by adding a subdivision; 352.93, subdivision 1; 352B.01, subdivisions 1, 2, 3; 352B.02, subdivision 1e; 352B.071; 352C.021, by adding a subdivision; 352C.091, subdivision 1; 352D.01; 352D.015, subdivisions 3, 4; 352D.03; 352D.05, subdivision 4; 352D.085, subdivision 1; 352D.09, subdivision 5; 352D.12; 353.01, subdivisions 6, 10, 14, 32, 33, by adding a subdivision; 353.025; 353.026; 353.027; 353.028; 353.14; 353.15, subdivisions 1, 3; 353.27, subdivision 11; 353.271; 353.28, subdivisions 5, 6; 353.29, subdivision 3; 353.31, subdivision 1c; 353.32, subdivision 9; 353.33, subdivisions 3, 12; 353.64, by adding a subdivision; 353.651, subdivision 3; 353.656, subdivision 1; 353F.02, subdivision 4; 354.05, subdivision 7, by adding a subdivision; 354.091; 354.10, subdivisions 1, 3, 4; 354.33, subdivision 5; 354.39; 354.41, subdivision 2; 354.42, by adding a subdivision; 354.44, subdivisions 2, 6; 354A.011, subdivision 3a, by adding a subdivision; 354A.021, subdivision 5, by adding a

subdivision; 354A.097, subdivision 1; 354A.31, subdivisions 4, 4a, 5; 354B.25, subdivision 2; 356.20, subdivision 4; 356.215, subdivision 8; 356.216; 356.24, subdivision 1; 356.551; 356A.06, subdivision 7; 422A.01, subdivisions 6, 11, by adding a subdivision; 422A.06, subdivision 7; 422A.10, subdivisions 1, 2; 422A.15, subdivision 1; 422A.16, subdivision 9; 422A.22, subdivisions 1, 3, 4, 6; 422A.231; 422A.24; 423B.17; 423C.09; 424A.02, subdivisions 3, 4, 7; 424A.04, subdivision 1; 424B.10, subdivision 1; 490.121, subdivisions 1, 4, 6, 7, 13, 14, 15, 20, 21, 22, by adding subdivisions; 490.122; 490.123, subdivisions 1, 1a, 1b, 1c, 2, 3; 490.124, subdivisions 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13; 490.125, subdivision 1; 490.126; 490.133; Laws 1999, chapter 222, article 16, section 16, as amended; Laws 2000, chapter 461, article 4, section 4, as amended; Laws 2004, chapter 267, article 12, section 4; proposing coding for new law in Minnesota Statutes, chapters 352C; 356; 424A; proposing coding for new law as Minnesota Statutes, chapter 490A; repealing Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, 7; 3A.02, subdivision 2; 3A.04, subdivision 1; 3A.09; 352.119, subdivision 1; 352.15, subdivision 1a; 352C.01; 352C.011; 352C.021; 352C.031, subdivision 3; 352C.033; 352C.04; 352C.051; 352C.09; 352C.091, subdivisions 2, 3; 353.15, subdivision 2; 353.29, subdivision 2; 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, 2c; 353.46, subdivision 4; 353.651, subdivision 2; 353.663; 353.74; 353.75; 354.10, subdivision 2; 354.59; 422A.22, subdivisions 2, 5; 422A.221; 490.021; 490.025, subdivisions 1, 2, 3, 4, 6; 490.101; 490.102; 490.103; 490.105; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12; 490.121, subdivisions 2, 3, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19, 20.

Senator Betzold moved to amend S.F. No. 427 as follows:

Page 110, delete section 16

Page 110, line 14, before "15" insert "and" and delete ", and 16"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Betzold moved to amend S.F. No. 427 as follows:

Page 3, line 33, before "section" insert "Minnesota Statutes 2004,"

Page 18, after line 11, insert:

"Sec. 32. Minnesota Statutes 2004, section 352C.10, is amended to read:

352C.10 [BENEFIT ADJUSTMENTS.]

Retirement allowances payable to retired constitutional officers ~~pursuant to section 352C.031~~ and surviving spouse benefits payable ~~pursuant to section 352C.04,~~ shall must be adjusted in the same manner, at the same times and in the same amounts as are benefits payable from the Minnesota postretirement investment fund to retirees of a participating public pension fund.

Sec. 33. Minnesota Statutes 2004, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), and (6) to (14), if they are in the unclassified service of the state or Metropolitan Council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified plan under this chapter unless the employee gives notice to the executive director of the Minnesota State Retirement System within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Persons referenced in paragraph (c), ~~clauses (1) and~~ clause (5), are participants in the

unclassified program under this chapter unless the person is eligible to elect different coverage under section 3A.07 or ~~352C.011~~ and, after July 1, 1998, elects ~~elects~~ elected retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified program under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

(1) the governor, the lieutenant governor, the secretary of state, the state auditor, and the attorney general;

(2) an employee in the Office of the Governor, Lieutenant Governor, Secretary of State, State Auditor, Attorney General;

(3) an employee of the State Board of Investment;

(4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;

(5) a member of the legislature;

(6) a full-time unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota State Retirement System;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(8) the regional administrator, or executive director of the Metropolitan Council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;

(9) the executive director, associate executive director, and not to exceed nine positions of the Higher Education Services Office in the unclassified service, as designated by the Higher Education Services Office before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota State Retirement System, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

(11) the chief executive officers of correctional facilities operated by the Department of Corrections and of hospitals and nursing homes operated by the Department of Human Services;

(12) an employee whose principal employment is at the state ceremonial house;

(13) an employee of the Minnesota Educational Computing Corporation;

(14) an employee of the State Lottery who is covered by the managerial plan established under section 43A.18, subdivision 3; and

(15) a judge who has exceeded the service credit limit in section 490.121, subdivision 22.

Sec. 34. Minnesota Statutes 2004, section 355.01, subdivision 3e, is amended to read:

Subd. 3e. [JUDGE.] "Judge" means a judge as defined in section 490.121, subdivision 3 21a.

Sec. 35. Minnesota Statutes 2004, section 356.65, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ABANDONED AMOUNTS.] Any unclaimed public pension fund amounts existing in any public pension fund are presumed to be abandoned, but are not subject to the provisions of sections 345.31 to 345.60. Unless the benefit plan of the public pension fund specifically provides for a different disposition of unclaimed or abandoned funds or amounts, any unclaimed public pension fund amounts cancel and must be credited to the public pension fund. If the unclaimed public pension fund amount exceeds \$25 and the inactive or former member again becomes a member of the applicable public pension plan or applies for a retirement annuity under section 3A.12, 352.72, 352B.30, ~~352C.051~~, 353.71, 354.60, 356.30, or 422A.16, subdivision 8, whichever applies, the canceled amount must be restored to the credit of the person."

Page 20, line 36, reinstate the stricken language and delete "paid"

Page 31, after line 19, insert:

"Sec. 77. Minnesota Statutes 2004, section 490.125, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] ~~Except as provided by sections 490.025, subdivision 3, 490.102, subdivisions 3 and 3a and 490.12, subdivision 2,~~ Any judge in office on December 31, 1973 who shall have attained 70 years of age on or prior to such date shall retire upon the expiration of the term of office of such judge."

Page 31, line 26, strike "490.16" and insert "490A.02"

Page 35, after line 6, insert:

"Sec. 82. [490A.03] [PERSONS AFFECTED.]

The provisions of sections 490A.01 and 490A.02 apply to all judges, judicial officers, and referees.

Sec. 83. Minnesota Statutes 2004, section 525.05, is amended to read:

525.05 [JUDGE OR REFEREE; GROUNDS FOR DISQUALIFICATION.]

The following shall be grounds for disqualification of any judge or referee from acting in any matter: (1) That the judge or the judge's spouse or any of either of their kin nearer than first cousin is interested as representative, heir, devisee, legatee, ward, or creditor in the estate involved therein; (2) that it involves the validity or interpretation of a will drawn or witnessed by the judge; (3) that the judge may be a necessary witness in the matter; (4) that it involves a property right in respect to which the judge has been engaged or is engaged as an attorney; or (5) that the judge was engaged in a joint enterprise for profit with the decedent at the time of death or that the judge is then engaged in a joint enterprise for profit with any person interested in the matter as representative, heir, devisee, legatee, ward, or creditor. When grounds for disqualification exist, the judge may, and upon proper petition of any person interested in the estate must, request another judge or a judge who has retired ~~as provided in section 490.12, subdivision 2,~~ to act in the judge's stead in the matter."

Page 35, line 10, delete "1" and insert "1a"

Page 35, line 18, after "490.025" delete the comma

Page 35, line 19, delete "subdivisions 1, 2, 3, 4, and 6"

Page 35, line 22, after "20" insert "; 490.124, subdivision 6; and 490.132"

Page 35, line 25, delete everything after "sections" and insert "490.15, 490.16, and 490.18,"

Page 35, delete lines 26 and 27

Page 35, line 28, delete everything before "are"

Page 36, after line 10, insert:

"Sec. 85. [REVISOR INSTRUCTIONS.]

(a) In Minnesota Statutes, chapters 352, 352D, 355, 356, and 487, the revisor of statutes shall change references to "sections 490.121 to 490.132" to "chapter 490".

(b) In Minnesota Statutes, chapter 490, the revisor of statutes shall change references to "sections 490.121 to 490.132" to "this chapter".

(c) In Minnesota Statutes, sections 175A.01, subdivision 4, and 271.01, subdivision 1, the revisor of statutes shall change references to "sections 490.15 and 490.16" to "sections 490A.01 and 490A.02".

Page 51, line 31, reinstate the stricken language and delete "paid"

Page 52, line 24, delete "paragraphs" and insert "paragraph" and delete "and" and insert "or" and delete "is applicable" and insert "applies"

Page 65, line 36, delete "EXCLUSION" and insert "INCLUSIONS AND EXCLUSIONS"

Page 95, line 36, strike "state board" and insert "covered pension plan"

Page 104, line 33, after "annually" insert a comma

Page 106, line 20, delete "benefit"

Page 106, lines 24, 30, and 34, delete "financial" and insert "an investment return"

Page 109, line 31, after "firefighter" insert "before consolidation, the service pension amount"

Page 152, line 33, strike "state board" and insert "covered pension plan"

Page 168, line 22, delete "3" and insert "4"

Page 168, line 26, delete "4" and insert "3"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Betzold moved to amend S.F. No. 427 as follows:

Page 55, line 1, delete "AND"

Page 55, line 2, before "CHANGES" insert "AND OTHER GENERALLY APPLICABLE ADMINISTRATIVE"

Page 56, after line 5, insert:

"Sec. 4. Minnesota Statutes 2004, section 354.094, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] (a) Upon granting any extended leave of absence under section 122A.46 or 136F.43, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. A member granted an extended leave of absence under section 122A.46 or 136F.43 may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave, provided that the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave. The employer may enter into an agreement with the exclusive bargaining representative of

the teachers in the district under which, for an individual teacher, all or a portion of the employee's contribution is paid by the employer. Any such agreement must include a sunset of eligibility to qualify for the payment and must not be a part of the collective bargaining agreement. The leave period must not exceed five years. A member may not receive more than five years of allowable service credit under this section. The employee and employer contributions must be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave.

(b) Employee contribution payments for the years for which a member is receiving service credit while on extended leave must be made on or before the later of June 30 of each fiscal year for which service credit is to be received or within 30 days after first notification of the amount due, if requested by the member, is given by the association. If payment is to be made by a transfer of pretax assets authorized under section 356.441, payment is authorized after June 30 of the fiscal year providing that authorization for the asset transfer has been received by the applicable third party administrator by June 30, and the payment must include interest at a rate of .708 percent per month from June 30 through the end of the month in which payment is received. No payment is permitted after the following September 30. Payments received after June 30 must include interest at an annual rate of 8.5 percent from June 30 through the end of the month in which payment is received.

(c) Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made to receive allowable service credit if the member does not have full reinstatement rights as provided in section 122A.46 or 136F.43, both during and at the end of the extended leave.

(d) Any school district paying the employee's retirement contributions under this section shall forward to the applicable retirement association or retirement fund a copy of the agreement executed by the school district and the employee."

Page 59, after line 21, insert:

"Sec. 7. Minnesota Statutes 2004, section 356.47, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] (a) Upon the retired member attaining the age of 65 years or upon the first day of the month next following the month occurring one year after the termination of the reemployment that gave rise to the limitation, whichever is later, and the filing of a written application, the retired member is entitled to the payment, in a lump sum, of the value of the person's amount under subdivision 2, plus interest at the compound annual rate of six percent from the date that the amount was deducted from the retirement annuity to the date of payment.

(b) The written application must be on a form prescribed by the chief administrative officer of the applicable retirement plan.

(c) If the retired member dies before the payment provided for in paragraph (a) is made, the amount is payable, upon written application, to the deceased person's surviving spouse, or if none, to the deceased person's designated beneficiary, or if none, to the deceased person's estate.

(d) In lieu of the direct payment of the person's amount under subdivision 2, on or after the payment date under paragraph (a), if the federal Internal Revenue Code so permits, the retired member may elect to have all or any portion of the payment amount under this section paid in the form of a direct rollover to an eligible retirement plan as defined in section 402(c) of the federal Internal Revenue Code that is specified by the retired member. If the retired member dies with a balance remaining payable under this section, the surviving spouse of the retired member, or if none, the deceased person's designated beneficiary, or if none, the administrator of the deceased person's estate may elect a direct rollover under this paragraph.

Page 60, after line 13, insert:

"(b) Section 4 is effective the day following final enactment."

Page 60, line 14, delete "(b)" and insert "(c)"



Page 60, after line 16, insert:

"(d) Section 7 is effective July 1, 2005, and applies to retired members with an amount in a reemployed annuitant's account on or after that date."

Page 66, after line 12, insert:

"Sec. 7. Minnesota Statutes 2004, section 354B.21, subdivision 2, is amended to read:

Subd. 2. [COVERAGE; ELECTION.] ~~(a) An eligible person is entitled to elect coverage by the plan. If the eligible person does not make a timely election of coverage by the plan, the person has the coverage specified in subdivision 3.~~

(b) For eligible persons who were employed by the former state university system or the former community college system before May 1, 1995, the person has the retirement coverage that the person had for employment immediately before May 1, 1995.

~~(e) (b) For all other eligible persons, the election of coverage must be made within 90 days of May 10, 1995, or 90 days of receiving notice from the employer of the options available under this section, whichever occurs later unless otherwise specified in this section, the eligible person is authorized to elect prospective Teachers Retirement Association plan coverage rather than coverage by the plan established by this chapter. The election of prospective Teachers Retirement Association plan coverage shall be made within one year of commencing eligible Minnesota State Colleges and Universities system employment. If an election is not made within the specified election period due to a termination of Minnesota State Colleges and Universities system employment, an election may be made within 90 days of returning to eligible Minnesota State Colleges and Universities system employment. All elections are irrevocable. Prior to making an election the eligible person shall be covered by the plan indicated as default coverage under subdivision 3.~~

(c) A purchase of service credit in the Teachers Retirement Association plan for any period or periods of Minnesota State Colleges and Universities system employment occurring prior to the election under paragraph (b) is prohibited.

Sec. 8. Minnesota Statutes 2004, section 354B.21, subdivision 3, is amended to read:

Subd. 3. [DEFAULT COVERAGE.] (a) Prior to making an election under subdivision 2, or if an eligible person fails to elect coverage by the plan under subdivision 2 or if the person fails to make a timely election, the following retirement coverage applies:

(1) for employees of the board who are employed in faculty positions in the technical colleges, in the state universities or in the community colleges, the retirement coverage is by the plan established by this chapter;

(2) for employees of the board who are employed in faculty positions in the technical colleges, the retirement coverage is by the plan established by this chapter unless on June 30, 1997, the employee was a member of the Teachers Retirement Association established under chapter 354 and then the retirement coverage is by the Teachers Retirement Association, or, unless the employee was a member of a first class city teacher retirement fund established under chapter 354A on June 30, 1995, and then the retirement coverage is by the Duluth Teachers Retirement Fund Association if the person was a member of that plan on June 30, 1995, or the Minneapolis Teachers Retirement Fund Association if the person was a member of that plan on June 30, 1995, or the St. Paul Teachers Retirement Fund Association if the person was a member of that plan on June 30, 1995; and

(3) for employees of the board who are employed in eligible unclassified administrative positions, the retirement coverage is by the plan established by this chapter.

(b) If an employee fails to correctly certify prior membership in the Teachers Retirement Association to the Minnesota State colleges and Universities system, the system shall not pay interest on employee contributions, employer contributions, and additional employer contributions to the Teachers Retirement Association under section 354.52, subdivision 4."

Page 66, after line 16, insert:

"(c) Sections 7 and 8 are effective on the day following final enactment."

Page 67, after line 21, insert:

"Sec. 3. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; INTEREST ON SERVICE CREDIT PURCHASE PAYMENT RETURN.]

If a former employee of the Minneapolis Community Development Agency made a prior service credit purchase payment under Minnesota Statutes 2002, section 356.55, in an amount that is greater than the actually required payment amount because of the use of an inaccurate salary figure or other similar reporting or clerical error, the general employees retirement plan of the Public Employees Retirement Association may pay interest on the overage amount at an annual compound rate of six percent per year.

Sec. 4. [RETURN OF PRIOR SERVICE CREDIT PURCHASE PAYMENT FOR CERTAIN MINNEAPOLIS CITY EMPLOYEES.]

(a) An eligible person, upon written application, may receive a return of a prior service credit purchase payment under Minnesota Statutes 2002, section 356.55, plus interest on the amount at an annual compound rate of six percent per year. The return amount and interest must be made in an institution-to-institution transfer to a federal tax qualified retirement plan or account and may not be paid directly to an individual.

(b) An eligible person is a person who was an employee of the Minneapolis Community Development Agency and made a payment for the purchase of prior service credit under Laws 2003, chapter 127, article 12, section 31, subdivision 4, and Minnesota Statutes 2002, section 356.55, in an erroneous amount because of an inaccurate salary figure supplied by the employing agency."

Page 67, line 23, before "Sections" insert "(a)"

Page 67, after line 23, insert:

"(b) Sections 3 and 4 are effective the day following final enactment.

(c) Section 4 expires on June 30, 2005."

Page 68, after line 3, insert:

"Sec. 2. Minnesota Statutes 2004, section 471A.10, is amended to read:

471A.10 [PUBLIC EMPLOYEE LAWS; SALE OR LEASE OF EXISTING FACILITY.]

(a) Unless expressly provided therein, and except as provided in this section, no state law, charter provision, or ordinance of a municipality relating to public employees shall apply to a person solely by reason of that person's employment by a private vendor in connection with services rendered under a service contract.

(b) A private vendor purchasing or leasing existing related facilities from a municipality or operating or maintaining the facility shall recognize all exclusive bargaining representatives and existing labor agreements and those agreements shall remain in force until they expire by their terms. ~~Persons who are not who were employed by a municipality in a related facility at the time of and who were members of the Public Employees Retirement Association general plan due to that employment are not permitted to remain as active members of the plan following a lease or purchase of the facility by the a private vendor are not "public employees" within the meaning of the Public Employees Retirement Act, chapter 353. Persons employed by a municipality in a related facility at the time of a lease or purchase of the facility by a private vendor shall continue to be considered to be "public employees" within the meaning of the Public Employees Retirement Act, chapter 353, but may elect to terminate their participation in the Public Employees Retirement Association as provided in this section. Each such employee may exercise the election~~

~~annually on the anniversary of the person's initial employment by the municipality. An employee electing to terminate participation in the association is entitled to benefits that the employee would be entitled to if terminating public employment and may participate in a retirement program established by the private vendor."~~

Page 71, after line 6, insert:

"(f) Section 2 is effective the day following final enactment and applies to privatizations occurring on or after the effective date."

Page 71, line 7, delete "(f)" and insert "(g)" and delete "(2)" and insert "(3)"

Page 165, after line 27, insert:

"Sec. 3. Minnesota Statutes 2004, section 383B.46, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF ACCOUNT; CONTRIBUTIONS.] The county of Hennepin shall deduct from the salary of every person who is eligible for coverage and who elected to retain or obtain coverage by the Hennepin County supplemental retirement program a sum equal to one percent of the total salary of the person. Any classified or unclassified employee who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal Comprehensive Employment and Training Act shall not be included in the supplemental retirement account from and after March 30, 1978 unless the employee has as of the later of March 30, 1978 or the date of employment sufficient service credit in the public employees retirement fund or the Minneapolis municipal employees retirement fund, whichever is applicable, to meet the minimum vesting requirements for a deferred retirement annuity, or the county agrees in writing to make the required employer contributions on account of the individual from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the employee agrees in writing to make the required employer contribution in addition to the employee contribution. The deduction shall be made in the same manner as other retirement deductions are made from the salary of the person. An amount equal to the amounts deducted during each payroll period shall be contributed by the county of Hennepin. The total amount deducted and contributed shall be deposited to the credit of the supplemental retirement account ~~in the treasury of the county of Hennepin~~ a separate account administered by the Minnesota State Retirement System on behalf of Hennepin County. The Hennepin County supplemental retirement account is hereby established as an account separate and distinct from other funds, accounts, or assets of the county of Hennepin.

Sec. 4. Minnesota Statutes 2004, section 383B.47, is amended to read:

383B.47 [PARTICIPATION IN MINNESOTA SUPPLEMENTAL INVESTMENT FUND.]

~~With the moneys deposited to the credit of the supplemental retirement account in the treasury of the county of Hennepin, the county of Hennepin, the Minnesota State Retirement System shall purchase shares on behalf of Hennepin County in the accounts of the Minnesota supplemental investment fund as provided in section 383B.48.~~

Sec. 5. Minnesota Statutes 2004, section 383B.48, is amended to read:

383B.48 [BUYING STATE SUPPLEMENTAL INVESTMENT FUND SHARES.]

~~At the time a person becomes eligible for coverage and elects to obtain coverage by the Hennepin County supplemental retirement program and before November 1 of each subsequent year, A participant in the Hennepin County supplemental retirement program shall indicate in writing on a form provided by the county of Hennepin the account of the Minnesota supplemental investment fund in which the participant wishes salary deductions and county matching contributions attributable to salary deductions to be invested for the subsequent 12-month period such time as allowed by the Minnesota State Retirement System. For that 12-month period, The county of Hennepin Minnesota State Retirement System shall purchase with the salary deductions and county matching funds attributable to the salary deductions shares in the appropriate account of the Minnesota supplemental investment fund in accordance with the indicated preferences of~~

the participant. However, the county of Hennepin has the authority to determine which accounts of the Minnesota supplemental investment fund will be available for participant investment. The shares purchased must stand in the name of the county of Hennepin. A record must be kept by the ~~county of Hennepin~~ Minnesota State Retirement System indicating the number of shares in each account of the Minnesota supplemental investment fund purchased with the salary deductions and county matching funds attributable to the salary deductions of each participant. The record must be known as the "participant's share account record." The participant's share account record must show, in addition to the number of shares in the account, any cash balance of salary deductions or county matching funds attributable to those deductions which stand uninvested in shares. At the option of the county of Hennepin, and subject to any terms and conditions established and communicated in writing by the county to a participant, the participant may designate no more often than once each ~~calendar quarter~~ month that prior salary deductions and county matching contributions attributable to the salary deductions, together with any interest earned, be reinvested in another account of the Minnesota supplemental investment fund made available by the county of Hennepin.

Sec. 6. Minnesota Statutes 2004, section 383B.49, is amended to read:

383B.49 [SUPPLEMENTAL RETIREMENT BENEFITS; REDEMPTION OF SHARES.]

When requested to do so, in writing, on forms provided by the ~~county~~ Minnesota State Retirement System, by a participant, surviving spouse, a guardian of a surviving child or a personal representative, whichever is applicable, the ~~county of Hennepin~~ Minnesota State Retirement System shall on behalf of Hennepin County redeem shares in the accounts of the Minnesota supplemental investment fund standing in a participant's share account record under the following circumstances and in accordance with the laws and regulations governing the Minnesota supplemental investment fund:

(1) A participant who is no longer employed by the county of Hennepin is entitled to receive the cash realized on the redemption of the shares to the credit of the participant's share account record of the person. The participant may request the redemption of all or a portion of the shares in the participant's share account record of the person, but may not request more than one redemption in any one calendar year. If only a portion of the shares in the participant's share account record is requested to be redeemed the person may request to redeem not less than 20 percent of the shares in any one calendar year and the redemption must be completed in no more than five years. The person may select annual redemption in a single lump sum or in monthly payments. An election is irrevocable except that a participant may request an amendment of the election to redeem all of the person's remaining shares. All requests under this paragraph are subject to application to and approval of the ~~Hennepin County administrator, in the sole discretion of the administrator~~ Minnesota State Retirement System upon verification by Hennepin County through the county administrator of the recipient's eligibility to redeem funds.

(2) In the event of the death of a participant leaving a surviving spouse, the surviving spouse is entitled to receive the cash realized on the redemption of all or a portion of the shares in the participant's share account record of the deceased spouse, but in no event may the spouse request more than one redemption in each calendar year. If only a portion of the shares in the participant's share account record is requested to be redeemed, the surviving spouse may request the redemption of not less than 20 percent of the shares in any one calendar year. The surviving spouse may elect annual redemption in a single lump sum payment or in monthly payments. Redemption must be completed in no more than five years. An election is irrevocable except that the surviving spouse may request an amendment of the election to redeem all of the participant's remaining shares. All requests under this paragraph are subject to application to and approval of the ~~Hennepin County administrator, in the sole discretion of the administrator~~ Minnesota State Retirement System upon verification by Hennepin County through the county administrator of the recipient's eligibility to redeem funds. Upon the death of the surviving spouse, any shares remaining in the participant's share account record must be redeemed on behalf of Hennepin County by the ~~county of Hennepin~~ Minnesota State Retirement System and the cash realized from the redemption distributed to the estate of the surviving spouse.

(3) In the event of the death of a participant leaving no surviving spouse, but leaving a minor surviving child or minor surviving children, the guardianship estate of the minor child is, or the guardianship estates of the minor children are, entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant. In the event of minor surviving children, the cash realized must be paid in equal shares to the guardianship estates of the minor surviving children.

(4) In the event of the death of a participant leaving no surviving spouse and no minor surviving children, the estate of the deceased participant is entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant.

Sec. 7. [383B.491] [MINNESOTA STATE RETIREMENT SYSTEM BILLING AUTHORITY.]

The Minnesota State Retirement System executive director is authorized to enter into an interagency agreement with Hennepin County under which the Minnesota State Retirement System would directly bill the county for the cost of the Minnesota State Retirement System's administration of the Hennepin County Supplemental Retirement Plan.

Sec. 8. Minnesota Statutes 2004, section 423B.09, subdivision 1, is amended to read:

Subdivision 1. [MINNEAPOLIS POLICE; PERSONS ENTITLED TO RECEIVE PENSIONS.] The association shall grant pensions payable from the police pension fund in monthly installments to persons entitled to pensions in the manner and for the following purposes.

(a) ~~When the actuarial value of assets of the fund according to the most recent annual actuarial valuation performed in accordance with sections 356.215 and 356.216 is less than 90 percent of the actuarial accrued liabilities,~~ An active member or a deferred pensioner who has performed duty as a member of the police department of the city 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 equal to eight units. ~~For full years of service beyond five years, the service pension increases by 1.6 units for each full year, to a maximum of 40 units. When the actuarial value of assets of the fund according to the most recent annual actuarial valuation prepared in accordance with sections 356.215 and 356.216 is greater than 90 percent of actuarial accrued liabilities,~~ Active members, deferred members, and service pensioners are entitled to a service pension according to the following schedule:

5 years	8.0 units
6 years	9.6 units
7 years	11.2 units
8 years	12.8 units
9 years	14.4 units
10 years	16.0 units
11 years	17.6 units
12 years	19.2 units
13 years	20.8 units
14 years	22.4 units
15 years	24.0 units
16 years	25.6 units
17 years	27.2 units
18 years	28.8 units
19 years	30.4 units
20 years	34.0 units
21 years	35.6 units
22 years	37.2 units
23 years	38.8 units
24 years	40.4 units
25 years	42.0 units

Fractional years of service may not be used in computing pensions.

(b) An active member who after five years' service but less than 20 years' service with the police department of the city, becomes superannuated so as to be permanently unable to perform the person's assigned duties, is entitled to be paid monthly for life a superannuation pension equal to four units for five years of service and an additional two units for each full year of service over five years and less than 20 years.

(c) An active member who is not eligible for a service pension and who, while a member of the police department of the city, becomes diseased or sustains an injury while in the service that permanently unfits the member for the performance of police duties is entitled to be paid monthly for life a pension equal to 34 units while so disabled.

Sec. 9. Minnesota Statutes 2004, section 423C.05, subdivision 2, is amended to read:

Subd. 2. [SERVICE PENSION.] (a) ~~An active~~ A 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:~~

Length of allowable service credit	Service pension payable if under 90 percent	Service pension payable if greater than 89.99 percent and less than 92.5 percent	Service pension payable if greater than 92.49 percent <u>Number of units</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
22 years	36.2 units	37.7 units	37.2 units
23 years	37.8 units	38.3 units	38.8 units
24 years	39.4 units	39.9 units	40.4 units
25 years or more	41.0 units	41.5 units	42.0 units

(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.

Sec. 10. [423C.16] [RECOMPUTATION OF DISABLED BENEFIT PROHIBITED.]

Notwithstanding section 423A.11, the Board of Trustees of the Minneapolis Firefighters' Relief Association shall not recompute the disability benefit of a member who became permanently disabled as the result of a service-related disease or injury. Any prior recomputation of a disabled member's service-related disability pension shall be revoked upon the member's request and upon the member's signed and sworn agreement to waive any right to a recomputation of the benefit in the future. Non-service-related disability pension benefits that were recomputed at full 25-year service pensions shall remain in effect."

Page 168, after line 21, insert:

"(b) Sections 3, 4, 5, 6, and 7 are effective on the day after the board of Hennepin County and its chief clerical officer complete in a timely manner their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(c) Section 8 is effective on the day after the Minneapolis city council and the chief clerical officer of the city of Minneapolis complete in a timely manner their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(d) Sections 9 and 10 are effective on the day after the governing body of the city of Minneapolis and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Page 168, line 22, delete "(b)" and insert "(e)" and delete "3" and insert "12"

Page 168, line 26, delete "(c)" and insert "(f)" and delete "4" and insert "11"

Page 168, line 36, delete "(d)" and insert "(g)" and delete "5" and insert "13"

Page 169, after line 4, insert:

"ARTICLE 14

MINNEAPOLIS EMPLOYEES RETIREMENT

FUND CHANGES

Section 1. Minnesota Statutes 2004, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION COMPENSATION LIMIT.] (a) The salary and the value of all other forms of compensation of a person employed by a political subdivision of this state, excluding a school district, ~~or employed under section 422A.03~~ may not exceed 95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. For purposes of this subdivision, "political subdivision of this state" includes a statutory or home rule charter city, county, town, metropolitan or regional agency, or other political subdivision, but does not include a hospital, clinic, or health maintenance organization owned by such a governmental unit ~~or a retirement plan governed by chapter 422A.~~

(b) Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. Other forms of compensation which shall be included to determine an employee's total compensation are all other direct and indirect items of compensation which are not specifically excluded by this subdivision. Other forms of compensation which shall not be included in a determination of an employee's total compensation for the purposes of this subdivision are:

(1) employee benefits that are also provided for the majority of all other full-time employees of the political subdivision, vacation and sick leave allowances, health and dental insurance, disability insurance, term life insurance, and pension benefits or like benefits the cost of which is borne by the employee or which is not subject to tax as income under the Internal Revenue Code of 1986;

(2) dues paid to organizations that are of a civic, professional, educational, or governmental nature; and

(3) reimbursement for actual expenses incurred by the employee which the governing body determines to be directly related to the performance of job responsibilities, including any relocation expenses paid during the initial year of employment.

The value of other forms of compensation shall be the annual cost to the political subdivision for the provision of the compensation.

(c) The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O. degree is excluded from the limitation in this subdivision.

(d) The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state and nation. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the Legislative Coordinating Commission and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have made no recommendation.

Sec. 2. Minnesota Statutes 2004, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. [MINNEAPOLIS EMPLOYEES RETIREMENT FUND INVESTMENT AUTHORITY.] (a) For investments made on or after July 1, 1991, the board shall invest funds only in investments authorized by section 356A.06, subdivision 7.

(b) However, in addition to real estate investments authorized under paragraph (a), the board may also make loans to purchasers of Minnesota situs nonfarm residential real estate that is owned by the Minneapolis Employees Retirement Fund. The loans must be secured by mortgages or deeds of trust.

(c) For investments made before July 1, 1991, the board may, but is not required to, comply with paragraph (a). However, with respect to these investments, the board shall act in accordance with subdivision 2a and chapter 356A.

(d) The board may certify assets for investment by the State Board of Investment under sections 11A.14 and 11A.17.

Sec. 3. Minnesota Statutes 2004, section 422A.06, subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] (a) The deposit accumulation fund consists of the assets held in the fund, including amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, amounts paid by the state, and by income from investments.

(b) There must be paid from the fund the amounts required to be transferred to the retirement benefit fund, or the disability benefit fund, refunds of contributions, including the death-while-active refund specified in section 422A.22, subdivision 4, postretirement increases in retirement allowances granted under Laws 1965, chapter 688, or Laws 1969, chapter 859, and expenses of the administration of the retirement fund which were not charged by the retirement board against the income of the retirement benefit fund from investments as the cost of handling the investments of the retirement benefit fund.

(c) To the extent that the deposit accumulation fund has insufficient assets to transfer the total value of the required reserves for retirement annuities to either the disability benefit fund under subdivisions 5 and 7 or the retirement benefit fund under subdivisions 5 and 8 as required, the



deposit accumulation fund has a transfer amount payable on which an interest charge accrues. The executive director must determine the interest charge for the period that transfer amount payable remains unpaid at an annual rate equal to five percent plus the percentage increase in the amount of the annual Consumer Price Index for urban wage earners and clerical workers as calculated by the Bureau of Labor Statistics of the United States Department of Labor from the previous June 30. The interest charge must be reflected in the books of the Minneapolis Employees Retirement Fund and assessed against the deposit accumulation fund based on the average quarterly transfer amount payable balance outstanding. Any revenue received by the deposit accumulation fund subsequent to unpaid transfers must be transferred from the deposit accumulation fund to the disability benefit fund or to the retirement fund, whichever applies, must first be applied to any remaining interest charge and then must be applied to the principal amount of transfer amount payable outstanding.

Sec. 4. Minnesota Statutes 2004, section 422A.06, subdivision 5, is amended to read:

Subd. 5. [TRANSFER OF RESERVES TO RETIREMENT BENEFIT FUND; ADJUSTMENTS OF ANNUITIES AND BENEFITS.] (a) Assets equal to the required reserves for retirement annuities as determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained~~ actuary retained under section 356.214 and using the postretirement interest assumption specified in section 356.215, subdivision 8, ~~shall~~ must be transferred to the disability benefit fund as provided in subdivision 7, or the retirement benefit fund, except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) If a full transfer amount is not payable from the deposit accumulation fund, the applicable fund must be credited with an interest-bearing transfer amount receivable.

~~(b)~~ (c) Annuity payments ~~shall~~ must be adjusted in accordance with this chapter, except that no minimum retirement payments ~~described~~ in this chapter ~~shall~~ must include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statute.

~~(e)~~ (d) Increases in annuity payments ~~pursuant to~~ under this section shall be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase not be made.

~~(d)~~ (e) Any additional annuity which began to accrue on July 1, 1973, or which began to accrue on January 1, 1974, pursuant to Laws 1973, chapter 770, section 1, ~~shall~~ must be considered as part of the base amount to be used in determining any postretirement adjustments payable ~~pursuant to~~ under the provisions of subdivision 8.

Sec. 5. Minnesota Statutes 2004, section 422A.06, subdivision 7, is amended to read:

Subd. 7. [DISABILITY BENEFIT FUND.] (a) Unless subdivision 3, paragraph (c), applies, the required reserves for disability allowances which become effective after December 31, 1973, ~~shall~~ must be transferred from the deposit accumulation fund to the disability benefit fund. A proportionate share of income from investments ~~shall~~ must be allocated to this fund ~~and any interest charge under subdivision 3, paragraph (c), must be credited to the fund. There shall be paid~~ From this fund, the disability allowances which become effective after December 31, 1973, must be paid.

(b) In the event of termination of any disability allowance for any reason other than the death of the recipient, the balance of the required reserves for the disability allowance as of the date of termination ~~shall~~ must be transferred from the disability benefit fund to the deposit accumulation fund.

(c) At the end of each fiscal year, as part of the annual actuarial valuation, a determination ~~shall~~ must be made of the required reserves for all disability allowances being paid from the disability benefit fund. Any excess of assets over actuarial required reserves in the disability benefit fund ~~shall~~ must be transferred to the deposit accumulation fund. Unless subdivision 3, paragraph (c),

applies, any excess of actuarial reserves over assets in the disability benefit fund shall must be funded by a transfer of the appropriate amount of assets from the deposit accumulation fund.

Sec. 6. Minnesota Statutes 2004, section 422A.06, subdivision 8, is amended to read:

Subd. 8. [RETIREMENT BENEFIT FUND.] (a) The retirement benefit fund shall consist consists of amounts held for payment of retirement allowances for members retired pursuant to under this chapter, including any transfer amount payable under subdivision 3, paragraph (c).

(b) Unless subdivision 3, paragraph (c), applies, assets equal to the required reserves for retirement allowances pursuant to under this chapter determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the commission-retained actuary shall retained under section 356.214, must be transferred from the deposit accumulation fund to the retirement benefit fund as of the last business day of the month in which the retirement allowance begins. The income from investments of these assets shall must be allocated to this fund and any interest charge under subdivision 3, paragraph (c), must be credited to the fund. There shall must be paid from this fund the retirement annuities authorized by law. A required reserve calculation for the retirement benefit fund must be made by the actuary retained by the Legislative Commission on Pensions and Retirement under section 356.214 and must be certified to the retirement board by the commission-retained actuary.

(c) The retirement benefit fund shall must be governed by the applicable laws governing the accounting and audit procedures, investment, actuarial requirements, calculation and payment of postretirement benefit adjustments, discharge of any deficiency in the assets of the fund when compared to the actuarially determined required reserves, and other applicable operations and procedures regarding the Minnesota postretirement investment fund in effect on June 30, 1997, established under Minnesota Statutes 1996, section 11A.18, and any legal or administrative interpretations of those laws of the State Board of Investment, the legal advisor to the Board of Investment and the executive director of the State Board of Investment in effect on June 30, 1997. If a deferred yield adjustment account is established for the Minnesota postretirement investment fund before June 30, 1997, under Minnesota Statutes 1996, section 11A.18, subdivision 5, the retirement board shall also establish and maintain a deferred yield adjustment account within this fund.

(d) Annually, following the calculation of any postretirement adjustment payable from the retirement benefit fund, the board of trustees shall submit a report to the executive director of the Legislative Commission on Pensions and Retirement and to the commissioner of finance indicating the amount of any postretirement adjustment and the underlying calculations on which that postretirement adjustment amount is based, including the amount of dividends, the amount of interest, and the amount of net realized capital gains or losses utilized in the calculations.

(e) With respect to a former contributing member who began receiving a retirement annuity or disability benefit under section 422A.151, paragraph (a), clause (2), after June 30, 1997, or with respect to a survivor of a former contributing member who began receiving a survivor benefit under section 422A.151, paragraph (a), clause (2), after June 30, 1997, the reserves attributable to the one percent lower amount of the cost-of-living adjustment payable to those annuity or benefit recipients annually must be transferred back to the deposit accumulation fund to the credit of the Metropolitan Airports Commission. The calculation of this annual reduced cost-of-living adjustment reserve transfer must be reviewed by the actuary retained by the Legislative Commission on Pensions and Retirement under section 356.214.

Sec. 7. Minnesota Statutes 2004, section 422A.101, subdivision 3, is amended to read:

Subd. 3. [STATE CONTRIBUTIONS.] (a) Subject to the limitation set forth in paragraph (c), the state shall pay to the Minneapolis Employees Retirement Fund annually an amount equal to the amount calculated under paragraph (b).

(b) The payment amount is an amount equal to the financial requirements of the Minneapolis Employees Retirement Fund reported in the actuarial valuation of the fund prepared by the

commission-retained actuary pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded actuarial accrued liabilities by June 30, 2020, less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a, 2, and 2a. Payments shall be made September 15 annually.

(c) The annual state contribution under this subdivision may not exceed \$9,000,000, plus the cost of the annual supplemental benefit determined under section 356.43.

(d) If the amount determined under paragraph (b) exceeds ~~\$11,910,000~~ \$9,000,000, the excess must be allocated to and paid to the fund by the employers identified in subdivisions 1a and 2, other than units of metropolitan government. Each employer's share of the excess is proportionate to the employer's share of the fund's unfunded actuarial accrued liability as disclosed in the annual actuarial valuation prepared by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214 compared to the total unfunded actuarial accrued liability attributed to all employers identified in subdivisions 1a and 2, other than units of metropolitan government. Payments must be made in equal installments as set forth in paragraph (b).

Sec. 8. [REPEALER.]

Minnesota Statutes 2004, section 422A.101, subdivision 4, is repealed.

Sec. 9. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 1 to 8 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 15

### ONE PERSON AND SMALL GROUP

#### RETIREMENT CHANGES

Section 1. [SURVIVOR BENEFIT FOR ST. LOUIS PARK POLICE OFFICER KILLED IN IRAQ CONFLICT.]

Subdivision 1. [ELIGIBILITY.] (a) Notwithstanding any provision of Minnesota Statutes, section 353.657, subdivision 1, regarding required length of marriage, an eligible person described in paragraph (b) is authorized to apply for a surviving spouse annuity from the public employees police and fire retirement plan to be computed under Minnesota Statutes, section 353.657, subdivision 2.

(b) An eligible person for purposes of paragraph (a) is the surviving spouse of a deceased public employees police and fire retirement plan member who:

(1) was born on October 29, 1979;

(2) was a member of the public employees police and fire retirement plan commencing on January 24, 2004, due to employment as a police officer by the city of St. Louis Park; and

(3) died on February 21, 2005, while providing military service in Iraq.

Subd. 2. [APPLICATION PROCESS.] An eligible person described in subdivision 1 is authorized to apply for the applicable surviving spouse annuity on a form or forms provided by the executive director of the Public Employees Retirement Association. The person must provide sufficient documentation of eligibility to the executive director, as the executive director may prescribe.

Subd. 3. [REFUND REPAYMENT AUTHORIZATION.] An annuity under this section is in lieu of any death refund to which an eligible person would otherwise be entitled. If an eligible person has received a death refund, that person is authorized to repay that refund, under the terms specified in Minnesota Statutes, section 353.35, notwithstanding any law to the contrary.

Subd. 4. [RETROACTIVE APPLICATION.] If a valid benefit application is made by an eligible person under this section, the monthly annuity payments commence retroactive to February 21, 2005.

Sec. 2. [PURCHASE OF PRIOR SERVICE CREDIT.]

(a) An eligible person described in paragraph (b) is entitled to purchase up to one year of allowable service credit from the Teachers Retirement Association for the 2003-2004 school year. The service credit purchase under this section must be made in accordance with Minnesota Statutes, section 356.551, except as otherwise stated in this section.

(b) An eligible person is a person who:

(1) is currently a member of the Teachers Retirement Association;

(2) was born on April 2, 1949;

(3) has been employed by Independent School District No. 11, Anoka-Hennepin, since the 1971-1972 school year;

(4) applied for and was granted an extended leave of absence from Independent School District No. 11, Anoka-Hennepin, for the 2002-2003, 2003-2004, and 2004-2005 school years under Minnesota Statutes, section 122A.46;

(5) was unable to make timely payment for the 2003-2004 school year under Minnesota Statutes, section 354.094, because of a problem in transferring funds from the individual's tax-sheltered annuity account; and

(6) was not permitted by the Teachers Retirement Association to make payment after June 30, 2004, with interest.

(c) Notwithstanding Minnesota Statutes, section 356.551, payment must be made by September 1, 2005, or prior to termination of service, whichever is earlier, and the employee payment amount is an amount equal to the employee contribution rate in effect during the 2003-2004 school year applied to the eligible individual's salary in the year prior to the leave, plus .708 percent monthly interest from June 30, 2004, until the end of the month in which payment is made. If the full payment required under this paragraph is made, then notwithstanding Minnesota Statutes, section 354.094, the individual is authorized under Minnesota Statutes, section 354.094, to make the required contribution for the 2004-2005 school year, and any subsequent years of the leave. Notwithstanding payment deadlines in Minnesota Statutes, section 354.094, the employee contribution for the 2004-2005 school year must be made on or before September 30, 2005, with .708 percent monthly interest from June 30, 2005, until paid.

(d) If payment is received under paragraph (c), the executive director of the Teachers Retirement Association shall bill Independent School District No. 11, Anoka-Hennepin, for the employer contribution that would have been made on behalf of the eligible person for the 2003-2004 fiscal year under Minnesota Statutes, section 354.094. The remainder of the full actuarial value payment under Minnesota Statutes, section 356.551, is waived. If the school district fails to make payment under this paragraph within 30 days of notification of the amount due, the executive director shall notify the commissioner of the Department of Finance of that fact and the employer payment amount shall be deducted from any subsequent state aid to the school district.

Sec. 3. [EFFECTIVE DATE.]

(a) For purposes of determining whether section 1 becomes effective, the board of trustees of the Public Employees Retirement Association shall be considered to be comparable to the city council of a local government unit.

(b) Section 1 is effective on the day after the board of trustees of the Public Employees Retirement Association and its executive director complete in a timely manner their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(c) Section 2 is effective on the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 427 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 56 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Nienow	Senjem
Bachmann	Gaither	Langseth	Olson	Skoglund
Bakk	Gerlach	Larson	Ortman	Solon
Belanger	Higgins	LeClair	Pappas	Stumpf
Berglin	Hottinger	Limmer	Pariseau	Tomassoni
Betzold	Johnson, D.E.	Lourey	Pogemiller	Vickerman
Chaudhary	Jungbauer	Marty	Ranum	Wergin
Cohen	Kelley	McGinn	Reiter	Wiger
Day	Kierlin	Metzen	Rest	
Dibble	Kiscaden	Michel	Sams	
Dille	Kleis	Moua	Saxhaug	
Foley	Koering	Neuville	Scheid	

Those who voted in the negative were:

Robling

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

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

### Senator Murphy introduced--

**S.F. No. 2268:** A bill for an act relating to taxation; providing a state-paid credit for taxes paid on pollution control equipment used by electric utilities; eliminating the property tax exemption for pollution control equipment that is part of an electric utility system; appropriating money; amending Minnesota Statutes 2004, section 272.02, subdivisions 10, 41; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes.

### Senator Johnson, D.E. introduced--

**S.F. No. 2269:** A bill for an act relating to education finance; providing an increase in equity revenue for districts with low levels of referendum revenue per pupil unit; amending Minnesota Statutes 2004, section 126C.10, subdivision 24.

Referred to the Committee on Finance.

### Senators Dibble, Wiger, Solon and Day introduced--

**S.F. No. 2270:** A bill for an act relating to commerce; requiring separate licensure for industrial loan and thrift companies acting as currency exchanges; amending Minnesota Statutes 2004, sections 53.05; 53A.01, subdivision 1.

Referred to the Committee on Commerce.

**Senator Skoglund introduced--**

**S.F. No. 2271:** A bill for an act relating to public safety; enacting the Minnesota Public Protection Act of 2005; authorizing concealed carry permits for pistols; providing eligibility requirements for permits; requiring chief law enforcement officers to grant or deny permits; providing for applicant investigations, fees, pistol training, renewal, and other concealed carry permit system requirements; providing that an applicant who has been denied a permit may appeal to a petition review board; repealing the Minnesota Citizens' Personal Protection Act of 2003; imposing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 624; repealing Minnesota Statutes 2004, sections 13.87, subdivision 2; 609.66, subdivision 1d; 624.714; 624.7142; 624.7143.

Referred to the Committee on Crime Prevention and Public Safety.

**Senators Betzold and Skoglund introduced--**

**S.F. No. 2272:** A bill for an act relating to retirement; modifying a Social Security coverage provision for legislators; amending Minnesota Statutes 2004, section 355.629, subdivision 3.

Referred to the Committee on State and Local Government Operations.

**Senator Cohen, for the Committee on Finance, introduced--**

**S.F. No. 2273:** A bill for an act relating to criminal justice; appropriating money for the courts, public defenders, public safety, corrections, and other criminal justice agencies; establishing, funding, modifying, and regulating public safety, criminal justice, judiciary, law enforcement, corrections, crime victims, and CriMNet policies, programs, duties, activities, or practices; requiring studies and reports; imposing criminal and civil penalties; setting or increasing fines, surcharges, taxes, and fees; amending Minnesota Statutes 2004, sections 14.03, subdivision 3; 152.01, subdivision 10; 152.021, subdivisions 2a, 3; 168A.05, subdivision 3; 171.06, by adding a subdivision; 171.20, subdivision 4; 171.26; 237.70, subdivision 7; 241.06; 241.67, subdivisions 7, 8; 243.166; 243.167; 244.04, subdivision 1; 244.05, subdivisions 2, 4, 5, 6, 7; 244.052, subdivisions 3, 4, by adding a subdivision; 244.09, subdivision 11; 244.10, subdivision 2a, by adding a subdivision; 244.18, subdivision 2; 253B.08, subdivision 1; 253B.18, subdivision 5, by adding a subdivision; 260C.171, by adding a subdivision; 297G.03, subdivisions 1, 2; 297G.04, subdivisions 1, 2; 299A.38, subdivisions 2, 2a, 3; 299C.65, subdivisions 1, 2, 5, by adding a subdivision; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.311; 340A.404, subdivision 12; 340A.408, subdivision 4; 340A.414, subdivision 6; 340A.504, subdivisions 3, 7; 357.021, subdivisions 2, 6, 7; 357.18; 403.02, subdivisions 7, 13, 17, by adding a subdivision; 403.025, subdivisions 3, 7; 403.05, subdivision 3; 403.07, subdivision 3; 403.08, subdivision 10; 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.27, subdivisions 1, 3; 403.30, subdivision 1; 505.08, subdivision 2; 508.82; 508A.82; 515B.1-116; 518B.01, subdivision 22; 604.15, subdivision 2, by adding a subdivision; 609.108, subdivisions 1, 3, 4, 6; 609.109, subdivisions 2, 5; 609.1095, subdivision 1; 609.115, by adding a subdivision; 609.117, subdivisions 1, 2; 609.119; 609.1351; 609.185; 609.223, by adding a subdivision; 609.2231, by adding a subdivision; 609.229, subdivision 3; 609.321, subdivisions 1, 7, by adding subdivisions; 609.325, by adding a subdivision; 609.341, subdivision 14, by adding a subdivision; 609.342, subdivisions 2, 3; 609.343, subdivisions 2, 3; 609.344, subdivisions 2, 3; 609.345, subdivisions 2, 3; 609.3452, subdivision 1; 609.347; 609.3471; 609.348; 609.353; 609.485, subdivisions 2, 4; 609.50, subdivision 1; 609.527, subdivisions 1, 3, 4, 6, by adding a subdivision; 609.531, subdivision 1; 609.5315, subdivision 1, by adding a subdivision; 609.746, subdivision 1; 609.748, subdivisions 2, 3a; 609.749, subdivision 2; 609.79, subdivision 2; 609.795, by adding a subdivision; 617.81, subdivision 4, by adding a subdivision; 617.85; 626.556, subdivision 3; 628.26; 631.045; proposing coding for new law in Minnesota Statutes, chapters 152; 237; 243; 244; 299A; 299C; 325F; 357; 403; 609; repealing Minnesota Statutes 2004, sections 18C.005, subdivisions 1a, 35a; 18C.201, subdivisions 6, 7; 18D.331, subdivision 5; 243.166, subdivisions 1, 8; 299A.68;

299C.65, subdivisions 3, 4, 6, 7, 8, 8a, 9; 386.30; 403.30, subdivision 3; 609.108, subdivision 2; 609.109, subdivision 7; 609.725.

Referred to the Committee on Taxes.

### **MEMBERS EXCUSED**

Senators Fischbach; Johnson, D.J.; Ourada; Ruud and Sparks were excused from the Session of today. Senator Murphy was excused from the Session of today from 1:00 to 1:35 p.m. Senator Frederickson was excused from the Session of today from 1:00 to 1:55 p.m. Senator Hann was excused from the Session of today at 2:10 p.m. Senator Rosen was excused from the Session of today at 2:15 p.m. Senator Marko was excused from the Session of today at 2:30 p.m.

### **ADJOURNMENT**

Senator Johnson, D.E. moved that the Senate do now adjourn until 1:00 p.m., Thursday, April 28, 2005. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate





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