

STATE OF MINNESOTA

EIGHTY-FIRST SESSION — 1999

 SIXTY-SECOND DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 11, 1999

The House of Representatives convened at 9:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Dr. Kip Jentoft, Philadelphia Christian Center, Albert Lea, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dorn	Holsten	Lindner	Pawlenty	Sykora
Abrams	Entenza	Howes	Mahoney	Paymar	Tomassoni
Anderson, B.	Erhardt	Huntley	Mares	Pelowski	Trimble
Anderson, I.	Erickson	Jaros	Mariani	Peterson	Tuma
Bakk	Finseth	Jennings	Marko	Pugh	Tunheim
Biernat	Folliard	Johnson	McCollum	Rest	Van Dellen
Bishop	Fuller	Juhnke	McElroy	Reuter	Vandever
Boudreau	Gerlach	Kahn	McGuire	Rhodes	Wagenius
Bradley	Gleason	Kalis	Milbert	Rifenberg	Wejcmán
Broecker	Goodno	Kelliher	Molnau	Rostberg	Wenzel
Buesgens	Gray	Kielkucki	Mulder	Rukavina	Westerberg
Carlson	Greenfield	Knoblach	Mullery	Schumacher	Westfall
Carruthers	Greiling	Koskinen	Murphy	Seagren	Westrom
Cassell	Gunther	Krinkie	Ness	Seifert, J.	Wilkin
Chaudhary	Haake	Kubly	Nornes	Seifert, M.	Winter
Clark, J.	Haas	Kuisle	Olson	Skoe	Wolf
Daggett	Hackbarth	Larsen, P.	Opatz	Skoglund	Workman
Davids	Harder	Larson, D.	Orfield	Smith	Spk. Sviggum
Dawkins	Hasskamp	Leighton	Osskopp	Solberg	
Dehler	Hausman	Lenczewski	Otremba	Stang	
Dempsey	Hilty	Leppik	Ozment	Storm	
Dorman	Holberg	Lieder	Paulsen	Swenson	

A quorum was present.

Clark, K., was excused.

Osthoff was excused until 9:30 a.m. Luther was excused until 9:40 a.m. Tingelstad was excused until 10:05 a.m. Munger was excused until 10:15 a.m. Stanek was excused until 1:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Milbert moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 6, 1999

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 92, relating to drivers' licenses; modifying required content of petition for seeking judicial review of driver's license revocation for violating implied consent law; allowing judges to order additional discovery in that proceeding.

H. F. No. 1553, relating to corrections; authorizing offenders conditionally released to perform community work service to file claims for injuries sustained during compensated service; repealing a requirement for a report on training funds; authorizing expenditure of funds for staff working in licensed juvenile facilities; authorizing deduction from an inmate's account of restitution ordered for damage to staff property and personal injuries to another; authorizing the commissioner to require any inmate to participate in rehabilitative programs and impose disciplinary sanctions for refusal to participate; clarifying that sentence for imprisonment is only for felonies; making certain criminal justice agency records available to commissioner of corrections and probation officers; specifying criteria for commitment of juvenile male offenders at the Minnesota correctional facility-Red Wing; repealing the law authorizing the mutual agreement rehabilitative program; prohibiting use of state funds to acquire art for state correctional facilities.

H. F. No. 1707, relating to public safety; prohibiting courts from modifying statutory sex offender registration requirements in criminal sentences and juvenile disposition orders.

H. F. No. 132, relating to lawful gambling; exempting certain bingo games from regulation.

H. F. No. 1905, relating to state government; rulemaking; authorizing the governor to veto certain rules.

Sincerely,

JESSE VENTURA
Governor

62ND DAY]

TUESDAY, MAY 11, 1999

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STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 6, 1999

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

I am allowing the enactment into law of Chapter Number 125, H. F. No. 359, without my signature.

H. F. No. 359, relating to utilities; authorizing public utilities commission to establish and delegate powers to subcommittees and to designate lead commissioners; allowing petitions to be deemed approved unless set aside for affirmative action by the commission; authorizing a quorum of the commission to discuss a docket without complying with certain statutory law when acting as an administrative court.

Sincerely,

JESSE VENTURA
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 7, 1999

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

I am allowing the enactment into law of Chapter Number 130, H. F. No. 270, without my signature.

H. F. No. 270, relating to insurance; increasing the maximum lifetime benefit limit on certain policies of the Minnesota comprehensive health insurance plan.

Sincerely,

JESSE VENTURA
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1999 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:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1999</i>	<i>Date Filed 1999</i>
	92	124	3:32 p.m. May 6	May 6
	359**	125		May 6
	1553	126	3:34 p.m. May 6	May 6
	1707	127	3:35 p.m. May 6	May 6
	132	128	3:38 p.m. May 6	May 6
	1905	129	3:41 p.m. May 6	May 6
	270**	130		May 7
778		131	12:18 p.m. May 7	May 7
1144		132	1:48 p.m. May 7	May 7
1060		133	12:20 p.m. May 7	May 7
521		134	12:23 p.m. May 7	May 7

Sincerely,

MARY KIFFMEYER
Secretary of State

[NOTE: ** H. F. Nos. 359 and 270 became law without the Governor's signature.]

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Paymar, Gleason and Wagenius introduced:

H. F. No. 2444, A bill for an act relating to metropolitan government; providing for an elected airport noise abatement council; amending Minnesota Statutes 1998, sections 204B.06, subdivision 4; 204B.09, subdivisions 1 and 1a; 204B.11; 204B.32, subdivision 2; 204D.02, subdivision 1; 204D.08, subdivision 6; 204D.27, by adding a subdivision; 209.02, subdivision 1; and 211B.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 204D; and 473.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Krinkie, Mulder and Workman introduced:

H. F. No. 2445, A bill for an act relating to professions; establishing a land surveyor board and an appellate board to regulate land surveyors; appropriating money; amending Minnesota Statutes 1998, sections 326.04; 326.05; 326.07; 326.09; 326.10; 326.11; 326.111; 326.12, subdivision 1; and 326.13; proposing coding for new law in Minnesota Statutes, chapter 326.

The bill was read for the first time and referred to the Committee on Commerce.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1607, A bill for an act relating to peace officers; authorizing federally recognized tribes to exercise concurrent criminal jurisdictional authority with the local sheriff within the geographical boundaries of the tribe's reservation; establishing requirements for the exercise of such authority; amending Minnesota Statutes 1998, section 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Smith moved that the House concur in the Senate amendments to H. F. No. 1607 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1607, A bill for an act relating to peace officers; authorizing federally recognized tribes to exercise concurrent criminal jurisdictional authority with the local sheriff within the geographical boundaries of the tribe's reservation; establishing requirements for the exercise of such authority; amending Minnesota Statutes 1998, section 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Biernat	Carlson	Daggett	Dorman	Finseth
Abrams	Boudreau	Carruthers	Davids	Dorn	Folliard
Anderson, B.	Bradley	Cassell	Dawkins	Entenza	Fuller
Anderson, I.	Broecker	Chaudhary	Dehler	Erhardt	Gerlach
Bakk	Buesgens	Clark, J.	Dempsey	Erickson	Gleason

Goodno	Jennings	Leppik	Opatz	Schumacher	Vandever
Greenfield	Johnson	Lieder	Orfield	Seagren	Wagenius
Greiling	Juhnke	Lindner	Osskopp	Seifert, J.	Wenzel
Gunther	Kahn	Mahoney	Otremba	Seifert, M.	Westerberg
Haake	Kalis	Mares	Ozment	Skoe	Westfall
Haas	Kelliher	McCollum	Paulsen	Skoglund	Westrom
Hackbarth	Kielkucki	McElroy	Pawlenty	Smith	Wilkin
Harder	Knoblach	McGuire	Paymar	Solberg	Winter
Hasskamp	Koskinen	Milbert	Pelowski	Stang	Wolf
Hausman	Krinkie	Molnau	Peterson	Storm	Workman
Hilty	Kubly	Mulder	Pugh	Swenson	Spk. Sviggum
Holberg	Kuisle	Mullery	Reuter	Sykora	
Holsten	Larsen, P.	Murphy	Rhodes	Tomassoni	
Howes	Larson, D.	Ness	Rifenberg	Trimble	
Huntley	Leighton	Nornes	Rostberg	Tuma	
Jaros	Lenczewski	Olson	Rukavina	Tunheim	

The bill was repassed, as amended by the Senate, and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 7

A bill for an act relating to motor vehicles; modifying the motor vehicle emissions inspection program and providing for termination of inspection by January 1, 2000, or earlier if redesignated to attainment for carbon monoxide before January 1, 2000; amending Minnesota Statutes 1998, sections 116.60, subdivision 1, and by adding a subdivision; 116.61, subdivision 1, and by adding a subdivision; 116.62, subdivisions 2, 3, 5, and by adding a subdivision; and 116.63, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1998, sections 116.60; 116.61; 116.62; 116.63; and 116.64.

May 5, 1999

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 7, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 7 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 116.60, is amended by adding a subdivision to read:

Subd. 12. [TWIN CITIES NONATTAINMENT AREA FOR CARBON MONOXIDE.] "Twin Cities nonattainment area for carbon monoxide" means the areas in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright which have been designated as nonattainment for carbon monoxide by the United States Environmental Protection Agency as of January 1, 1999.

Sec. 2. Minnesota Statutes 1998, section 116.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except as ~~described provided in subdivision~~ subdivisions 1a and 3, each motor vehicle registered to an owner residing in the metropolitan area and each motor vehicle customarily domiciled in the metropolitan area but exempt from registration under section 168.012 or 473.448 must be inspected annually for air pollution emissions as provided in sections 116.60 to 116.65.

(b) The inspections must take place at a public or fleet inspection station. The inspections must take place within 90 days prior to the registration deadline for the vehicle or, for vehicles that are exempt from license fees under section 168.012 or 473.448, at a time set by the agency.

(c) The registration on a motor vehicle subject to paragraph (a) may not be renewed unless the vehicle has been inspected for air pollution emissions as provided in sections 116.60 to 116.65 and received a certificate of compliance or a certificate of waiver.

Sec. 3. Minnesota Statutes 1998, section 116.61, is amended by adding a subdivision to read:

Subd. 3. [TERMINATION OF TESTING REQUIREMENT.] Notwithstanding subdivision 1, a motor vehicle is not required to be inspected annually for air pollution emissions on or after March 1, 2000, or on or after the first day of the second month following the month a notice is published in the Federal Register by the United States Environmental Protection Agency redesignating the Twin Cities nonattainment area for carbon monoxide to attainment for carbon monoxide, whichever is earlier.

Sec. 4. Minnesota Statutes 1998, section 116.62, subdivision 2, is amended to read:

Subd. 2. [CRITERIA AND STANDARDS.] (a) The agency shall adopt rules for the program under chapter 14 establishing standards and criteria governing the testing and inspection of motor vehicles for air pollution emissions.

(b) The rules must specify maximum pollutant emission levels for motor vehicles, giving consideration to the levels of emissions necessary to achieve applicable federal and state air quality standards. The standards may be different for different model years, sizes, and types of motor vehicles, except that the standards must be based on the year of the chassis of the motor vehicle, and not the year of the engine of the motor vehicle.

(c) The rules must establish testing procedures and standards for test equipment used for the inspection. The test procedures or procedures producing comparable results must be available to the automobile pollution equipment repair industry. The test equipment used for the inspection or comparable equipment must be available to the repair industry on the open market.

(d) The rules must establish standards and procedures for the issuance of licenses for fleet inspection stations.

(e) The rules must establish standards and procedures for the issuance of certificates of compliance and waiver.

Sec. 5. Minnesota Statutes 1998, section 116.62, subdivision 3, is amended to read:

Subd. 3. [PUBLIC INSPECTION STATIONS; CONTRACT.] (a) The program shall provide for the inspection of motor vehicles at public inspection stations. The number and location of the stations must provide convenient public access.

(b) The agency shall contract with a private entity for the design, construction, equipment, establishment, maintenance, and operation of the public inspection stations and the provision of related services and functions. The contractor and its officers and employees may not be engaged in the business of selling, maintaining, or repairing motor vehicles or selling motor vehicle replacement or repair parts, except that the contractor may repair any motor vehicle owned or operated by the contractor. The contractor's employees are not employees of the state for any purpose. In evaluating contractors, the agency shall consider the contractors' policies and standards on working

conditions of employees. ~~Contracts must require the contractor to operate the public inspection stations for a minimum of five years and~~ may provide for equitable compensation, from the vehicle emission inspection account established by section 116.65, for capital costs and other appropriate expenditures to the contractor, as determined by the agency.

(c) A public inspection station shall inspect and reinspect motor vehicles in accordance with the agency rules and contract. The inspection station shall issue a certificate of compliance for a motor vehicle that has been inspected and determined to comply with the standards and criteria of the agency adopted under this section. If a certificate of compliance cannot be issued, the inspection station shall provide a written inspection report describing the reasons for rejection and, when appropriate, the repairs needed or likely to be needed to bring the vehicle into compliance with the standards and criteria.

(d) The agency shall develop a means of responding to inquiries from members of the public about the current status of a motor vehicle under the program, including the last date of inspection, certification of compliance, and the terms under which a certificate of waiver has been issued. The agency shall ensure in its public information program that the public is aware of this service. The agency may contract for the provision of this service.

(e) The agency shall not enter into any contract under this section, or renew any contract previously entered into under this section, that provides for the operation of public inspection stations on or after March 1, 2000, or on or after the first day of the second month following the month a notice is published in the Federal Register by the United States Environmental Protection Agency redesignating the Twin Cities nonattainment area for carbon monoxide to attainment for carbon monoxide, whichever is earlier.

Sec. 6. Minnesota Statutes 1998, section 116.62, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATES OF WAIVER.] (a) A certificate of waiver, valid for one year, must be issued for a motor vehicle following inspection if:

(1) a low emissions adjustment has been performed on the vehicle, following inspection and within 90 days prior to the renewal of registration, and

~~(2) either the estimated cost of repairs and adjustments necessary to bring the vehicle into compliance with emissions standards or the actual cost of repairs already performed on a vehicle in accordance with the inspection report under subdivision 3 exceeds the repair cost limit.~~

(b) The following costs may not be considered in determining eligibility for waiver under paragraph (a): costs for repairs made under warranty and costs necessary to repair or replace any emission control equipment that has been removed, dismantled, tampered with, misfueled, or otherwise rendered inoperative in violation of section 325E.0951.

(c) The repair cost limit is \$75 for vehicles manufactured before the 1981 model year, and \$200 for vehicles manufactured in the 1981 model year and after.

(d) A temporary certificate of waiver, valid for not more than 30 days, may be issued to a vehicle to allow time for inspection and necessary repairs and adjustments.

Sec. 7. Minnesota Statutes 1998, section 116.62, is amended by adding a subdivision to read:

Subd. 10. [NOTICE OF PROCEDURES FOR WAIVER AND EXTENSION.] The agency shall provide to the operator of a motor vehicle which fails an annual inspection, at the time the inspection is completed, information on: (1) procedures for obtaining a certificate of waiver or a certificate of temporary extension of the time period for meeting inspection requirements; (2) the criteria for obtaining a certificate of waiver or extension; and (3) the term of any certificate of waiver or extension. The agency may contract for the provision of this service.

Sec. 8. Minnesota Statutes 1998, section 116.63, subdivision 4, is amended to read:

Subd. 4. [FALSE REPAIR COSTS.] A person may not provide false information to a public inspection station or the agency about ~~estimated~~ or actual repair costs or repairs needed to bring a motor vehicle into compliance with the standards of the agency. A person may not claim an amount spent for repair if the repairs were not made or the amount not spent.

Sec. 9. [PROHIBITION ON FEE INCREASE.]

The pollution control agency must not impose any additional, nor collect any increase in, fees from stationary sources, stationary emission facilities, or stationary emissions units to offset or recover any reduction in the aggregate amount of fees collected under the vehicle inspection program before fiscal year 2001.

Sec. 10. [REPEALER.]

(a) Minnesota Statutes 1998, sections 116.60; 116.61; 116.62; 116.63; and 116.64, are repealed.

(b) Minnesota Statutes 1998, section 116.65, is repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 4, 6, 7, and 8 are effective December 1, 1999. Section 10, paragraph (a), is effective March 1, 2000. Section 10, paragraph (b), is effective June 1, 2000."

Delete the title and insert:

"A bill for an act relating to the environment; providing for the termination of the motor vehicle emissions testing program by March 1, 2000, or earlier; amending Minnesota Statutes 1998, sections 116.60, by adding a subdivision; 116.61, subdivision 1, and by adding a subdivision; 116.62, subdivisions 2, 3, 5, and by adding a subdivision; and 116.63, subdivision 4; repealing Minnesota Statutes 1998, sections 116.60; 116.61; 116.62; 116.63; 116.64; and 116.65."

We request adoption of this report and repassage of the bill.

House Conferees: BARB HAAKE, DENNIS OZMENT AND ALICE M. JOHNSON.

Senate Conferees: JAMES P. METZEN, PAT PARISEAU AND LEONARD R. PRICE.

Haake moved that the report of the Conference Committee on H. F. No. 7 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 7, A bill for an act relating to motor vehicles; modifying the motor vehicle emissions inspection program and providing for termination of inspection by January 1, 2000, or earlier if redesignated to attainment for carbon monoxide before January 1, 2000; amending Minnesota Statutes 1998, sections 116.60, subdivision 1, and by adding a subdivision; 116.61, subdivision 1, and by adding a subdivision; 116.62, subdivisions 2, 3, 5, and by adding a subdivision; and 116.63, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1998, sections 116.60; 116.61; 116.62; 116.63; and 116.64.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Hasskamp	Lenczewski	Otremba	Smith
Abrams	Dempsey	Holberg	Leppik	Ozment	Solberg
Anderson, B.	Dorman	Holsten	Lieder	Paulsen	Stang
Anderson, I.	Dorn	Howes	Lindner	Pawlenty	Storm
Bakk	Entenza	Huntley	Mahoney	Pelowski	Swenson
Biernat	Erhardt	Jennings	Mares	Peterson	Sykora
Bishop	Erickson	Johnson	McCollum	Pugh	Tomassoni
Boudreau	Finseth	Kahn	McElroy	Rest	Tuma
Bradley	Fuller	Kalis	McGuire	Reuter	Tunheim
Broecker	Gerlach	Kelliher	Milbert	Rhodes	Vandever
Buesgens	Gleason	Kielkucki	Molnau	Rifenberg	Wenzel
Carlson	Goodno	Knoblach	Mulder	Rostberg	Westerberg
Carruthers	Gray	Koskinen	Mullery	Rukavina	Westfall
Cassell	Greiling	Krinkie	Murphy	Schumacher	Westrom
Chaudhary	Gunther	Kubly	Ness	Seagren	Wilkin
Clark, J.	Haake	Kuise	Nornes	Seifert, J.	Winter
Daggett	Haas	Larsen, P.	Olson	Seifert, M.	Wolf
Davids	Hackbarth	Larson, D.	Opatz	Skoe	Workman
Dawkins	Harder	Leighton	Osskopp	Skoglund	Spk. Sviggum

Those who voted in the negative were:

Folliard	Hausman	Jaros	Orfield	Trimble
Greenfield	Hilty	Juhnke	Paymar	Wagenius

The bill was repassed, as amended by Conference, and its title agreed to.

CALENDAR FOR THE DAY

H. F. No. 1024, A bill for an act relating to tax-exempt bond allocations; providing for certain eligibility, scoring system, income and purchase price limits, and reservation of authority; amending Minnesota Statutes 1998, sections 474A.02, subdivision 23a; 474A.045; 474A.061, subdivisions 2a, 2b, and 4; and 474A.091, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bishop	Carruthers	Dawkins	Erhardt	Gleason
Abrams	Boudreau	Cassell	Dehler	Erickson	Goodno
Anderson, B.	Bradley	Chaudhary	Dempsey	Finseth	Gray
Anderson, I.	Broecker	Clark, J.	Dorman	Folliard	Greenfield
Bakk	Buesgens	Daggett	Dorn	Fuller	Greiling
Biernat	Carlson	Davids	Entenza	Gerlach	Gunther

Haake	Kahn	Lindner	Opatz	Rifenberg	Tomassoni
Haas	Kalis	Mahoney	Orfield	Rostberg	Trimble
Hackbarth	Kelliher	Mares	Osskopp	Rukavina	Tuma
Harder	Kielkucki	Mariani	Osthoff	Schumacher	Tunheim
Hasskamp	Knobloch	McCollum	Otremba	Seagren	Vandever
Hausman	Koskinen	McElroy	Ozment	Seifert, J.	Wagenius
Hilty	Krinkie	McGuire	Paulsen	Seifert, M.	Wenzel
Holberg	Kubly	Milbert	Pawlenty	Skoe	Westerberg
Holsten	Kuisle	Molnau	Paymar	Skoglund	Westfall
Howes	Larsen, P.	Mulder	Pelowski	Smith	Westrom
Huntley	Larson, D.	Mullery	Peterson	Solberg	Wilkin
Jaros	Leighton	Murphy	Pugh	Stang	Wolf
Jennings	Lenczewski	Ness	Rest	Storm	Workman
Johnson	Leppik	Nornes	Reuter	Swenson	Spk. Sviggum
Juhnke	Lieder	Olson	Rhodes	Sykora	

The bill was passed and its title agreed to.

H. F. No. 1195 was reported to the House.

Molnau moved that H. F. No. 1195 be temporarily laid over on the Calendar for the Day. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Pawlenty from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day, immediately following the remaining bills on the Calendar for the Day, for Tuesday, May 11, 1999:

H. F. No. 2425; S. F. Nos. 486, 1262, 551 and 319; H. F. Nos. 1180 and 1608; and S. F. Nos. 516, 145 and 540.

CALENDAR FOR THE DAY, Continued

H. F. No. 2425, A bill for an act relating to landlord and tenant; recodifying the landlord and tenant law; amending Minnesota Statutes 1998, sections 72A.20, subdivision 23; 82.24, subdivision 7; 144.9504, subdivision 7; 144A.13, subdivision 2; 144D.06; 216C.30, subdivision 5; 299C.67, subdivisions 5 and 7; 299C.69; 327C.02, subdivision 2a; 327C.03, subdivision 4; 327C.10, subdivision 1; 327C.11, subdivision 1; 363.033; 462A.05, subdivision 15; 462C.05, subdivision 8; 469.156; 471A.03, subdivision 6; 481.02, subdivision 3; 484.013, subdivision 2; 487.17; 487.24; 488A.01, subdivisions 4a and 5; 488A.11; 488A.18, subdivisions 4 and 6; 491A.01, subdivision 9; 514.977; 515B.3-116; 515B.4-111; 576.01, subdivision 2; 609.33, subdivision 6; and 609.5317, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 504B; repealing Laws 1998, chapter 253, sections 1 to 79.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holberg	Leppik	Otremba	Solberg
Abrams	Entenza	Holsten	Lieder	Ozment	Stang
Anderson, B.	Erhardt	Howes	Lindner	Paulsen	Storm
Anderson, I.	Erickson	Huntley	Mahoney	Pawlenty	Swenson
Bakk	Finseth	Jaros	Mares	Paymar	Sykora
Biernat	Folliard	Jennings	Mariani	Pelowski	Tomassoni
Bishop	Fuller	Johnson	McCollum	Peterson	Trimble
Boudreau	Gerlach	Juhnke	McElroy	Pugh	Tuma
Bradley	Gleason	Kahn	McGuire	Rest	Tunheim
Broecker	Goodno	Kalis	Milbert	Reuter	Vandever
Buesgens	Gray	Kelliher	Molnau	Rhodes	Wagenius
Carlson	Greenfield	Kielkucki	Mulder	Rifenberg	Wenzel
Carruthers	Greiling	Knoblach	Mullery	Rostberg	Westerberg
Cassell	Gunther	Koskinen	Murphy	Rukavina	Westfall
Clark, J.	Haake	Krinkie	Ness	Schumacher	Westrom
Daggett	Haas	Kubly	Nornes	Seagren	Wilkin
Davids	Hackbarth	Kuisle	Olson	Seifert, J.	Winter
Dawkins	Harder	Larsen, P.	Opatz	Seifert, M.	Wolf
Dehler	Hasskamp	Larsen, D.	Orfield	Skoe	Workman
Dempsey	Hausman	Leighton	Osskopp	Skoglund	Spk. Sviggum
Dorman	Hilty	Lenczewski	Osthoff	Smith	

The bill was passed and its title agreed to.

S. F. No. 486 was reported to the House.

Knoblach moved that S. F. No. 486 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 1262 was reported to the House.

Larsen, P., moved that S. F. No. 1262 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 551 was reported to the House.

Fuller moved that S. F. No. 551 be temporarily laid over on the Calendar for the Day. The motion prevailed.

S. F. No. 319 was reported to the House.

Mares moved to amend S. F. No. 319 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FUTURE PERA PENSION BENEFITS FOR
PRIVATIZED PUBLIC HOSPITAL EMPLOYEES

Section 1. [353F.01] [PURPOSE AND INTENT.]

The purpose of this chapter is to ensure, to the extent possible, that persons employed at public medical facilities who are privatized and consequently are excluded from retirement coverage by the public employees retirement association will be entitled to receive future retirement benefits under the general employees retirement plan of the public employees retirement association commensurate with the prior contributions made by them or made on their behalf upon the privatization of the medical facility.

Sec. 2. [353F.02] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] As used in this chapter, unless the context clearly indicates otherwise, each of the terms in the following subdivisions has the meaning indicated.

Subd. 2. [ALLOWABLE SERVICE.] "Allowable service" has the meaning provided in section 353.01, subdivision 16, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred.

Subd. 3. [EFFECTIVE DATE.] "Effective date" means the date that the operation of the medical facility is assumed by another employer or the date that the medical facility is purchased by another employer and active membership in the public employees retirement association consequently terminates.

Subd. 4. [MEDICAL FACILITY.] "Medical facility" means:

(1) the Glencoe area health center;

(2) the Luverne public hospital; and

(3) the Waconia-Ridgeview medical center.

Subd. 5. [TERMINATED MEDICAL FACILITY EMPLOYEE.] "Terminated medical facility employee" means a person who:

(1) was employed on the day before the effective date by the medical facility; or

(2) terminated employment with the medical facility on the day before the effective date; and

(3) was a participant in the general employees retirement plan of the public employees retirement association at the time of termination of employment with the medical facility.

Subd. 6. [YEARS OF ALLOWABLE SERVICE.] "Years of allowable service" means the total number of years of allowable service under section 353.01, subdivision 18, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred.

Sec. 3. [353F.03] [VESTING RULE FOR CERTAIN EMPLOYEES.]

Notwithstanding any provision of chapter 353 to the contrary, a terminated medical facility employee is eligible to receive a retirement annuity under section 353.29 of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, without regard to the requirement for three years of allowable service.

Sec. 4. [353F.04] [AUGMENTATION INTEREST RATE FOR TERMINATED MEDICAL FACILITY EMPLOYEES.]

The deferred annuity of a terminated medical facility employee is subject to augmentation in accordance with section 353.71, subdivision 2, of the edition of Minnesota Statutes published in the year in which the privatization occurred, except that the rate of interest for this purpose is 5.5 percent compounded annually until January 1 following the year in which such person attains age 55. From that date to the effective date of retirement, the rate is 7.5 percent. These increased augmentation rates are no longer applicable for any time after the terminated medical facility employee becomes covered again by a retirement fund enumerated in section 356.30, subdivision 3. These increased deferred annuity augmentation rates do not apply to a terminated transferred medical facility employee who begins receipt of a retirement annuity while employed by the employer which assumed operations of the medical facility or purchased the medical facility.

Sec. 5. [353F.05] [AUTHORIZATION FOR ADDITIONAL ALLOWABLE SERVICE FOR CERTAIN EARLY RETIREMENT PURPOSES.]

For the purpose of determining eligibility for early retirement benefits provided under section 353.30, subdivision 1a, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, and notwithstanding any provision of chapter 353 to the contrary, the years of allowable service for a terminated medical facility employee who transfers employment on the effective date and does not apply for a refund of contributions under section 353.34, subdivision 1, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, or any similar _____ includes service _____ the successor employer to the medical facility following the effective date. The successor employer shall provide any reports that the executive director of the public employees retirement association may reasonably request to permit calculation of benefits.

To be eligible for early retirement benefits under this section, the individual must separate from service with the successor employer to the medical facility. The terminated eligible individual, or an individual authorized to act on behalf of that individual, may apply for an annuity following application procedures under section 353.29, subdivision 4.

Sec. 6. [353F.06] [APPLICATION OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.]

The reemployed annuitant earnings limitations of section 353.37 apply to any service by a terminated medical facility employee as an employee of the successor employer to the medical facility.

Sec. 7. [353F.07] [EFFECT ON REFUND.]

Notwithstanding any provision of chapter 353 to the contrary, terminated medical facility employees may receive a refund of employee accumulated contributions plus interest at the rate of six percent per year compounded annually in accordance with section 353.34, subdivision 2, of the edition of Minnesota Statutes published in the year in which the privatization occurred, at any time after the transfer of employment to the successor employer to the medical facility. If a terminated medical facility employee has received a refund from a pension plan enumerated in section 356.30, subdivision 3, the person may not repay that refund unless the person again becomes a member of one of those enumerated plans and complies with section 356.30, subdivision 2.

Sec. 8. [353F.08] [COUNSELING SERVICES.]

The medical facility and the executive director of the public employees retirement association shall provide terminated medical facility employees with counseling on their benefits available under the general employees retirement plan of the public employees retirement association during the 90 days following privatization.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective on the day following final enactment.

ARTICLE 2

LOCAL POLICE AND PAID FIRE RELIEF
ASSOCIATION BENEFIT MODIFICATIONS

Section 1. Laws 1977, chapter 61, section 6, as amended by Laws 1981, chapter 68, section 39, and Laws 1998, chapter 390, article 7, section 3, is amended to read:

Sec. 6. [EVELETH RETIRED POLICE AND FIRE TRUST FUND; FINANCIAL REQUIREMENTS OF THE TRUST FUND.]

~~(a)~~ The city of Eveleth shall provide by annual levy an amount sufficient to pay an amount which when added to the investment income of the trust fund is sufficient to pay the benefits provided under the trust fund for the succeeding year as certified by the board of trustees of the trust fund.

~~(b) If the city of Eveleth fails to contribute the amount required in paragraph (a) in a given year, no postretirement adjustment granted under Laws 1995, chapter 262, article 10, section 1, or Laws 1997, chapter 241, article 2, section 19, is payable in the following year.~~

Sec. 2. [EVELETH RETIRED POLICE AND FIRE TRUST FUND; AD HOC POSTRETIREMENT ADJUSTMENT.]

In addition to the current pensions and other retirement benefits payable, the pensions and retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund are increased by \$100 a month. Increases are retroactive to January 1, 1999.

Sec. 3. [FAIRMONT POLICE RELIEF ASSOCIATION; ADDITIONAL ANNUAL POSTRETIREMENT ADJUSTMENT.]

(a) If the requirement of paragraph (f) is met, every recipient of a pension or benefit from the Fairmont police relief association on June 30, annually, is entitled to receive a postretirement adjustment as provided in this section in addition to any pension or benefit increase by virtue of an increase in the salary of active patrol officers in the city of Fairmont on the following July 1.

(b) If the value of current assets of the relief association is equal to at least 102 percent of the actuarial accrued liability of the Fairmont police relief association as of December 31 in the prior calendar year as calculated under Minnesota Statutes, sections 356.215 and 356.216, one percent of the value of current assets of the relief association is available for the payment of the postretirement adjustment.

(c) The amount of the postretirement adjustment must be calculated by the chief administrative officer of the relief association. The postretirement adjustment amount is payable monthly. The total amount of all service pensions, disability pensions, and survivor benefits, without inclusion of any postretirement adjustment paid previously under this section, must be calculated and the percentage amount of each recipient's annual pension or benefit of the total amount, expressed as four digits beyond the decimal point, must be determined. The monthly postretirement

adjustment payable to each pension or benefit recipient is one-twelfth of the dollar amount determined by applying each recipient's determined percentage of the total amount of pensions and benefits to the total dollar amount available for payment as a postretirement adjustment.

(d) The postretirement adjustment amount paid in any year under this section does not compound and must not be added to the pension base for the calculation of a subsequent postretirement adjustment. If a pension or benefit recipient dies before the 12 monthly postretirement adjustments under this section have been paid, the remaining monthly postretirement adjustment payments cancel to the special fund of the relief association. Nothing in this section authorizes the payment of the postretirement adjustment to an estate or to a person who did not qualify for a postretirement adjustment in the person's own right.

(e) The chief administrative officer of the relief association will report the total amount of benefits paid under this section to the executive director of the legislative commission on pensions and retirement, the city clerk, and the state auditor.

(f) Payment of the postretirement adjustment amount provided under this section may be made in a given year only if the average time-weighted total rate of return for the total portfolio for the most recent five-year period exceeds by at least two percent the actual average percent increase in the current monthly salary of a first class patrol officer in the most recent prior five fiscal years.

Sec. 4. [FAIRMONT POLICE RELIEF ASSOCIATION; RETROACTIVITY OF SURVIVING SPOUSE BENEFIT INCREASE.]

(a) The surviving spouse benefit amount under Laws 1963, chapter 423, is payable to all surviving spouses receiving benefits as of the date of the approval of this act.

(b) Any surviving spouse benefit increase under this section is first payable on the first day of the month next following the effective date of this section.

Sec. 5. [FAIRMONT POLICE RELIEF ASSOCIATION; BYLAWS AMENDMENTS REQUIRED.]

Sections 3 and 4 must be implemented by the appropriate amendments to the bylaws of the Fairmont police relief association.

Sec. 6. [ST. CLOUD POLICE CONSOLIDATION ACCOUNT; SPECIAL ONE-TIME POSTRETIREMENT ADJUSTMENT.]

(a) Notwithstanding any provision of general or special law to the contrary, all service pensioners, disability pensioners, and survivor benefit recipients of the St. Cloud police consolidation account who had begun the receipt of pensions or benefits before December 31, 1997, the effective date of the St. Cloud police consolidation process under Minnesota Statutes, chapter 353A, that began in April 1997, are entitled to receive the pension or benefit increase granted under Laws 1997, chapter 233, article 1, section 72.

(b) The special one-time postretirement adjustment under paragraph (a) is effective retroactive to January 1, 1998. The first payment of pensions and benefits next following the effective date of this section must include any back payments of the retroactive postretirement adjustment.

(c) Nothing in this section authorizes the payment of a special postretirement adjustment to an estate.

Sec. 7. [EFFECTIVE DATE.]

(a) Sections 1 and 2 are effective on approval by the Eveleth city council and compliance with Minnesota Statutes, section 645.021.

(b) Sections 3, 4, and 5 are effective on the day following approval by the Fairmont city council and compliance with Minnesota Statutes, section 645.021.

(c) Section 6 is effective on the day following approval by the St. Cloud city council and compliance with Minnesota Statutes, section 645.021.

ARTICLE 3

TEACHER RETIREMENT PLANS PRIOR SERVICE CREDIT PURCHASE AUTHORIZATION

Section 1. [354.533] [PRIOR OR UNCREDITED MILITARY SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement association and who performed service in the United States armed forces before becoming a teacher as defined in section 354.05, subdivision 2, or who failed to obtain service credit for a military leave of absence under the provisions of section 354.53, is entitled to purchase allowable and formula service credit for the initial period of enlistment, induction, or call to active duty without any voluntary extension by making payment under section 356.55, provided the teacher is not entitled to receive a current or deferred retirement annuity from a United States armed forces pension plan and has not purchased service credit from any other defined benefit public employee pension plan for the same period of service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher upon receipt of the purchase payment amount.

Sec. 2. [354.534] [PRIOR OUT-OF-STATE TEACHING SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for out-of-state teaching service by making payment under section 356.55, provided the out-of-state teaching service was performed for an educational institution established and operated by another state, governmental subdivision of another state, or the federal government, and the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit and has not purchased service credit from another defined benefit public employee pension plan for that out-of-state teaching service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 3. [354.535] [MATERNITY LEAVE OF ABSENCE AND BREAKS IN SERVICE PURCHASES.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement association and who was granted a maternity leave of absence by a school district or other employing unit covered by the teachers retirement association for which the teacher did not previously receive allowable and formula service credit, or who had a maternity break in teaching service for which the teacher did not receive or purchase service credit from another defined benefit public employee pension plan, is entitled to purchase the actual period of the leave or of the break in teaching service, up to five years, of allowable and formula service credit for applicable maternity leaves of absence or applicable maternity break in teaching service periods by making payment under section 356.55.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 4. [354.536] [PRIVATE OR PAROCHIAL TEACHING SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for private or parochial school teaching service by making payment under section 356.55, provided that the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit from the applicable employer-sponsored pension plan and has not purchased service credit from the applicable defined benefit employer sponsored pension plan for that service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 5. [354.537] [PEACE CORPS OR VISTA SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for service rendered in the federal Peace Corps program or in the federal Volunteers in Service to America program by making payment under section 356.55, provided that the teacher has not purchased service credit from any defined benefit pension plan for that service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 6. [354.538] [CHARTER SCHOOL TEACHING SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement association is entitled to purchase up to ten years of allowable and formula service credit for charter school teaching service by making payment under section 356.55, provided that the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit from the applicable employer-sponsored pension plan and has not purchased service credit from the applicable defined benefit employer-sponsored pension plan for that service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable and formula service credit for the purchase period must be granted by the teachers retirement association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 7. [354A.097] [PRIOR OR UNCREDITED MILITARY SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement fund association and who performed service in the United States armed forces before becoming a teacher as defined in section 354A.011, subdivision 27, or who failed to obtain service credit for a military leave of absence period under section 354A.093, is entitled to purchase allowable service credit for the initial period of enlistment, induction, or call to active duty without any voluntary extension by making payment under section 356.55, provided the teacher is not entitled to receive a current or deferred retirement annuity from a United States armed forces pension plan and has not purchased service credit from another defined benefit public employee pension plan for the same period of service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director or secretary of the respective teachers retirement fund association to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director or secretary to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director or secretary may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable service credit for the purchase period must be granted by the applicable teachers retirement fund association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 8. [354A.098] [PRIOR OUT-OF-STATE TEACHING SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with one of the retirement fund associations under this chapter and who rendered out-of-state teaching service for an educational institution established and operated by another state, governmental subdivision of another state, or the federal government, is entitled to purchase up to ten years of allowable service credit for that out-of-state service by making payment under section 356.55, provided the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit and has not purchased service credit from another defined benefit public employee pension plan for that out-of-state teaching service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director or secretary of the respective teachers retirement fund association to make the purchase. The application must include all necessary documentation of the teachers's

qualifications to make the purchase, signed written permission to allow the executive director or secretary to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director or secretary may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable service credit for the purchase period must be granted by the applicable teachers retirement fund association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 9. [354A.099] [MATERNITY BREAK IN SERVICE OR LEAVE SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement fund association and who was granted a maternity leave of absence by a school district or other employing unit covered by the teachers retirement association for which the teacher did not previously receive allowable service credit or who had a maternity break in teaching service for which the teacher did not receive or purchase service credit from another defined benefit public employee pension plan is entitled to purchase the actual period of the leave or of the break in teaching service, up to five years, of allowable service credit for applicable maternity leaves of absence or applicable maternity break in teaching service periods by making payment under section 356.55.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director or secretary of the respective retirement fund association to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director or secretary to request and receive any necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director or secretary may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable service credit for the purchase period must be granted by the applicable teachers retirement fund association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 10. [354A.101] [PRIVATE OR PAROCHIAL TEACHING SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement fund association is entitled to purchase up to ten years of allowable service credit for private or parochial school teaching service by making payment under section 356.55, provided that the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit from the applicable employer-sponsored pension plan and has not purchased service credit from the applicable defined benefit employer sponsored pension plan for that service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable service credit for the purchase period must be granted by the teachers retirement fund association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 11. [354A.102] [PEACE CORPS OR VISTA SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement fund association is entitled to purchase up to ten years of allowable service credit for service rendered in the federal Peace Corps program or in the federal Volunteers in Service to America program by making payment under section 356.55, provided that the teacher has not purchased service credit from any defined benefit pension plan for that service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable service credit for the purchase period must be granted by the teachers retirement fund association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 12. [354A.103] [CHARTER SCHOOL TEACHING SERVICE CREDIT PURCHASE.]

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement fund association is entitled to purchase up to ten years of allowable service credit for charter school teaching service by making payment under section 356.55, provided that the teacher is not entitled to receive a current or deferred age and service retirement annuity or disability benefit from the applicable employer-sponsored pension plan and has not purchased service credit from the applicable defined benefit employer-sponsored pension plan for that service.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A teacher who desires to purchase service credit under subdivision 1 must apply with the executive director to make the purchase. The application must include all necessary documentation of the teacher's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the teacher's effective date of retirement.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable service credit for the purchase period must be granted by the teachers retirement fund association to the purchasing teacher on receipt of the purchase payment amount.

Sec. 13. Minnesota Statutes 1998, section 356.55, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Unless the prior service credit purchase authorization special law or general statute provision explicitly specifies a different purchase payment amount determination procedure, this section governs the determination of the prior service credit purchase payment amount of any prior service credit purchase. The purchase payment amount determination procedure must recognize any service credit accrued to the purchaser in a pension plan listed in section 356.30, subdivision 3. Any service credit in a Minnesota defined benefit public employee pension plan available to be reinstated by the purchaser through the repayment of a refund of member or employee contributions previously received must be repaid in full before any purchase of prior service credit payment is made under this section.

Sec. 14. Minnesota Statutes 1998, section 356.55, subdivision 6, is amended to read:

Subd. 6. [REPORT ON PRIOR SERVICE CREDIT PURCHASES.] (a) As part of the regular data reporting to the consulting actuary retained by the legislative commission on pensions and retirement annually, the chief administrative officer of each public pension plan that has accepted a prior service credit purchase payment under this section shall report for any purchase, the purchaser, the purchaser's employer, the age of the purchaser, the period of the purchase, the purchaser's prepurchase accrued service credit, the purchaser's postpurchase accrued service credit, the purchaser's prior service credit payment, the prior service credit payment made by the purchaser's employer, and the amount of the additional benefit or annuity purchased.

(b) As part of a supplemental report to the regular annual actuarial valuation for the applicable public pension plan prepared by the consulting actuary retained by the legislative commission on pensions and retirement, there must be an exhibit comparing a comparison for each purchase showing the total prior service credit payment received from all sources and the increased public pension plan actuarial accrued liability resulting from each purchase.

Sec. 15. [REPEALER.]

Sections 1 to 12 are repealed on May 16, 2002.

Sec. 16. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall replace the current headnote for Minnesota Statutes, section 354.53, with the headnote "CREDIT FOR MILITARY SERVICE LEAVE OF ABSENCE."

Sec. 17. [EFFECTIVE DATE.]

(a) Sections 1 to 14 and 16 are effective May 16, 1999. Section 15 is effective August 1, 1999.

(b) A teacher who retires on or before May 16, 1999, is not eligible to purchase service credit under the provisions of this article. A teacher who has rendered teaching service after May 16, 1999, and who has filed an application for retirement that is effective on or before July 1, 1999, may purchase service credit under this article on or before September 1, 1999, notwithstanding that the person is not a teacher rendering active teaching service on the date of the payment. Payment must be received on or before September 1, 1999. If this payment is received on or after the effective date of retirement, the increased benefit resulting from the purchase is effective on the first day of the month following the month during which payment is received.

ARTICLE 4

INDIVIDUAL AND SMALL GROUP PENSION CHANGES

Section 1. [PURCHASE OF SERVICE CREDIT; PRIOR ST. PAUL BUREAU OF HEALTH EMPLOYEE.]

(a) An eligible person, as described in paragraph (b), is entitled to purchase coordinated service credit in the public employees retirement association general plan for the period of employment described in paragraph (b), clause (2), by making payment as specified in paragraph (c).

(b) An eligible person is a person who:

(1) was born on May 22, 1932;

(2) was employed by the St. Paul bureau of health from March 17, 1958, to September 21, 1962, was covered by the St. Paul bureau of health relief association as a result of that employment, and who forfeited all service credit in that relief association upon leaving that employment; and

(3) later became a coordinated member of the general plan of the public employees retirement association and currently is a coordinated member of that plan.

(c) An eligible person described in paragraph (b) may purchase service credit from the public employees retirement association by paying the amount specified in Minnesota Statutes, section 356.55, prior to termination of public employees retirement association covered employment or prior to January 1, 2000, whichever is earlier. If the city of St. Paul agrees to make a payment under Minnesota Statutes, section 356.55, subdivision 5, an eligible person must make the employee payments prior to termination of public employees retirement association covered employment or prior to July 1, 2000, whichever is earlier. If the employee payment is made in a timely fashion, the city payment must be remitted 60 days thereafter.

(d) An eligible person must provide any relevant documentation required by the executive director to determine eligibility for the prior service credit under this section.

(e) Service credit for the purchase period must be granted by the public employees retirement association to the account of the eligible person upon receipt of the purchase payment amount specified in paragraph (c).

Sec. 2. [INDEPENDENT SCHOOL DISTRICT NO. 276, MINNETONKA, TEACHER; PRIOR SERVICE CREDIT PURCHASE.]

(a) Notwithstanding Minnesota Statutes, section 354.095, an eligible person described in paragraph (b) is entitled to purchase allowable and formula service credit in the teachers retirement association for the period described in paragraph (c) by paying the amount specified in Minnesota Statutes, section 356.55, subdivision 2.

(b) An eligible person is a person who:

(1) was on medical leave for a period that includes the 1994-1995 and the 1995-1996 school years;

(2) was employed by independent school district No. 276, Minnetonka, during the period that the medical leave was taken; and

(3) due to the failure of independent school district No. 276, Minnetonka, to file certain papers with the teachers retirement association, was not able to obtain service credit for the 1994-1995 and 1995-1996 school year portions of the medical leave.

(c) The period for service credit purchase is the 1994-1995 and 1995-1996 school years.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before September 1, 1999, an amount equal to the employee, employer, and employer additional contribution rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made. Independent school district No. 276, Minnetonka, must pay one-half of the remaining balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. Recognizing that the teachers retirement association failed to provide adequate information on the opportunity of the eligible person to make timely payments for the 1995-1996 school year following receipt of the medical leave of absence forms on August 16, 1996, the teachers retirement association is responsible for one-half of the remaining balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55. The executive director of the teachers retirement association must notify the superintendent of independent school district No. 276, Minnetonka, of its payment amount and payment due date if the eligible person makes the required payment.

(e) If independent school district No. 276, Minnetonka, fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required school district payment be deducted from the next subsequent payment or payments of state education aid to the school district and be transmitted to the teachers retirement association.

Sec. 3. [HOPKINS SCHOOL DISTRICT; REPAYMENT OF INTEREST CHARGE ON CERTAIN MEMBER CONTRIBUTION SHORTAGE PAYMENTS.]

(a) Independent school district No. 270, Hopkins, shall pay the amount of \$1,004.08, plus compound interest on each amount at the annual rate of six percent from June 1, 1997, to the date of payment, to an eligible person described in paragraph (b) to compensate the person for a past overcharge in a member contribution shortage payment. The shortage was caused by the failure of the school district to make the required member contribution deductions during the 1968-1969 school year and the overpayment was caused by the failure of the teachers retirement association to notify the eligible person in a timely fashion of the shortage.

(b) An eligible person is a person who:

(1) was employed by independent school district No. 270, Hopkins, during the 1968-1969 school year and suffered an under deduction by the school district of \$114.66;

(2) took a member contribution refund in the early 1970's and repaid the refund in November 1974; and

(3) had an appeal denied by the teachers retirement association board of trustees at a May 8, 1998, hearing, reflected in a May 21, 1998, findings and final order.

(c) The payments must be made within 30 days of the effective date. If independent school district No. 270, Hopkins, fails to make a timely payment of its obligation, the teachers retirement association must make the payment and may notify the commissioner of finance of the school district's failure to pay. In that event, the commissioner of finance may order that the required school district payment be deducted from the next subsequent payment of state education aid to the school district and transmitted to the teachers retirement association.

Sec. 4. [TEACHERS RETIREMENT ASSOCIATION; PURCHASE OF SERVICE CREDIT FOR CERTAIN SABBATICAL LEAVES.]

(a) Notwithstanding any provision of Minnesota Statutes, chapter 354, to the contrary, an eligible teacher as defined in paragraph (b) is entitled to purchase allowable and formula service credit from the teachers retirement association for the uncredited portion of a sabbatical leave during the 1976-1977 school year under paragraph (c).

(b) An eligible teacher is a person who was born on September 10, 1942, became a member of the teachers retirement association on October 31, 1968, is employed by independent school district No. 16, Spring Lake Park, and will qualify for an early normal retirement annuity under the "rule of 90" on September 16, 2000.

(c) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person may pay, before January 1, 2000, or the date of retirement, whichever is earlier, an amount equal to the employee contribution rate or rates in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made. Independent school district No. 16, Spring Lake Park, must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive director of the teachers retirement association must notify the superintendent of independent school district No. 16, Spring Lake Park, of its payment amount and payment due date if the eligible person makes the required payment.

(d) If independent school district No. 16, Spring Lake Park, fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required employer payment be deducted from the next subsequent payment or payments of state education aid to the school district and be transmitted to the teachers retirement association.

(e) An eligible teacher must provide any relevant documentation required by the executive director to determine eligibility for the prior service credit under this section.

(f) Service credit for the purchase period must be granted by the teachers retirement association to the account of the eligible teacher upon receipt of the purchase payment amount specified in paragraph (c).

Sec. 5. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; STATE BOARD OF PUBLIC DEFENSE EMPLOYEE PRIOR SERVICE CREDIT PURCHASE.]

(a) An eligible person described in paragraph (b) is entitled to purchase service credit from the public employees retirement association for the period of omitted deductions December 19, 1992, through December 27, 1994.

(b) An eligible person for purposes of paragraph (a) is a person who:

(1) was born on August 17, 1950;

(2) was employed through Winona county until 1992;

(3) is currently employed by the state board of public defense in the third judicial district public defender's office;
and

(4) had omitted member contributions for public employment during the period December 19, 1992, through December 27, 1994.

(c) The prior service credit purchase payment amount is governed by Minnesota Statutes, section 356.55. Authority to purchase the service credit expires on July 1, 2000.

(d) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person must pay, on or before September 1, 1999, an amount equal to the employee contribution rate in effect during the prior service period applied to the actual salary rates in effect during the prior service period, plus annual compound interest at the rate of 8.5 percent from the date on which the contributions would have been made if made contemporaneous with the service period to the date on which the payment is actually made. The state board of public defense must pay the balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person.

(e) A person purchasing service credit under this section must provide sufficient documentation of eligibility to the executive director of the public employees retirement association.

Sec. 6. [TRA; PURCHASE OF SERVICE CREDIT FOR FINAL PORTION OF EXTENDED LEAVE OF ABSENCE BY ANOKA-HENNEPIN TEACHER.]

(a) An eligible person, as described in paragraph (b), is entitled to purchase allowable and formula service credit in the teachers retirement association for the period specified in paragraph (c) by making the payment specified in Minnesota Statutes, section 356.55.

(b) An eligible person is a person who:

(1) was born on February 1, 1943;

(2) was initially employed as a teacher by the Richfield school district in 1966;

(3) is currently employed as an elementary school principal by independent school district No. 11, Anoka-Hennepin; and

(4) was on an extended leave of absence from June 29, 1984, to June 28, 1989, but failed to obtain service credit for the final two years of the leave.

(c) The prior service credit purchase period is July 1, 1987, through June 28, 1989.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective on the day following final enactment.

ARTICLE 5

INCLUSION OF SUPPLEMENTAL NEEDS TRUSTS AS OPTIONAL ANNUITY FORM RECIPIENTS

Section 1. [356.372] [SUPPLEMENTAL NEEDS TRUST AS OPTIONAL ANNUITY FORM RECIPIENT.]

Subdivision 1. [INCLUSION AS RECIPIENT.] Notwithstanding any provision to the contrary of the laws, articles of incorporation, or bylaws governing a covered retirement plan specified in subdivision 3, a retiring member may designate a qualified supplemental needs trust under subdivision 2 as the remainder recipient on an optional retirement annuity form for a period not to exceed the lifetime of the beneficiary of the supplemental needs trust.

Subd. 2. [QUALIFIED SUPPLEMENTAL NEEDS TRUST.] A qualified supplemental needs trust is a trust that:

(1) was established on or after July 1, 1992;

(2) was established solely for the benefit of one person who has a disability under Social Security Administration supplemental security income or retirement, survivors, and disability insurance disability determination standards who was determined as such before the creation of the trust;

(3) is funded, in whole or in part, by the primary recipient of the optional annuity form and, unless the trust is a Zebley trust, is not funded by the beneficiary, the beneficiary's spouse, or a person who is required to pay a sum to or for the trust beneficiary under the terms of litigation or a litigation settlement;

(4) is established to cover reasonable living expenses and other basic needs of the disablitant, in whole or in part, in instances when public assistance does not provide sufficiently for these needs;

(5) is not permitted to make disbursement to replace or reduce public assistance otherwise available;

(6) is irrevocable;

(7) terminates upon the death of the disabled person for whose benefit it was established; and

(8) is determined by the executive director to be a trust that contains excluded assets for purposes of the qualification for public entitlement benefits under the applicable federal and state laws and regulations.

Subd. 3. [COVERED RETIREMENT PLAN.] The provisions of this section apply to the following retirement plans:

(1) general state employees retirement plan of the Minnesota state retirement system, established under chapter 352;

(2) correctional employees retirement plan of the Minnesota state retirement system, established under chapter 352;

(3) state patrol retirement plan, established under chapter 352B;

(4) legislators retirement plan, established under chapter 3A;

(5) judges retirement plan, established under chapter 490;

(6) public employees retirement plan, established under chapter 353;

(7) public employees police and fire plan, established under chapter 353;

(8) teachers retirement plan, established under chapter 354;

(9) Duluth teachers retirement fund association, established under chapter 354A;

(10) St. Paul teachers retirement fund association, established under chapter 354A;

(11) Minneapolis teachers retirement fund association, established under chapter 354A;

(12) Minneapolis employees retirement plan, established under chapter 422A;

(13) Minneapolis firefighters relief association, established under chapter 69; and

(14) Minneapolis police relief association, established under chapter 423B.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment.

ARTICLE 6

VOLUNTEER FIRE RELIEF ASSOCIATION CHANGES

Section 1. [REPEALER.]

Minnesota Statutes 1998, section 424A.02, subdivision 5, is repealed.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1999.

ARTICLE 7

MINNEAPOLIS POLICE AND FIRE DEPARTMENT RELIEF ASSOCIATIONS GOVERNANCE CHANGES

Section 1. Minnesota Statutes 1998, section 423B.07, is amended to read:

423B.07 [AUTHORIZED FUND DISBURSEMENTS.]

The police pension fund may be used only for the payment of:

(1) service, disability, or dependency pensions;

(2) notwithstanding a contrary provision of section 69.80, ~~the salary of the secretary of the association in an amount not to exceed 30 percent of the base salary of a first grade patrol officer, the salary of the president of the association in an amount not to exceed ten percent of the base salary of a first grade patrol officer, and the salaries of the other~~ elected members of the board of trustees in an amount not to exceed three units;

(3) expenses of officers and employees of the association in connection with the protection of the fund;

(4) expenses of operating and maintaining the association, including the administrative expenses related to the administration of the insurance plan authorized in section 423B.08; and

(5) other expenses authorized by section 69.80, or other applicable law.

Sec. 2. [CONTINUATION OF BOARD.]

Notwithstanding Minnesota Statutes, section 423A.01, subdivision 2, or any other law to the contrary, the board of trustees of the Minneapolis firefighters relief association shall continue to govern the association until there are fewer than 100 benefit recipients of the relief association pension fund. The special fund thereafter must become a trust fund in accordance with Minnesota Statutes, section 423A.01, subdivision 2.

Sec. 3. [EFFECTIVE DATE.]

(a) Section 1 is effective on December 31, 1999.

(b) Section 2 is effective on the day following approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 8

VARIOUS SMALL GROUP PENSION CHANGES

Section 1. Minnesota Statutes 1998, section 354.66, subdivision 5, is amended to read:

Subd. 5. [OTHER MEMBERSHIP PRECLUDED.] A teacher entitled to full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in or make employee contributions to any other Minnesota public employee pension plan, except the plan established in chapter 3A or a volunteer firefighters' relief association governed by sections 69.771 to 69.776.

Sec. 2. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; PURCHASE OF SERVICE CREDIT BY RUSH CITY SCHOOL DISTRICT EMPLOYEE.]

(a) Notwithstanding Minnesota Statutes, section 353.01, subdivision 16, or any other law to the contrary, an eligible person described in paragraph (b) may purchase service credit in the public employees retirement association for the period described in paragraph (c).

(b) An eligible person is a person who:

(1) was born on October 28, 1948;

(2) was first employed by the Rush City school district in September 1968;

(3) has received service credit from the public employees retirement association for a period of leave for military service from April 1969 through March 1970; and

(4) has not received service credit from the public employees retirement association for a period of leave for military service from April 1970 through March 1971.

(c) The period for service credit purchase is the uncredited portion of the period from April 1970 through March 1971.

(d) An eligible person may purchase service credit under this section by making the payment determined under Minnesota Statutes, section 356.55, for the period in paragraph (c).

(e) The person who desires to purchase service credit under this section must apply with the executive director to make the purchase. The application must include all necessary documentation of the person's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require.

(f) Service credit for the purchase period must be granted by the public employees retirement association to the purchaser on receipt of the purchase payment amount.

Sec. 3. [TEACHERS RETIREMENT ASSOCIATION; PURCHASE OF SERVICE CREDIT BY INDEPENDENT SCHOOL DISTRICT NO. 786, BERTHA-HEWITT, TEACHER FOR UNCREDITED LEAVE.]

(a) An eligible teacher as defined in paragraph (b) is entitled to purchase allowable and formula service credit from the teachers retirement association for an uncredited leave during the 1996-1997 school year under terms specified in paragraph (c).

(b) An eligible teacher is a person who:

(1) was born on November 14, 1944;

(2) became a member of the teachers retirement association on September 29, 1972;

(3) is employed by independent school district No. 786, Bertha-Hewitt; and

(4) failed to obtain one year of service credit due to classification of a 1996-1997 school year leave as an "other" leave rather than an extended leave.

(c) Notwithstanding Minnesota Statutes, section 356.55, subdivision 5, the eligible person may pay, before January 1, 2000, or the date of retirement, whichever is earlier, an amount equal to the employee contribution rate or rates in effect during the leave period specified in paragraph (b) applied to the actual salary rate or rates in effect during that period, plus any applicable employer contributions the employee agreed to pay under an agreement with independent school district No. 786, Bertha-Hewitt, plus annual compound interest at the rate of 8.5 percent from June 30, 1997, to the date on which the payment is actually made. Independent school district No. 786, Bertha-Hewitt, must pay the remaining balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55, within 30 days of the payment by the eligible person. The executive director of the teachers retirement association must notify the superintendent of independent school district No. 786, Bertha-Hewitt, of its payment amount and payment due date if the eligible person makes the required payment.

(d) If independent school district No. 786, Bertha-Hewitt, fails to pay its portion of the required prior service credit purchase payment amount, the executive director may notify the commissioner of finance of that fact and the commissioner of finance may order that the required employer payment be deducted from the next subsequent payment or payments of state education aid to the school district and be transmitted to the teachers retirement association.

(e) An eligible teacher must provide any relevant documentation required by the executive director to determine eligibility for the prior service credit under this section.

(f) Service credit for the purchase period must be granted by the teachers retirement association to the account of the eligible teacher upon receipt of the purchase payment amount specified in paragraph (c).

Sec. 4. [TEACHERS RETIREMENT ASSOCIATION; PURCHASE OF UNREQUESTED LEAVE PERIOD BY VIRGINIA TEACHER.]

(a) A qualified teacher described in paragraph (b) is entitled to purchase one year of allowable and formula service credit from the teachers retirement association for a one-year portion of the period of unrequested leave from teaching service specified in paragraph (b), clause (5), upon the payment of the purchase price specified in paragraph (c).

(b) A qualified teacher is a person who:

(1) was born in 1943;

(2) is a current member of the teachers retirement association;

(3) initially was employed as a teacher in 1966 by the Alexandria school district;

(4) was subsequently employed as an industrial arts teacher at the Virginia high school by the Virginia school district; and

(5) was placed on unrequested leave by the Virginia school district for the 1983-1984 and 1984-1985 school years.

(c) The purchase payment amount must be determined as provided in Minnesota Statutes, section 356.55.

(d) Payment of the prior service credit purchase amount must be made by January 1, 2000.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 to 4 are effective on the day following final enactment.

ARTICLE 9

CORRECTIONAL EMPLOYEES RETIREMENT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 352.90, is amended to read:

352.90 [POLICY.]

It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who may be required to retire at an early age because they lose the mental or physical capacity required to maintain the safety, security, discipline, and custody of inmates at state correctional facilities or of patients at the Minnesota security hospital or at the Minnesota sexual psychopathic personality treatment center or of patients in the Minnesota extended treatment options on-campus program at Cambridge.

Sec. 2. Minnesota Statutes 1998, section 352.91, is amended by adding a subdivision to read:

Subd. 3e. [MINNESOTA EXTENDED TREATMENT OPTIONS PROGRAM; CAMBRIDGE.] "Covered correctional service" means service by a state employee in one of the following employment positions with the Minnesota extended treatment options on-campus program at Cambridge if at least 75 percent of the employee's working time is spent in direct contact with patients who are in the Minnesota extended treatment options program and if service in such a position is certified to the executive director by the commissioner of human services, unless the person elects to retain current retirement coverage under section 3:

- (1) behavior analyst I;
- (2) human services support specialist;
- (3) mental retardation residential program lead;
- (4) psychologist II;
- (5) recreation program assistant;
- (6) recreation therapist assistant;
- (7) recreation therapist senior;
- (8) registered nurse senior;
- (9) skills development specialist; and
- (10) social worker senior.

Sec. 3. [TEMPORARY PROVISION; ELECTION TO RETAIN RETIREMENT COVERAGE.]

(a) An employee in a position specified as qualifying under Minnesota Statutes, section 352.91, subdivision 3e, may elect to retain coverage under the general employees retirement plan of the Minnesota state retirement system or may elect to transfer coverage and contribute to the correctional employees retirement plan. An employee electing to participate in the correctional employees retirement plan shall begin making contributions to the correctional plan beginning the first full pay period after July 1, 1999, or the first full pay period following filing of their election to transfer coverage to the correctional employees retirement plan, whichever is later. The election to retain coverage or to transfer coverage must be made in writing by the person on a form prescribed by the executive director of the Minnesota state retirement system and must be filed with the executive director no later than December 31, 1999.

(b) An employee failing to make an election by December 15, 1999, must be notified by certified mail by the executive director of the Minnesota state retirement system of the deadline to make a choice. A person who does not submit an election form must continue coverage in the general employees retirement plan and forfeits all rights to transfer retirement coverage to the correctional employees retirement plan.

(c) The election to retain coverage in the general employees retirement plan or the election to transfer retirement coverage to the correctional employees retirement plan is irrevocable once it is filed with the executive director.

Sec. 4. [COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN PERSONS.]

Subdivision 1. [ELECTION OF PRIOR STATE SERVICE COVERAGE.] (a) An employee who has future retirement coverage transferred to the correctional employees retirement plan under section 3, and who does not elect to retain general state employees retirement plan coverage, is entitled to elect to obtain prior service credit for eligible state service performed on or after July 1, 1997, and before the first day of the first full pay period beginning after December 31, 1999. All prior service credit must be purchased.

(b) Eligible state service is any period of service on or after the date which the employee started employment with the Minnesota extended treatment options program in a position specified in Minnesota Statutes, section 352.91, subdivision 3e, in which at least 75 percent of the employee's working time is determined to have been spent in direct contact with Minnesota extended treatment options program patients or July 1, 1997, whichever is later, and the date the employee joined the correctional employees plan.

(c) The department of human services shall certify eligible state service to the executive director of the Minnesota retirement system.

Subd. 2. [PAYMENT FOR PRIOR SERVICE.] (a) An employee electing to obtain prior service credit under subdivision 1 must pay an additional employee contribution for that prior service. The additional member contribution is the contribution differential percentage applied to the actual salary paid to the employee during the period of the prior eligible state service, plus interest at the rate of six percent per annum, compounded annually. The contribution differential percentage is the difference between 5.5 percent of salary and the applicable employee contribution rate of the general state employees retirement plan during the prior eligible state service.

(b) The additional member contribution must be paid only in a lump sum. Payment must accompany the election to obtain prior service credit. No election or payment may be made by the person or accepted by the executive director after June 30, 2001.

Subd. 3. [TRANSFER OF ASSETS.] Assets must be transferred from the general state employees retirement plan to the correctional employees retirement plan in an amount equal to the present value of benefits earned under the general employees retirement plan for each employee transferring to the correctional employees retirement plan, as determined by the actuary retained by the legislative commission on pensions and retirement in accordance with Minnesota Statutes, section 356.215, multiplied by the accrued liability funding ratio of active members as derived from the most recent actuarial valuation prepared by the commission-retained actuary. The transfer of assets must be made within 45 days after the employee elects to transfer coverage to the correctional employees retirement plan.

Subd. 4. [EFFECT OF THE ASSET TRANSFER.] Upon the transfer of assets in subdivision 3, service credit in the general state employees plan of the Minnesota state retirement system is forfeited and may not be reinstated. The service credit and transferred assets must be credited to the correctional employees retirement plan.

Subd. 5. [COUNSELING.] (a) The commissioners of human services and employee relations and the executive director of the Minnesota state retirement system have the joint responsibility of providing affected employees with appropriate and timely retirement and related benefit counseling.

(b) Counseling must include the anticipated impact of the retirement coverage change on the person's future retirement benefit amounts, future retirement eligibility, future applicability of mandatory retirement laws, and future postemployment insurance coverage.

(c) The commissioner of human services must consult with the appropriate collective bargaining agents of the affected employees regarding the content, form, and timing of the counseling required by this section.

Sec. 5. [TRANSITIONAL PROVISION; RETENTION OF CERTAIN RIGHTS.]

(a) Nothing in sections 1 to 6 may be considered to restrict the entitlement of a person under state law to repay a previously taken refund of employee or member contributions to a Minnesota public pension plan if all qualifying requirements are met.

(b) The period of correctional employees retirement plan contributions, plus interest, must be restored upon the repayment of the appropriate refund amount if the service was correctional employees retirement plan covered service on the date when the service was rendered or on the date when the refund was taken.

Sec. 6. [EARLY RETIREMENT INCENTIVE.]

This section applies to an employee who has future retirement coverage transferred to the correctional employee retirement plan under section 3 and who is at least 55 years old on the effective date of section 3. That employee may participate in a health insurance early retirement incentive available under the terms of a collective bargaining agreement, notwithstanding any provision of the collective bargaining agreement that limits participation to persons who select the option during the payroll period in which they become 55 years old. A person selecting the health insurance early retirement incentive under this section must retire by the later of December 31, 2000, or within the pay period following the time at which the person has at least three years of covered correctional service, including any purchased service credit. An employee meeting this criteria who wishes to extend the person's employment must do so under Minnesota Statutes, section 43A.34, subdivision 3.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective on the first day of the first full pay period beginning after July 1, 1999.

ARTICLE 10

PUBLIC SAFETY EMPLOYEE
PENSION PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] (a) A person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall, as long as the person remains in either position, continue membership in the fund.

(b) A person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date, and if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, ~~shall continue membership in~~ continues to be a member of the fund, whether or not that person has the power of arrest by warrant and is licensed by the peace officers standards and training board after that date. A person who was employed as a correctional officer by Rice county before July 1, 1998, for the duration of employment in the correctional position held on July 1, 1998, continues to be a member of the public employees police and fire plan, whether or not the person has the power of arrest by warrant and is licensed by the peace officers standards and training board after that date.

(c) A person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall become a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date.

(d) Any other employee serving on a full-time basis as a police officer as defined in subdivision 2 or as a firefighter as defined in subdivision 3 on or after July 1, 1961, shall become a member of the public employees police and fire fund.

(e) An employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer.

(f) An employee serving on less than a full-time basis as a firefighter shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter.

(g) A police officer or firefighter employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10 shall not become a member of the public employees police and fire fund.

Sec. 2. Minnesota Statutes 1998, section 353.651, subdivision 4, is amended to read:

Subd. 4. [EARLY RETIREMENT.] Any police officer or firefighter member who has become at least 50 years old and who has at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by ~~two-tenths~~ one-tenth of one percent for each month that the member is under age 55 at the time of retirement.

Sec. 3. [353.652] [SOCIAL SECURITY BENEFIT OFFSET IN CERTAIN INSTANCES.]

(a) If a public employee continues in retirement plan coverage by the public employees police and fire retirement plan by virtue of section 1 and subsequently is covered by the federal old age, survivors, and disability insurance program for service as a Rice county correctional officer, the retirement annuity of the person under section 353.651 or the disability benefit of the person under section 353.656 must be reduced dollar-for-dollar for the social security benefit that the person is entitled to receive by virtue of Rice county correctional service rendered after the effective date of section 1.

(b) To be effective, the retirement annuity or disability benefit application form for a Rice county correctional employee must include signed, written permission by the person for the public employees retirement association to obtain the necessary information from the federal old age, survivors, and disability insurance program to implement the offset provision in paragraph (a).

Sec. 4. [353.90] [PENALTY FOR MEMBERSHIP MISCERTIFICATIONS AND CERTIFICATION FAILURES.]

(a) If the board of trustees of the public employees retirement association, upon the recommendation of the executive director, determines that a governmental subdivision has certified a public employee for membership in the public employees police and fire retirement plan when the public employee was not eligible for that retirement

plan coverage, the public employee must be covered by the correct retirement plan for subsequent service, the public employee retains the coverage for the period of the misclassification, and the governmental subdivision shall pay in a lump sum the difference in the actuarial present value of the retirement annuities to which the public employee would have been entitled if the public employee was properly classified. The government subdivision payment is payable within 30 days of the board's determination. If unpaid, it must be collected under section 353.28. The lump-sum payment must be deposited in the public employees retirement fund.

(b) If the executive director of the public employees retirement association determines that a governmental subdivision has failed to certify a person for retirement plan membership and coverage under this chapter, in addition to the procedures under section 353.27, subdivision 4, 9, 10, 11, 12, 12a, or 12b, the director shall charge a fine of \$25 for each membership certification failure.

Sec. 5. Minnesota Statutes 1998, section 353A.083, is amended by adding a subdivision to read:

Subd. 4. [PRE-1999 CONSOLIDATIONS.] For any consolidation account in effect on July 1, 1999, the public employees police and fire fund benefit plan applicable to consolidation account members who have elected or will elect that benefit plan coverage under section 353A.08 is the most recent change adopted by the applicable municipality under subdivision 1, 2, or 3, unless the applicable municipality approves the extension of the post-June 30, 1999, public employees police and fire fund benefit plan to the consolidation account.

Sec. 6. [COLLECTION OF POLICE STATE AID OVERPAYMENTS.]

(a) As police state aid that was received by Rice county on account of correctional officers who were improperly included in retirement coverage by the public employees police and fire plan, the total of the following amounts must be deducted in 20 equal annual installments from any police state aid payable to Rice county under Minnesota Statutes, chapter 69:

<u>Amount</u>	<u>Year</u>
\$11,543	1994
19,096	1995
39,111	1996
19,170	1997
13,764	1998

(b) Rice county correctional officers who are members of the public employees police and fire plan may not be included in the police officer certification under Minnesota Statutes, section 69.011, subdivision 2, paragraph (b), and the employer contributions to the public employees police and fire fund on behalf of those correctional employees may not be included in the employer police retirement coverage prior calendar year obligation for the determination of excess police state aid under Minnesota Statutes, section 69.021, subdivision 10, unless the correctional officer is a peace officer as defined in Minnesota Statutes, section 69.011, subdivision 1, paragraph (g).

Sec. 7. [EFFECTIVE DATE.]

(a) Sections 2 and 6 are effective on July 1, 1999. Sections 1, 3, and 5 are effective on the day following final enactment. Section 4 is effective on August 1, 2000.

(b) If all consolidation accounts in effect on March 1, 1999, are merged with the public employees police and fire fund after July 1, 1999, section 5 is repealed as of June 30, 1999.

ARTICLE 11

SPECIAL RETIREMENT COVERAGE
FOR CERTAIN STATE FIRE
MARSHAL EMPLOYEES

Section 1. [352.87] [STATE FIRE MARSHAL DIVISION EMPLOYEES.]

Subdivision 1. [ELIGIBILITY.] A member of the general plan who is employed by the department of public safety, state fire marshal division, as a deputy state fire marshal, fire/arson investigator, who elects special benefit coverage under subdivision 8, is entitled to retirement benefits or disability benefits, as applicable, as stated in this section for eligible service under this section rendered after July 1, 1999, for which allowable service credit is received. The covered member must be at least age 55 to qualify for the retirement annuity specified in subdivision 3.

Subd. 2. [RETIREMENT ANNUITY ELIGIBILITY.] A person specified in subdivision 1 who meets all eligibility requirements specified in this chapter applicable to general plan members is eligible for retirement benefits as specified in subdivision 3.

Subd. 3. [RETIREMENT ANNUITY FORMULA.] A person specified in subdivision 1 will have a retirement annuity applicable for allowable service credit under this section calculated by multiplying the employee's average salary, as defined in section 352.115, subdivision 2, by the percentage specified in section 356.19, subdivision 2a, for each year or portions of a year of allowable service credit. No reduction for retirement prior to normal retirement age, as specified in section 352.01, subdivision 25, applies to service to which this section applies.

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

Subd. 5. [JOB-RELATED DISABILITY BENEFITS.] An eligible member defined in subdivision 1, who is less than 55 years of age and who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 20 years of service qualifying under this section and waiving the minimum age requirement. An eligible member who becomes disabled under this subdivision with more than 20 years of service credited under this section is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the age requirement.

Subd. 6. [DISABILITY BENEFIT COORDINATION.] If the eligible employee is entitled to receive a disability benefit as provided in subdivision 4 or 5 and has allowable service credit under this section for less service than the length of service upon which the disability benefit in subdivision 4 or 5 is based, and also has allowable service in the general plan not includable in this section, the employee is entitled to a disability benefit or deferred retirement annuity based on the general plan service not includable in this section only for the service that, when combined with the service includable in this section, exceeds the number of years on which the disability benefit provided in subdivision 4 or 5 is based. The benefit recipient under subdivision 4 or 5 who also has credit for regular plan service must in all respects qualify under section 352.113 to be entitled to receive a disability benefit based on the general plan service not includable in this section, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on general plan service not includable in this section must be augmented as provided in section 352.72, subdivision 2, while the employee is receiving a disability benefit under this section.

Subd. 7. [ADDITIONAL CONTRIBUTIONS.] The special retirement annuity and disability coverage under this section must be financed by an employee contribution of 2.78 percent of covered salary and an employer contribution of 4.20 percent of covered salary. These contributions are in addition to the contributions required by section 352.04, subdivisions 2 and 3, and must be made in the manner provided for in section 352.04, subdivisions 4 to 6.

Subd. 8. [ELECTION OF COVERAGE.] To be covered by this section, an employee of the department of public safety described in subdivision 1 who is employed in a position described in that subdivision on or after July 1, 1999, must file a notice with the executive director of the Minnesota state retirement system on a form prescribed by the executive director stating whether or not the employee elects to be covered by this section. Notice must be filed by September 1, 1999, or within 90 days of employment, whichever is later. Elections are irrevocable during any period of covered employment. A failure to file a timely notice is deemed a waiver of coverage by this section.

Sec. 2. Minnesota Statutes 1998, section 356.19, is amended by adding a subdivision to read:

Subd. 2a. [COORDINATED MEMBERS.] The applicable benefit accrual rate is 2.0 percent.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 12

MNSCU INDIVIDUAL RETIREMENT ACCOUNT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state ~~and;~~

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

~~(ii)~~ (iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established ~~pursuant to~~ under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a ~~deceased retired employee who received an annuity under a state retirement program~~ person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the ~~employee's~~ retiree's death.

(d) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 2. Minnesota Statutes 1998, section 136F.48, is amended to read:

136F.48 [EMPLOYER-PAID HEALTH INSURANCE.]

(a) This section applies to a person who:

(1) retires from the Minnesota state college and university system, the technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of those systems the Minnesota state college and university system;

(3) begins drawing a retirement benefit from the individual retirement account plan or an annuity from the teachers retirement association, the Minnesota state retirement system, or from a first class city teacher plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

(f) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 3. [352.1155] [NO ANNUITY REDUCTION.]

Subdivision 1. [ELIGIBILITY.] Except as indicated in subdivision 4, the annuity reduction provisions of section 352.115, subdivision 10, do not apply to a person who:

(1) retires from the Minnesota state college and university system with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

(3) begins drawing an annuity from the Minnesota state retirement system general plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

Subd. 2. [APPROVAL REQUIREMENTS.] Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to a one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

Subd. 3. [SERVICE CREDIT PROHIBITION.] Notwithstanding any law to the contrary, a person eligible under this section may not, based on employment to which the waiver in this section applies, earn further service credit in a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

Subd. 4. [EXEMPTION LIMIT.] For a person eligible under this section who earns more than \$35,000 in a calendar year from reemployment in the Minnesota state college and university system following retirement, the annuity reduction provisions of section 352.115, subdivision 10, apply only to income over \$35,000.

Subd. 5. [CONTINUING RIGHTS.] A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 4. Minnesota Statutes 1998, section 354.445, is amended to read:

354.445 [NO ANNUITY REDUCTION.]

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the Minnesota state college and university system, technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of these systems that system;

(3) begins drawing an annuity from the teachers retirement association; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not, based on employment to which the waiver in this section applies, earn further service credit in ~~the teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B~~ as a result of service under this section a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

(d) For a person eligible under paragraphs (a) and (b) who earns more than \$35,000 in a calendar year from employment after retirement ~~in the system from which the person retired due to employment in the Minnesota state college and university system~~, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over \$35,000.

(e) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 5. Minnesota Statutes 1998, section 354.66, subdivision 1b, is amended to read:

Subd. 1b. [DISTRICT, DEFINED.] For purposes of this section, the term "district" means a school district, ~~the community or the Minnesota state college system and the state university system~~.

Sec. 6. Minnesota Statutes 1998, section 354.66, subdivision 1c, is amended to read:

Subd. 1c. [PARTICIPATION.] (a) Except as indicated in paragraph (b), participation in the part-time mobility program must be based on a full fiscal year and the employment pattern of the teacher during the most recent fiscal year.

(b) For a teacher in the Minnesota state college and university system who teaches only during the first semester in an academic year and retires immediately after the first semester, participation in the part-time mobility program must be based on one-half of a full fiscal year and the employment pattern of the teacher during the most recent one-half of the most recent fiscal year.

Sec. 7. Minnesota Statutes 1998, section 354.66, subdivision 3, is amended to read:

Subd. 3. [PART-TIME TEACHING POSITION, DEFINED.] (a) For purposes of this section, the term "part-time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time teacher with identical education and experience with the employing unit.

The compensation of a teacher in the state colleges and universities system may exceed the 80 percent limit if the teacher does not teach just one of the three quarters in the system's full school year, provided no additional services are performed while the teacher participates in the program. (b) For a teacher to which subdivision 1c, paragraph (b), applies, "part-time teaching position" means a teaching position within the district in which the teacher is employed for at least 25 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 40 percent of the compensation established by the board for a full-time teacher, with identical education and experience with the employing unit.

Sec. 8. Minnesota Statutes 1998, section 354B.24, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ADDITIONAL CONTRIBUTIONS.] (a) In addition to contributions required by subdivision 2, a plan participant on an approved sabbatical leave may shall make an optional additional a member contribution. The optional additional member may not exceed based on the applicable member contribution rate specified in section 354B.23, subdivision 1, applied to the difference between the amount of salary actually received during the sabbatical leave and the amount of full-time salary actually received for a comparable period of an identical length to the member would have received if not on sabbatical leave that occurred during the fiscal year immediately preceding the sabbatical leave.

(b) Any ~~optional~~ additional member contribution must be made before the last day of the fiscal year next following the fiscal year in which the sabbatical leave terminates. ~~The optional additional member contribution may not include interest through payroll deduction as though the member were employed full time.~~

(c) When an ~~optional~~ additional member contribution is made, the employing unit must make the employer contribution at the rate ~~set forth~~ specified in section 354B.23, subdivision 3, on the salary that was the basis for the ~~optional~~ additional member contribution under paragraph (a).

(d) An employer contribution required under this section must be made no later than 60 days after the date on which the optional additional member contribution was made.

Sec. 9. Minnesota Statutes 1998, section 354B.25, subdivision 2, is amended to read:

Subd. 2. [~~ANNUITY CONTRACTS AND CUSTODIAL ACCOUNTS INVESTMENT OPTIONS.~~] (a) The plan administrator shall arrange for the purchase of ~~fixed annuity contracts, variable annuity contracts, a combination of fixed and variable annuity contracts, or custodial accounts from financial institutions which have been selected by the state board of investment under subdivision 3, as the investment vehicle for the retirement coverage of plan participants and to provide retirement benefits to plan participants. Custodial accounts from financial institutions shall include open-end investment companies registered under the federal Investment Company Act of 1940, as amended investment products.~~

(b) ~~The annuity contracts or accounts investment products~~ investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board ~~and deemed acceptable by the applicable financial institution.~~

(c) ~~In addition to contracts and accounts from financial institutions,~~ The Minnesota supplemental investment fund established under section 11A.17 and administered by the state board of investment is one of the investment ~~options~~ products for the individual retirement account plan. Direct access must also be provided to lower expense and no load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

(1) savings accounts at federally insured financial institutions;

(2) life insurance contracts and fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;

(3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(4) investment options from a firm that is a registered investment advisor under the federal Investment Advisors Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(5) investment options of a bank as defined in United States Code, title 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the federal Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 10. Minnesota Statutes 1998, section 354B.25, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] (a) ~~The financial institutions investment options provided for under subdivision 2 must be selected by the state board of investment. Financial institutions include open-end investment companies registered under the federal Investment Company Act of 1940, as amended:~~

~~(b) The state board of investment may select up to five financial institutions to provide annuity contracts, custodial accounts, or a combination, as investment options for the individual retirement account plan in addition to the Minnesota supplemental investment fund. In making its selection, at a minimum, the state board of investment shall consider at least the following:~~

~~(1) the experience and ability of the financial institution to provide retirement and death benefits and products that are suited to meet the needs of plan participants;~~

~~(2) the relationship of those retirement and death benefits and products provided by the financial institution to their cost; and~~

~~(3) the financial strength and stability of the financial institution; and~~

~~(4) the fees and expenses associated with the investment products in comparison to other products of similar risk and rates of return.~~

~~(b) After selecting a financial institution, the state board of investment must periodically review each financial institution selected under paragraph (b) and the offered products. The periodic review must occur at least every three years. In making its review, the state board of investment may retain appropriate consulting services to assist it in its periodic review, establish a budget for the cost of the periodic review process, and charge a proportional share of these costs to the reviewed financial institution.~~

~~(c) Contracts with financial institutions under this section must be executed by the board and must be approved by the state board of investment before execution.~~

~~(d) The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out the provisions of this subdivision.~~

Sec. 11. Minnesota Statutes 1998, section 354B.25, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES.] (a) The reasonable and necessary administrative expenses of the individual retirement account plan ~~must~~ may be ~~paid by~~ charged to plan participants by the plan sponsor in the ~~following manner:~~

~~(1) from plan participants with amounts invested in the Minnesota supplemental investment fund, the plan administrator may charge an administrative expense assessment in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; and~~

~~(2) from plan participants with amounts through annuity contracts and custodial accounts purchased under subdivision 2, paragraph (a), the plan administrator may charge an administrative expense assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made form of an annual fee, an asset-based fee, a percentage of the contributions to the plan, or a combination thereof.~~

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 12. [354B.31] [IRAP PART-TIME TEACHER MOBILITY PROGRAM.]

Subdivision 1. [PARTICIPATION REQUIREMENTS.] A faculty member who has three years or more of service in the Minnesota state college and university system, by agreement with the board or with the authorized representative of the board, may be assigned to teaching service in a part-time teaching position under subdivision 2.

Subd. 2. [PART-TIME TEACHING POSITION; DEFINED.] For purposes of this section, "part-time teaching position" means a teaching position within the Minnesota state college and university system in which the teacher is employed for at least 50 full days or a fractional equivalent as prescribed in section 354.091, and for which the faculty member is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time faculty member with identical education and experience with the employing unit.

Subd. 3. [RETIREMENT CONTRIBUTIONS.] A faculty member assigned to a part-time position under this section shall continue to make employee contributions to the individual retirement account plan during the period of part-time employment on the same basis and in the same amounts as would have been paid if the person had been employed on a full-time basis provided that, prior to June 30 each year, the member and the board make that portion of the required employer contribution to the plan, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the person had been employed on a full-time basis and the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the plan on behalf of the person that is based on the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employee and employer contributions shall be based on the rates of contribution prescribed by section 354B.23. Employee contributions for part-time teaching service pursuant to this section shall not continue for more than ten years.

Subd. 4. [OTHER MEMBERSHIP PRECLUDED.] A faculty member entitled to make employee contributions for part-time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in, or make employee contributions to any other Minnesota public employee pension plan, except a volunteer firefighters relief association governed by sections 69.771 to 69.776.

Subd. 5. [INSURANCE.] If the board enters into an agreement authorized by this section, the board shall continue any insurance programs furnished or authorized to a full-time teacher on an identical basis and with identical sharing of costs for a part-time teacher pursuant to this section. However, the requirements of this subdivision may be modified by a collective bargaining agreement between the board and an exclusive representative pursuant to chapter 179A. Teachers as defined in section 136F.43 employed on a less than 75 percent time basis pursuant to this section are eligible for state-paid insurance benefits as if the teachers were employed full time.

Subd. 6. [ELIGIBILITY FOR CREDIT.] Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section qualify for employee contributions to the retirement plan for part-time teaching service under subdivision 4. Notwithstanding section 179A.03, subdivision 14, clauses (e) and (f), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, continue to be in the bargaining unit during the period of part-time employment under this section for purposes of compensation, fringe benefits, and the grievance procedure.

Subd. 7. [BOARD POWER NOT RESTRICTED.] This section does not limit the authority of the board to assign a teacher to a part-time teaching position which does not qualify for full accrual of service credit from, and employee contributions to, the retirement fund under this section.

Subd. 8. [SUBSTITUTE TEACHING.] Subdivision 4 does not prohibit a teacher who qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding sections 354.091 and 354.42, a teacher may not qualify for full accrual of service credit from and employee contributions to the retirement fund for other teaching service rendered for any part of any year for which the teacher qualifies for employee contributions to the retirement plan pursuant to this section.

Sec. 13. Minnesota Statutes 1998, section 354C.12, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE EXPENSES.] (a) The board of trustees of the Minnesota state colleges and universities is authorized to pay the necessary and reasonable administrative expenses of the supplemental retirement plan and may bill participants to recover these expenses. The administrative fees or charges must may be paid by charged to participants in the following manner: as an annual fee, an asset-based fee, a percentage of contributions to the plan, or a contribution thereof.

~~(1) from participants whose contributions are invested with the state board of investment, the plan administrator may recover administrative expenses in the manner authorized by the Minnesota state colleges and universities in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; or~~

~~(2) from participants where contributions are invested through contracts purchased from any other authorized source, the plan administrator may assess an amount of up to two percent of the employee and employer contributions.~~

(b) Any recovered or assessed amounts that are not needed for the necessary and reasonable administrative expenses of the plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in section 354B.25, subdivision 1a, on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective on July 1, 1999.

ARTICLE 13

EMPLOYER MATCHING CONTRIBUTION
TAX-SHELTERED ANNUITY CHANGES

Section 1. Minnesota Statutes 1998, section 356.24, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTION; EXCEPTIONS.] ~~(a)~~ It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

- (1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;
- (2) to a plan that provides solely for group health, hospital, disability, or death benefits;
- (3) to the individual retirement account plan established by chapter 354B;
- (4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) for employees other than personnel employed by the state university board or the community college board and covered by the board of trustees of the Minnesota state colleges and universities supplemental retirement plan under chapter 354C, if provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee;

(i) to the state of Minnesota deferred compensation plan under section 352.96; or

(ii) in payment of the applicable portion of the premium on a tax-sheltered annuity contract qualified under section 403(b) of the Internal Revenue Code, if purchased from a qualified insurance company, or from a qualified investment entity, as defined in subdivision 1a, and if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year; or

(6) for personnel employed by the state university board or the community college board and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

~~(b)~~ Subd. 1a. [QUALIFIED INSURANCE COMPANY; QUALIFIED INVESTMENT ENTITIES; DEFINITIONS.] (a) A qualified insurance company is a company that:

- (1) meets the definition in section 60A.02, subdivision 4;
- (2) is licensed to engage in life insurance or annuity business in the state;
- (3) is determined by the commissioner of commerce to have a rating within the top two rating categories by a recognized national rating agency or organization that regularly rates insurance companies; and
- (4) is determined by the state board of investment to be among ~~the ten up to 20~~ applicant insurance companies with competitive investment options and investment returns ~~on annuity products~~.

(b) A qualified investment entity is an open-end investment company that is:

(1) registered under the federal Investment Company Act of 1940;

(2) licensed to do business in the state;

(3) determined by the commissioner of commerce to be in sound financial standing; and

(4) determined by the state board of investment to be among up to five applicant investment entities with competitive investment options and investment returns.

(c) The state board of investment determination must be made on or before ~~January 1, 1993~~ July 1, 2000, and must be reviewed periodically. The state board of investment may retain actuarial services to assist it in this determination and in its periodic review. The state board of investment may annually establish a budget for its costs in any determination and periodic review processes. The state board of investment may charge a proportional share of all costs related to the periodic review to those qualified insurance companies and qualified investment entities currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids in a determination process to each company and investment entity selected by the state board of investment. All contracts must be approved before execution by the state board of investment. The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.

(e) Subd. 1b. [VENDOR RESTRICTIONS.] A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under paragraph (b), clause (5), subdivision 1 that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.

Sec. 2. [COMMISSION STUDY.]

The legislative commission on pensions and retirement shall study the issue of the appropriate means to provide partially employer-funded, tax-sheltered savings opportunities for educational employees, including the establishment of a single comprehensive program structure for all applicable educational employers and the elimination of any restriction on investment vendors in providing partially employer-funded investment opportunities to educational employees.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective May 15, 2000. Section 2 is effective on the day following final enactment.

ARTICLE 14

MINNEAPOLIS EMPLOYEES RETIREMENT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 422A.06, subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund consists of the assets held in the fund, ~~increased by including~~ 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. 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, ~~death benefits payable on death before retirement that are not payable from the survivors' benefit fund 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.

Sec. 2. Minnesota Statutes 1998, section 422A.06, subdivision 6, is amended to read:

Subd. 6. [SURVIVOR'S BENEFIT FUND.] The survivor's benefit fund ~~shall consist~~ consists of the amount held for survivor benefits, increased by contributions for survivor benefits made by and for employees, including contributions made by the employer, by any municipal activity supported in whole or in part by revenue other than taxes or by any public corporation. A proportionate share of income from investments ~~shall~~ must be allocated to this fund. ~~There shall be paid from such fund the Survivor benefits specified in section 422A.23 except that the refund of net accumulated deductions from the salary of a contributing member shall upon death in service be paid from the deposit accumulation fund~~ must be paid from this fund.

Sec. 3. Minnesota Statutes 1998, section 422A.101, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL EMPLOYER CONTRIBUTION IN CERTAIN INSTANCES.] (a) If a participating employing unit, other than the state, has a negative asset balance in the deposit accumulation fund, the executive director shall bill the employing unit for the amount of the deficiency. Any amount billed must include six percent interest, compounded annually, for any year or portion of a year from the billing date until the date of payment.

(b) If assets in the deposit accumulation fund are insufficient to make a transfer to the retirement benefit fund, the city of Minneapolis shall pay the amount of that insufficiency to the retirement benefit fund within three days of certification of the insufficiency by the executive director of the fund. The city of Minneapolis may bill any other participating employing unit other than the state for its proportion of the amount paid. Any amount billed by the city under this paragraph must include interest as specified in paragraph (a).

Sec. 4. Minnesota Statutes 1998, section 422A.18, subdivision 2, is amended to read:

Subd. 2. [DISABILITY ALLOWANCE AMOUNT.] (a) The amount of disability allowance under this section shall be the amount of service allowance to which the employee would be entitled under section 422A.15, notwithstanding the age requirements expressed therein; or the lesser of the following amounts: 50 percent of the final average compensation, or an amount equal to two percent of final average compensation for each year of allowable service for the first ten years, and thereafter 2.5 percent of final average compensation per year of allowable service, including in the latter assumed service between the date the disability occurred and the 60th birthday of the employee.

~~If the amount of annuity (b) Annuities payable from the Minnesota postretirement investment fund to any class of annuitants is adjusted pursuant to section 11A.18, the amount of benefits payable from the disability benefit fund for that class of annuitants under this section shall also be adjusted at the same time and rate as retirement annuities in the retirement benefit fund.~~

Sec. 5. Minnesota Statutes 1998, section 422A.22, subdivision 4, is amended to read:

Subd. 4. [DEATH-WHILE-ACTIVE REFUND.] (a) Upon the death of a contributing an active member while still in the service of the city, and before reaching the compulsory age of retirement before termination of service, there shall be paid to such person the beneficiary or persons as beneficiaries designated by the member shall have nominated by written designation, on a form specified by the executive director and filed with the retirement board, in such form as the retirement board shall require; the net accumulated amount of employee deductions from salary, pay, or compensation, including interest, to the member's credit on date of compounded annually to the date of the member's death. The amount must not include any contributions made by the employee or on the employee's behalf, or any interest or investment earnings on those contributions, which were allocated to the survivor benefit fund under section 422A.06, subdivision 6.

(b) If the employee fails to make a designation, or if the person or persons beneficiary or beneficiaries designated by such the employee predeceases such the employee, the net accumulated amount of deductions from salary, pay, or compensation including interest, to the credit of such employee on date of death shall benefit specified in paragraph (a) must be paid to such the deceased employee's estate.

(c) A benefit payable under this subdivision is in addition to any applicable survivor benefit under section 422A.23.

Sec. 6. Minnesota Statutes 1998, section 422A.22, subdivision 5, is amended to read:

Subd. 5. [REPAYMENT OF REFUND.] Upon ~~reinstatement~~ reemployment of a former covered employee ~~to the service; in employment covered by the Minneapolis employees retirement fund, service credit for such past service or for any part thereof shall which was forfeited by taking a refund must be granted~~ reinstated only upon repayment of the amount of the separation refund, with interest, from the time of ~~separation~~ payment of the refund until the date repaid.

Sec. 7. Minnesota Statutes 1998, section 422A.23, is amended to read:

422A.23 [SURVIVOR BENEFITS.]

Subdivision 1. [PAYMENT OF CITY INSTALLMENT ACCUMULATED AMOUNT.] (a) ~~If a contributing an active or deferred member dies after having been in the service with ten or more years of service credit, and before actual retirement, as determined by the retirement board, the present worth of the city's annual installments of \$60 then to the credit of the contributing member, shall be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member or, if there be no surviving spouse or surviving child or children, then to a person actually dependent on and receiving principal support from such member or surviving mother or father, or grandchildren, or surviving brother or sister, or surviving children of the deceased brother or sister of such member except as noted in paragraph (d), the individual specified in paragraph (b) is eligible to receive the benefit specified in paragraph (c).~~

(b) An individual eligible for the benefit specified in paragraph (c) is a beneficiary designated by the member on a form specified by the executive director. If the beneficiary designated by the member is not one of the class of persons named in the preceding sentence, such benefit from the accumulation of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child or children, to the dependent or dependents as those terms are herein defined, of the member, share and share alike; (4) if there be no surviving spouse, child or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the grandchildren, in equal shares; if there be no grandchildren, to the surviving brothers and sisters of the member, in equal shares; (6) if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; or (7) if there is none of the foregoing persons who survives the member, the accumulation of the city deposits shall be applied to the funeral expenses of the member failed to designate a beneficiary, or if the beneficiary or beneficiaries designated by the employee predeceases the employee, the benefit in paragraph (c) is payable to the deceased employee's estate.

(c) The benefit is a lump-sum payment of the present value of the city's or other contributing employer's annual installments of \$60 to the credit of the member.

(d) No benefit is payable under this subdivision if a monthly survivor benefit is paid on behalf of the deceased employee under another subdivision of this section.

Subd. 2. [SHORT-SERVICE SURVIVOR BENEFIT.] (a) If an active member dies prior to termination of service with at least 18 months but less than 20 years of service credit, the surviving spouse or surviving child or children is eligible to receive the survivor benefit specified in paragraph (b) or (c), as applicable. Payment of a benefit for any surviving child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of the surviving child. ~~For purposes of this subdivision, a surviving child is an unmarried child of the deceased member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college, or university.~~

(b) If the surviving spouse or surviving child benefit commenced before July 1, 1983, the surviving spouse benefit is increased from \$500 per month to \$750 per month and the surviving child benefit is \$225 per month, beginning with the first monthly payment payable after May 28, 1998. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed \$900 per month. The increased cost resulting from the benefit increases under this paragraph must be allocated to each employing unit listed in section 422A.101, subdivisions 1a, 2, and 2a, on the basis of the additional accrued liability resulting from increased benefits paid to the survivors of employees from that unit.

(c) If the surviving spouse or surviving child benefit commences after June 30, 1983, the surviving spouse benefit is 30 percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The surviving child benefit is ten percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed 50 percent of the member's average salary in effect over the last six months of allowable service.

(d) Any surviving child benefit or surviving spouse benefit computed under paragraph (c) and in effect for the month immediately prior to May 28, 1998, is increased by 15 percent as of the first payment on or after May 28, 1998.

(e) Surviving child benefits under this subdivision terminate when the child no longer meets the definition of surviving child.

Subd. 5. [ADMINISTRATION.] Benefits ~~herein~~ provided ~~shall in this section~~ following the death of an active employee or deferred member, as applicable, commence ~~with on~~ the first day of the month following the month in which the active employee or deferred member dies and shall end with the last day of the month preceding the month in which eligibility ceases. Eligibility for the benefits herein provided shall be determined by the retirement board and its determination shall be final. ~~Each beneficiary or parent or guardian of a dependent child or legal representative shall furnish such information as the board may deem deemed necessary by the executive director to determine eligibility for the benefits provided by this section, and must be submitted.~~ Failure to furnish any required information shall be sufficient grounds for the denial or discontinuance of benefits. A determination made by the executive director may be appealed to the retirement board, whose determination is final. If the surviving spouse of the deceased active employee or deferred member becomes entitled to a retirement allowance by reason of membership in this fund, the surviving spouse ~~shall is authorized to~~ receive the retirement allowance in addition to ~~the all applicable surviving spouse's benefit~~ spouse benefits to which the surviving spouse is entitled as specified in this section and section 422A.22, subdivision 4, if applicable. The cost of all ~~monthly survivor's~~ benefits provided in this section ~~shall be~~ is an obligation of the members and of the city, any of its boards, departments, commissions or public corporations or other applicable employing units.

Subd. 6. [SURVIVOR BENEFIT EMPLOYEE CONTRIBUTION.] The retirement board shall create a reserve account for survivor's benefits from which shall be paid on an actuarial basis all survivor benefits due and payable. At the end of each fiscal year, as part of the annual actuarial valuation of the fund prepared by the commission-retained actuary, a determination of the normal cost of the benefits payable from the survivor's benefit account shall be made and the board shall reduce or increase the employee contribution rate of ~~one-fourth of one percent~~ if and when it is determined based on the annual actuarial valuation that the member contribution rate is in excess of or is less than the amount necessary to pay for 50 percent of the calculated normal cost of the survivor benefits provided in this section.

Subd. 7. [LONG-SERVICE ACTIVE AND DEFERRED MEMBER SURVIVOR COVERAGE.] (a) If the contributing active or deferred member dies after having been in the service of the city 20 or more years, and before the effective date of retirement, as determined by the retirement board, the board shall pay with 20 or more years of service credit, a beneficiary, as defined in paragraph (b), is eligible to receive the benefit specified in paragraph (c).

(b) The beneficiary eligible for a benefit under paragraph (c) is the surviving spouse of the deceased employee. If there is no surviving spouse, the beneficiary may be a dependent surviving child of the member or dependent parent designated by the employee on a form prescribed by the executive director.

(c) The benefit payable to the beneficiary designated in paragraph (b) is a monthly allowance for life to the designated beneficiary of the employee. The monthly allowance herein provided for shall be is the actuarial equivalent of a single life service allowance specified in section 422A.15, subdivision 1, which would have been payable to the employee on the date of death, notwithstanding the age requirement stated in section 422A.15, subdivision 1. For purposes of this section, the amount of any excess contributions or voluntary additions by the member shall not be included in the calculations in determining the monthly allowance.

The survivor allowance under this subdivision shall be computed and determined under a procedure specified by the commission-retained actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the commission-retained actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

(d) For benefits payable under this subdivision following the death of a deferred member, the benefit must be calculated as of the date of termination from service and increased by five percent per year until January 1, 1981, and by three percent per year thereafter, compounded annually.

Subd. 8. [SURVIVING CHILD; DEPENDENT DEFINITION.] ~~The beneficiary designated by the employee shall be the surviving spouse of such employee. If there is no surviving spouse, the designated beneficiary may be a dependent surviving child or dependent parent of such employee as dependency is defined in sections 422A.01 to 422A.25. If the beneficiary designated by the employee is not of the class of persons provided for in this subdivision, or if the designated beneficiary predeceases the employee, a refund shall be made as provided for in section 422A.22, in lieu of a life income. If the employee does not elect to designate a beneficiary to receive a life income as herein provided, the designated beneficiary, if of the class of persons set forth in this subdivision, may elect within 60 days after the date of death of the employee to receive a life income computed and determined as though the employee had retired on the date of death under the option 2 plan of retirement, as provided for in sections 422A.01 to 422A.25, and had designated such person as beneficiary. For purposes of subdivision 2, a surviving child is an unmarried child of the deceased member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college, or university. For purposes of subdivision 7, a dependent surviving child or dependent parent must meet the definition of dependent, as defined in section 422A.01, subdivision 12, at the time of the active or deferred member's death.~~

Subd. 9. [LUMP-SUM DEATH BENEFIT.] ~~If any employee who has contributed to the survivor's benefit account as herein provided dies before the effective date of retirement on a service or disability pension and is not survived by a beneficiary eligible to receive a monthly allowance as herein provided If no monthly survivor benefit is payable under subdivision 2 or 7, there shall be paid from the survivor's survivor benefit account to a beneficiary designated by the employee on a form prescribed by the executive director a lump-sum death benefit of \$750 if death occurs prior to the end of the employee's tenth year of service credit or of \$1500 if the employee had prior to death completed ten or more calendar years of service credit. Upon reinstatement of a former employee to the service, credit for such past service or for any part thereof shall be granted only upon repayment of the amount of the separation refund, with interest, from the time of separation Any benefit under this subdivision may be paid in addition to a benefit payable under subdivision 1.~~

Subd. 10. [BENEFIT INCREASES.] ~~If the amount of annuity payable from the Minnesota postretirement investment fund to any class of annuitants is adjusted pursuant to section 11A.18, the amount of benefits payable from the survivor's benefit fund pursuant to subdivisions 7 or 8 for that class of annuitants shall also be adjusted at the same time and rate. Annuities payable under this section must be adjusted at the same time and rate as retirement annuities in the retirement benefit fund.~~

Subd. 11. [EFFECT OF SPOUSE REMARRIAGE.] ~~A monthly survivor benefit is must not suspended; be discontinued or terminated; or otherwise stopped due to a surviving spouse's remarriage.~~

Subd. 12. [DETERMINATION OF ANNUITY.] ~~The survivor annuities payable under this section must be computed and determined under a procedure specified by the actuary retained by the legislative commission on pensions and retirement utilizing the appropriate mortality table based on the experience of the fund as recommended by that actuary and approved by the legislative commission on pensions and retirement and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.~~

Sec. 8. [422A.231] [COST ALLOCATION.]

(a) Notwithstanding any law to the contrary, all current and future contribution requirements due to this article are payable by the participating contributing employing units other than the state.

(b) In each actuarial valuation of the retirement fund, the actuary retained by the legislative commission on pensions and retirement shall include an exhibit on the impact of the benefit increases contained in this article on the survivor benefit fund. The actuary shall calculate the expected change in the present value of the future benefits payable from the survivor benefit fund attributable to this article, using the actuarial method and assumptions applicable to the Minneapolis employees retirement fund, from the prior actuarial valuation and shall compare that result with the actual change in the present value of future benefits payable from the survivor benefit fund attributable to this article from the prior actuarial valuation.

(c) The executive director shall assess each participating employer, other than the state, its proportional share of the net increase amount calculated under paragraph (b). The assessment must be made on the first business day of the following February, plus compound interest at an annual rate of six percent on the amount from the actuarial valuation date to the date of payment.

Sec. 9. [REPEALER.]

Minnesota Statutes 1998, section 422A.16, subdivision 3a, is repealed.

Sec. 10. [EFFECTIVE DATE.]

(a) This article is effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021.

(b) All sections of this article must be approved for the approval of any section to be effective.

ARTICLE 15

KANDIYOHI COUNTY AND LITCHFIELD CITY VOLUNTEER RESCUE SQUAD MEMBERS ADDED TO PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 1998, section 353D.01, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) Eligibility to participate in the defined contribution plan is available to:

(1) elected local government officials of a governmental subdivision who elect to participate in the plan under section 353D.02, subdivision 1, and who, for the elected service rendered to a governmental subdivision, are not members of the public employees retirement association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7; ~~and~~

(3) basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate under section 353D.02, subdivision 3; and

(4) members of a municipal rescue squad associated with Litchfield in Meeker county, or of a county rescue squad associated with Kandiyohi county, if an independent nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance's relief association or comparable pension plan.

(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Service as an elected local government official only includes service for the governmental subdivision for which the official was elected by the public-at-large. Service as an elected local government official ceases and eligibility to participate terminates when the person ceases to be an elected official. An elected local government official does not include an elected county sheriff.

(c) Elected local government officials, physicians, ~~and~~ first response personnel and emergency medical service personnel, and rescue squad personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

(d) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

Sec. 2. Minnesota Statutes 1998, section 353D.02, is amended by adding a subdivision to read:

Subd. 4. [ELIGIBLE RESCUE SQUAD PERSONNEL.] The municipality or county, as applicable, associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause (4), may elect to participate in the plan. If the municipality or county, as applicable, elects to participate, the eligible personnel may elect to participate or decline to participate. An eligible individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual begins to provide service to the rescue squad, whichever is later. Elections under this subdivision by a government unit or individual are irrevocable. The municipality or county, as applicable, must specify by resolution eligibility requirements for rescue squad personnel which must be satisfied if the individual is to be authorized to make the election under this subdivision.

Sec. 3. Minnesota Statutes 1998, section 353D.03, subdivision 3, is amended to read:

Subd. 3. [AMBULANCE SERVICE, RESCUE SQUAD PERSONNEL CONTRIBUTION.] A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel who individually elect to participate. Personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel, or a municipality or county making contributions on behalf of rescue squad members who are volunteers or largely uncompensated personnel, may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service or rescue squad service contributions, as applicable.

Sec. 4. [EFFECTIVE DATE.]

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

ARTICLE 16

MERGER INTO PERA-P&F OF LOCAL POLICE AND FIRE CONSOLIDATION ACCOUNTS

Section 1. Minnesota Statutes 1998, section 3.85, subdivision 12, is amended to read:

Subd. 12. [ALLOCATION OF ACTUARIAL COST.] (a) The commission shall assess each retirement plan specified in subdivision 11, paragraph (b), the compensation paid to the actuary retained by the commission for the actuarial valuation calculations, quadrennial projection valuations, and quadrennial experience studies. The assessment is 100 percent of the amount of contract compensation for the actuarial consulting firm retained by the commission for actuarial valuation calculations, including the public employees police and fire plan consolidation accounts of the public employees retirement association established before March 2, 1999, for which the municipality declined merger under section 353.665, subdivision 1, or established after March 1, 1999, annual experience data collection and processing, and quadrennial experience studies and quadrennial projection valuations.

The portion of the total assessment payable by each retirement system or pension plan must be determined as follows:

(1) Each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13), must pay the following indexed amount based on its total active, deferred, inactive, and benefit recipient membership:

up to 2,000 members, inclusive	\$2.55 per member
2,001 through 10,000 members	\$1.13 per member
over 10,000 members	\$0.11 per member

The amount specified is applicable for the assessment of the July 1, 1991, to June 30, 1992, fiscal year actuarial compensation amounts. For the July 1, 1992, to June 30, 1993, fiscal year and subsequent fiscal year actuarial compensation amounts, the amount specified must be increased at the same percentage increase rate as the implicit price deflator for state and local government purchases of goods and services for the 12-month period ending with the first quarter of the calendar year following the completion date for the actuarial valuation calculations, as published by the federal Department of Commerce, and rounded upward to the nearest full cent.

(2) The total per-member portion of the allocation must be determined, and that total per-member amount must be subtracted from the total amount for allocation. Of the remainder dollar amount, the following per-retirement system and per-pension plan charges must be determined and the charges must be paid by the system or plan:

(i) 37.87 percent is the total additional per-retirement system charge, of which one-seventh must be paid by each retirement system specified in subdivision 11, paragraph (b), clauses (1), (2), (6), (7), (9), (10), and (11).

(ii) 62.13 percent is the total additional per-pension plan charge, of which one-thirteenth must be paid by each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13).

(b) The assessment must be made following the completion of the actuarial valuation calculations and the experience analysis. The amount of the assessment is appropriated from the retirement fund applicable to the retirement plan. Receipts from assessments must be deposited in the state treasury and credited to the general fund.

Sec. 2. Minnesota Statutes 1998, section 69.021, subdivision 10, is amended to read:

Subd. 10. [REDUCTION IN POLICE STATE AID APPORTIONMENT.] (a) The commissioner of revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph (b), 6, and 7a, for eligible employer units by any excess police state aid.

(b) "Excess police state aid" is:

(1) for counties and for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all police officers are members of the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association;

(2) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police consolidation account governed by chapter 353A, and established before March 2, 1999, for which the municipality declined merger under section 353.665, subdivision 1, or established after March 1, 1999, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), plus the amount of the employer's total prior calendar year obligation under section 353A.09, subdivision 5, paragraphs (a) and (b), as certified by the executive director of the public employees retirement association;

(3) for municipalities in which police retirement coverage is provided by the public employees police and fire plan governed by sections 353.63 to 353.657, in which police retirement coverage was provided by a police consolidation account under chapter 353A before July 1, 1999, and for which the municipality has an additional municipal contribution under section 353.665, subdivision 8, paragraph (b), the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), plus the amount of any additional municipal contribution under section 353.665, subdivision 8, paragraph (b), until the year 2010, as certified by the executive director of the public employees retirement association;

(4) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police relief association governed by sections 69.77 and 423A.01, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount of the financial requirements of the relief association certified to the applicable municipality during the prior calendar year under section 69.77, subdivisions 2b and 2c, reduced by the amount of member contributions deducted from the covered salary of the relief association during the prior calendar year under section 69.77, subdivision 2a, as certified by the chief administrative officer of the applicable municipality;

~~(4)~~ (5) for the metropolitan airports commission, if there are police officers hired before July 1, 1978, with retirement coverage by the Minneapolis employees retirement fund remaining, the amount in excess of the commission's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount determined by expressing the commission's total prior calendar year contribution to the Minneapolis employees retirement fund under section 422A.101, subdivisions 2 and 2a, as a percentage of the commission's total prior calendar year covered payroll for commission employees covered by the Minneapolis employees retirement fund and applying that percentage to the commission's total prior calendar year covered payroll for commission police officers covered by the Minneapolis employees retirement fund, as certified by the chief administrative officer of the metropolitan airports commission; and

~~(5)~~ (6) for the department of natural resources and for the department of public safety, the amount in excess of the employer's total prior calendar year obligation under section 352B.02, subdivision 1c, for plan members who are peace officers under section 69.011, subdivision 1, clause (g), as certified by the executive director of the Minnesota state retirement system.

(c) The employer's total prior calendar year obligation with respect to the public employees police and fire plan is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, subdivision 2, and the actual total prior calendar year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivision 3, but not to exceed for those firefighters the applicable following amounts:

Municipality	Maximum Amount
Albert Lea	\$54,157.01
Anoka	10,399.31
Apple Valley	5,442.44
Austin	49,864.73
Bemidji	27,671.38
Brooklyn Center	6,605.92
Brooklyn Park	24,002.26
Burnsville	15,956.00
Cloquet	4,260.49
Coon Rapids	39,920.00
Cottage Grove	8,588.48
Crystal	5,855.00
East Grand Forks	51,009.88
Edina	32,251.00

Elk River	5,216.55
Ely	13,584.16
Eveleth	16,288.27
Fergus Falls	6,742.00
Fridley	33,420.64
Golden Valley	11,744.61
Hastings	16,561.00
Hopkins	4,324.23
International Falls	14,400.69
Lakeville	782.35
Lino Lakes	5,324.00
Little Falls	7,889.41
Maple Grove	6,707.54
Maplewood	8,476.69
Minnetonka	10,403.00
Montevideo	1,307.66
Moorhead	68,069.26
New Hope	6,739.72
North St. Paul	4,241.14
Northfield	770.63
Owatonna	37,292.67
Plymouth	6,754.71
Red Wing	3,504.01
Richfield	53,757.96
Rosemount	1,712.55
Roseville	9,854.51
St. Anthony	33,055.00
St. Louis Park	53,643.11
Thief River Falls	28,365.04
Virginia	31,164.46
Waseca	11,135.17
West St. Paul	15,707.20
White Bear Lake	6,521.04
Woodbury	3,613.00
any other municipality	0.00

(d) The total amount of excess police state aid must be deposited in the excess police state-aid account in the general fund, administered and distributed as provided in subdivision 11.

Sec. 3. Minnesota Statutes 1998, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (a) The municipal treasurer shall, within 30 days after receipt, transmit the fire state aid to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality. If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the fire state aid to the relief association until the complete financial report is filed. If there is no relief association organized, or if the association has dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall deposit the money in the municipal treasury as provided for in section 424A.08 and the money may be disbursed only for the purposes and in the manner set forth in that section.

(b) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(1) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid must be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(2) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, including municipalities covered by section 353.665, the total state aid must be applied toward the municipality's employer contribution to the public employees police and fire fund under ~~section~~ sections 353.65, subdivision 3, and 353.665, subdivision 8, paragraph (b), if applicable; or

(3) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (1), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (2), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (2) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association; or

(4) For a municipality in which police retirement coverage is provided in part by the public employees police and fire fund and in part by a local police consolidation account governed by chapter 353A and established before March 2, 1999, for which the municipality declined merger under section 353.665, subdivision 1, or established after March 1, 1999, the total police state aid must be applied towards the municipality's total employer contribution to the public employees police and fire fund and to the local police consolidation account under sections 353.65, subdivision 3, and 353A.09, subdivision 5.

(c) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund under section 353.65, subdivision 3.

(d) The designated metropolitan airports commission official, upon receipt of the police state aid for the metropolitan airports commission, shall apply the total police state aid first toward the commission's employer contribution for police officers to the Minneapolis employees retirement fund under section 422A.101, subdivision 2a, and, if there is any amount of police state aid remaining, shall apply that remainder toward the commission's employer contribution for police officers to the public employees police and fire plan under section 353.65, subdivision 3.

(e) The police state aid apportioned to the departments of public safety and natural resources under section 69.021, subdivision 7a, is appropriated to the commissioner of finance for transfer to the funds and accounts from which the salaries of peace officers certified under section 69.011, subdivision 2a, are paid. The commissioner of revenue shall certify to the commissioners of public safety, natural resources, and finance the amounts to be transferred from the appropriation for police state aid. The commissioners of public safety and natural resources shall certify to the commissioner of finance the amounts to be credited to each of the funds and accounts from which the peace officers employed by their respective departments are paid. Each commissioner must allocate the police state aid first for employer contributions for employees funded from the general fund and then for employer contributions for employees funded from other funds. For peace officers whose salaries are paid from the general fund, the amounts transferred from the appropriation for police state aid must be canceled to the general fund.

Sec. 4. Minnesota Statutes 1998, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following public employees shall not participate as members of the association with retirement coverage by the public employees retirement plan or the public employees police and fire retirement plan:

(1) elected public officers, or persons appointed to fill a vacancy in an elective office, who do not elect to participate in the association by filing an application for membership;

(2) election officers;

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

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

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

(5) employees whose actual salary from one governmental subdivision does not exceed \$425 per month, or whose annual salary from one governmental subdivision does not exceed a stipulation prepared in advance, in writing, that the salary must not exceed \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration;

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

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

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

(9) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are part-time employees as defined by a governmental subdivision;

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

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

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

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

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

(15) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

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

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

Sec. 5. Minnesota Statutes 1998, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] (a) "Salary" means:

(1) periodic compensation of a public employee, before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs, and also means "wages" and includes net income from fees; and

(2) for a public employee who has prior service covered by a local police or firefighters' relief association that has consolidated with the public employees retirement association or to which section 353.665 applies and who has elected coverage either under the public employees police and fire fund benefit plan under section 353A.08 following the consolidation or under section 353.665, subdivision 4, "salary" means the rate of salary upon which member

contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified by law and by bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure and the actual periodic compensation of the public employee after the effective date of consolidation.

(b) Salary does not mean:

(1) fees paid to district court reporters, unused annual or sick leave payments, in lump-sum or periodic payments, severance payments, reimbursement of expenses, lump-sum settlements not attached to a specific earnings period, or workers' compensation payments;

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

(3) the amount equal to that which the employing governmental subdivision would otherwise pay toward single or family insurance coverage for a covered employee when, through a contract or agreement with some but not all employees, the employer:

(i) discontinues, or for new hires does not provide, payment toward the cost of the employee's selected insurance coverages under a group plan offered by the employer;

(ii) makes the employee solely responsible for all contributions toward the cost of the employee's selected insurance coverages under a group plan offered by the employer, including any amount the employer makes toward other employees' selected insurance coverages under a group plan offered by the employer; and

(iii) provides increased salary rates for employees who do not have any employer-paid group insurance coverages; and

(4) except as provided in section 353.86 or 353.87, compensation of any kind paid to volunteer ambulance service personnel or volunteer firefighters, as defined in subdivisions 35 and 36.

Sec. 6. Minnesota Statutes 1998, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] (a) "Allowable service" means service during years of actual membership in the course of which employee contributions were made, periods covered by payments in lieu of salary deductions under section 353.35, and service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

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

(c) "Allowable service" also means a period of authorized leave of absence without pay that does not exceed one year, and during or for which a member obtained credit by payments to the fund made in place of salary deductions, provided that the payments are made in an amount or amounts based on the member's average salary on which deductions were paid for the last six months of public service, or for that portion of the last six months while the member was in public service, to apply to the period in either case immediately preceding commencement of the leave of absence. If the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion of the leave, the employee shall also, as a condition to the exercise of the election, pay to the fund an amount equivalent to both the required employer and additional employer contributions for the employee. The payment must be made within one year from the expiration of the leave of absence or within 20 days after

termination of public service under subdivision 11a. The employer by appropriate action of its governing body, made a part of its official records, before the date of the first payment of the employee contribution, may certify to the association in writing its commitment to pay the employer and additional employer contributions from the proceeds of a tax levy made under section 353.28. Payments under this paragraph must include interest at an annual rate of 8.5 percent compounded annually from the date of the termination of the leave of absence to the date payment is made. An employee shall return to public service and receive a minimum of three months of allowable service to be eligible to pay employee and employer contributions for a subsequent authorized leave of absence without pay.

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

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

(f) "Allowable service" also means an authorized temporary layoff under subdivision 12, limited to three months allowable service per authorized temporary layoff in one calendar year. An employee who has received the maximum service allowed for an authorized temporary layoff shall return to public service and receive a minimum of three months of allowable service to receive allowable service for a subsequent authorized temporary layoff.

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

(h) "Allowable service" also means a period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service under section 192.262 and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. Payment must be made within five years of the date of discharge from the military service. The amount of these contributions must be in accord with the contribution rates and salary limitations, if any, in effect during the leave, plus interest at an annual rate of 8.5 percent compounded annually from the date of return to public service to the date payment is made. The matching employer contribution and additional employer contribution under section 353.27, subdivisions 3 and 3a, must be paid by the governmental subdivision employing the member upon return to public service if the member makes the employee contributions. The governmental subdivision involved may appropriate money for those payments. A member may not receive credit for a voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction, or call to active duty.

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

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

Sec. 7. Minnesota Statutes 1998, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] (a) A person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall, as long as the person remains in either position, continue membership in the fund.

(b) A person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date, and if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, shall continue membership in the fund whether or not that person has the power of arrest by warrant after that date.

(c) A person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall become a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date.

(d) Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund.

(e) An employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer.

(f) An employee serving on less than a full-time basis as a firefighter shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter.

(g) A police officer or firefighter employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund ~~and~~, any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, or any police officer or firefighter to whom section 353.665 applies who has not elected coverage by the public employees police and fire fund benefit plan as provided in section 353.665, subdivision 4, shall not become a member of the public employees police and fire fund.

Sec. 8. Minnesota Statutes 1998, section 353.65, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION RATE.] The employee contribution is an amount equal to ~~7.6~~ 6.2 percent of the total salary of the member. This contribution must be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, the member's employee contribution is based on the total salary received from all sources.

Sec. 9. Minnesota Statutes 1998, section 353.65, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION RATE.] The employer contribution shall be an amount equal to ~~11.4~~ 9.3 percent of the total salary of every member. This contribution shall be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

Sec. 10. [353.665] [MERGER OF CERTAIN CONSOLIDATION ACCOUNTS INTO PERA-P&F.]

Subdivision 1. [MERGER REQUIRED.] (a) Notwithstanding any law to the contrary, unless the applicable municipality elects otherwise under paragraph (b), every local police and fire consolidation account under chapter 353A in existence on March 1, 1999, becomes a part of the public employees police and fire plan and fund governed by sections 353.63 to 353.659 on July 1, 1999.

(b) If a municipality desires to retain its consolidation account or consolidation accounts, the governing body of the municipality must adopt a resolution to that effect and must file a copy of the resolution with the secretary of state, state auditor, legislative auditor, finance commissioner, revenue commissioner, executive director of the public employees retirement association, and executive director of the legislative commission on pensions and retirement. The retention resolution must be adopted and filed with all designated recipients before June 15, 1999.

Subd. 2. [TRANSFER OF LIABILITIES.] Unless the municipality has elected to retain the consolidation account under subdivision 1, paragraph (b), all current and future liabilities of a former local police or fire consolidation account are the liabilities of the public employees police and fire fund as of July 1, 1999, and the accrued benefits of the members are the obligation of the public employees police and fire fund.

Subd. 3. [TRANSFER OF ASSETS.] Unless the municipality has elected to retain the consolidation account under subdivision 1, paragraph (b), the assets of the former local police or fire consolidation account must be transferred. Upon transfer, the actuarial value of the assets of a former local police or fire consolidation account less an amount equal to the residual assets as determined under subdivision 7, paragraph (f), are the assets of the public employees police and fire fund as of July 1, 1999. The participation of a consolidation account in the Minnesota postretirement investment fund becomes part of the participation of the public employees police and fire fund in the Minnesota postretirement investment fund. The remaining assets, excluding the amounts for distribution under subdivision 7, paragraph (f), become an asset of the public employees police and fire fund. The public employees police and fire fund also must be credited as an asset with the amount of receivable assets under subdivision 7, paragraph (e).

Subd. 4. [BENEFIT COVERAGE FOR ACTIVE MEMBERS.] (a) A person who is a police officer or a firefighter who, as such, is an active member of a local police or fire consolidation account on June 30, 1999, and who has not previously elected benefit coverage under the relevant provisions of the public employees police and fire fund benefit plan under section 353A.08, subdivision 3, may elect benefit coverage under the relevant provisions of the public employees police and fire fund benefit plan. This election must be made in writing on a form prescribed by the executive director before September 1, 1999, and is irrevocable.

(b) If an eligible person makes no affirmative election of benefit coverage before September 1, 1999, the person retains the benefit coverage provided by the relief association benefit plan as reflected in the applicable provisions of chapter 353B and may elect benefit coverage under the relevant provisions of the public employees police and fire fund benefit plan when the person terminates active employment for purposes of receiving a service pension, disability benefit, or within 90 days of the date the member terminates active employment and defers receipt of a service pension, whichever applies.

(c) Notwithstanding any provision of section 353A.083 and any municipal action under authority of that section to the contrary, the provisions of the public employees police and fire fund benefit plan applicable to active members of the local police or fire consolidation accounts who elect the public employees police and fire fund benefit plan under paragraph (a) or section 353A.08, subdivision 3, are the applicable provisions of sections 353.63 to 353.659.

Subd. 5. [BENEFIT COVERAGE FOR RETIREES AND BENEFIT RECIPIENTS.] (a) A person who received a service pension, a disability pension or benefit, or a survivor benefit from a local police or fire consolidation account for the month of June 1999, and who has not previously elected participation in the Minnesota postretirement investment fund for any future postretirement adjustments rather than the postretirement adjustment mechanism or mechanisms of the relief association benefit plan under section 353A.08, subdivision 1, may elect participation in the Minnesota postretirement investment fund for any future postretirement adjustments or retention of the postretirement adjustment mechanism or mechanisms of the relief association benefit plan as reflected in the applicable provisions of chapter 353B. This election must be in writing on a form prescribed by the executive director and must be made before September 1, 1999.

(b) If an eligible person is a minor, the election must be made by the person's parent or legal guardian. If the eligible person makes no affirmative election under this subdivision, the person retains the postretirement adjustment mechanism or mechanisms of the relief association benefit plan as reflected in the applicable provisions of chapter 353B.

(c) The survivor benefit payable on behalf of any service pension or disability benefit recipient who elects participation in the Minnesota postretirement investment fund must be calculated under the relief association benefit plan in effect on the effective date of consolidation under chapter 353A as reflected in the applicable provisions of chapter 353B.

Subd. 6. [BENEFIT COVERAGE FOR DEFERRED MEMBERS.] A person who terminated, before July 1, 1999, active employment as a police officer or a firefighter that gave rise to membership in a local relief association that consolidated with the public employees police and fire plan under chapter 353A and that is merging under this section and had sufficient service credit to entitle the person to an eventual service pension retains the benefit plan as reflected in the applicable provisions of chapter 353B, except that the deferred member may elect before September 1, 1999, to participate, upon retirement, in the Minnesota postretirement investment fund. Any election to participate in the Minnesota postretirement investment fund is applicable to any survivor benefit attributable to a deferred member covered by this subdivision.

Subd. 7. [CALCULATION OF FINAL FUNDED STATUS.] (a) As of June 30, 1999, the actuary retained by the legislative commission on pensions and retirement shall determine the final funded status of local police and fire consolidation accounts under chapter 353A that the applicable municipalities have not elected to retain under subdivision 1, paragraph (b), as provided in this subdivision.

(b) The final funded status calculation must be made using the benefit plan provisions applicable to the consolidation account and the actuarial assumptions used for the June 30, 1998, actuarial valuation of the account.

(c) The actuary must calculate the total actuarial accrued liability of the consolidation account, which is the sum of the actuarial accrued liability for all consolidation account members who are not included in the participation of the account in the Minnesota postretirement investment fund calculated using the entry age normal actuarial cost method. If local legislation enacted during the 1999 regular session or any special session occurring before October 1, 1999, provides a benefit increase for one consolidation account member or more, whether the applicable municipality has given final approval to the local legislation yet or not, the total actuarial accrued liability calculation must include that benefit increase. The actuary also must calculate any account unfunded accrued liability or any account funding surplus. An account unfunded accrued liability is the actuarial accrued liability reduced by the amount of the current value of assets, if the resulting number is positive. An account funding surplus is the actuarial accrued liability reduced by the amount of the current value of assets, if the resulting number is negative.

(d) The actuary also must calculate the amortizable base for every consolidation account. The amortizable base is the present value of future benefits for all account members who are not included in the participation of the account in the Minnesota postretirement investment fund reduced by the present value of 19 percent of future covered salary and further reduced by the current value of account assets other than its participation in the Minnesota postretirement investment fund, after adjustment for fiscal year 1999 net mortality gains and losses and for the net actuarial affect of the election of postretirement adjustment coverage under subdivision 5.

(e) If the amortizable base under paragraph (d) is a positive number, the receivable assets are an amount equal to the amortizable base number.

(f) If the amortizable base under paragraph (d) is a negative number, the actuary must calculate the residual asset amount. The residual asset amount is:

(1) one-half of the amount by which the current assets of the account exceed 100 percent of the total actuarial accrued liability up to that percentage of the total actuarial accrued liability that equals the public employees police and fire fund funded ratio on June 30, 1999; and

(2) the amount by which the current assets of the account exceed that percentage of the total actuarial accrued liability that equals the public employees police and fire fund funded ratio on June 30, 1999. Following the calculation of the residual asset amount for each applicable municipality and the verification of the amount by the legislative auditor, the executive director of the public employees retirement association shall pay the applicable residual asset amount with interest equal to the average yield on the invested treasurer's cash fund from July 1, 1999, to the first of the month in which the payment is issued to each qualifying municipality. The residual asset amount must first be applied to reduce or eliminate the unfunded actuarial accrued liability of any other consolidation account of the municipality, and any remaining balance must be used by the municipality to defray fire department expenditure items if the residual asset amount was derived from a fire consolidation account or to defray police department expenditure items if the residual asset amount was derived from a police consolidation account. Before the residual asset amount payment is made by the public employees retirement association, following a public hearing on the issue, the governing body of the applicable municipality must formulate and adopt a plan for the expenditure of the residual amount and must file that plan in the form of a municipal resolution with the state auditor and with the executive director of the public employees retirement association. The residual asset amount must be deposited in a special fund or account in the municipal treasury established for that purpose. The special fund or account must be invested and any investment return attributable to the residual asset amount must be credited to that special fund or account and its disbursement similarly restricted. The special fund or account must be audited periodically by the state auditor.

(g) Any amount applied to another consolidation account of the municipality under paragraph (f) must be credited to that consolidation account before the determination of the additional municipal contribution with respect to the recipient consolidation account under subdivision 8, paragraph (b).

Subd. 8. [MEMBER AND EMPLOYER CONTRIBUTIONS.] (a) Effective on the first day of the first full pay period following June 30, 1999, the employee contribution rate for former merging consolidation account active members is the rate specified in section 353.65, subdivision 2, and the regular municipal contribution rate on behalf of former consolidation account active members is the rate specified in section 353.65, subdivision 3.

(b) The municipality associated with a former merging local consolidation account that had a positive value amortizable base calculation under subdivision 7, paragraph (d), must make an additional municipal contribution to the public employees police and fire plan for the period from January 1, 2000, to December 31, 2009. The amount of the additional municipal contribution is the amount calculated by the actuary retained by the legislative commission on pensions and retirement and certified by the executive director of the public employees retirement association by which the amortizable base amount would be amortized on a level dollar annual end-of-the-year contribution basis, using an 8.5 percent interest rate assumption. The additional municipal contribution is payable during the month of January, without any interest, or if made after January 31, but before the next following December 31, is payable with interest for the period since January 1 at a rate which is equal to the preretirement interest rate assumption specified in section 356.215, subdivision 4d, applicable to the fund expressed as a monthly rate and compounded on a monthly basis or if made after December 31 of the year in which the additional municipal contribution is due is payable with interest at a rate which is four percent greater than the highest interest rate assumption specified in section 356.215, subdivision 4d, expressed as a monthly rate and compounded monthly from January 1 of the year in which the additional municipal contribution is due until the date on which payment is made.

Subd. 9. [BENEFIT PLAN COVERAGE.] Unless modified by an election authorized under subdivision 4, 5, or 6, the benefit plan election by any person or on behalf of any person under section 353A.08 remains binding. Former merging consolidation account members who elected the entirety of the public employees police and fire benefit plan are entitled to an applicable annuity or benefit under the provisions of sections 353.63 to 353.68 in effect on the day that the former merging consolidation account member terminated active service as a police officer or firefighter, whichever applies.

Subd. 10. [CONSOLIDATION ACCOUNT TERMINATION.] Unless the municipality has elected to retain the consolidation account under subdivision 1, paragraph (b), upon the payment of all residual asset amounts under subdivision 7 and the transfer of all liabilities and remaining assets under subdivisions 2 and 3, the merging local consolidation accounts under chapter 353A in existence on March 1, 1999, are terminated, and all benefits accrued up to the date of termination are the obligation of the public employees police and fire fund.

Sec. 11. Minnesota Statutes 1998, section 353A.09, subdivision 4, is amended to read:

Subd. 4. [MEMBER CONTRIBUTIONS.] Following the effective date of consolidation, the applicable member contribution rate and applicable salary rate to which the member contribution rate applies for persons who were formerly members of the relief association shall be determined as follows:

(1) if the person has elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable member contribution rate shall be that rate specified in Minnesota Statutes 1998, section 353.65, subdivision 2, and the applicable salary rate to which the member contribution rate applies shall be the actual salary of the person, as defined in section 353.01, subdivision 10; and

(2) if the person has not elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable member contribution rate shall be the rate specified in section 69.77, subdivision 2a, or the rate specified in the applicable general law, special law, or bylaw provision governing the relief association as of the date of the initiation of consolidation, whichever is greater, and the applicable salary rate to which the member contribution rate applies shall be the salary rate specified in the applicable general law, special law, or bylaw provision governing the relief association as of the date of the initiation of consolidation or the actual salary of the person, including overtime pay and any regularly occurring special payments but excluding lump sum annual leave payments, worker's compensation payments, and severance payments, whichever salary rate is greater.

The member contribution rate and applicable salary rate to which the member contribution rate applies shall be effective as of the first day of the first pay period occurring after the effective date of consolidation.

The chief administrative officer of the municipal police department or municipal fire department, whichever applies, shall cause the member contributions required under this subdivision to be deducted in the manner and subject to the terms provided in section 353.27, subdivision 4.

Sec. 12. Minnesota Statutes 1998, section 353A.09, subdivision 5, is amended to read:

Subd. 5. [REGULAR AND ADDITIONAL MUNICIPAL CONTRIBUTIONS.] (a) Following the effective date of consolidation, the applicable regular municipal contribution rate and applicable salary rate to which the regular municipal contribution rate applies on behalf of persons who were formerly members of the relief association shall be as follows:

(1) on behalf of persons who have elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be that specified in Minnesota Statutes 1998, section 353.65, subdivision 3, and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (1); and

(2) on behalf of persons who have not elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be 12 percent and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (2).

(b) Following the effective date of consolidation, the applicable additional municipal contribution amount shall be the sum of the following:

(1) the annual level dollar contribution as calculated by the actuary retained by the commission as of the effective date of consolidation which is required to amortize by December 31, 2010, that portion of the present value of future benefits computed on the basis of the benefit plan producing the largest present value of future benefits for each individual which remains after subtracting the present value of future member contributions as provided in subdivision 4, the present value of future regular municipal contributions as provided in clause (a), and the market value of the assets of the relief association transferred to the fund; and

(2) the amount of the annual contribution as calculated by the actuary retained by the commission as of the most recent actuarial valuation date which is required to amortize on a level annual dollar basis the amount of any net actuarial experience loss incurred during the year which ended as of the day immediately before the most recent actuarial valuation date by December 31 of the year occurring 15 years later.

(c) Regular municipal contributions shall be made in the manner provided in section 353.28. Additional municipal contributions shall be paid during the calendar year following the annual certification of the amount of the annual additional municipal contribution by the executive director of the public employees retirement association and, if made during the month of January, shall be payable without any interest, or if made after January 31, but before the next following December 31, shall be payable with interest for the period since January 1 at a rate which is equal to the preretirement interest rate assumption specified in section 356.215, subdivision 4d, applicable to the fund expressed as a monthly rate and compounded on a monthly basis or if made after December 31 of the year in which the additional municipal contribution is due shall be payable with interest at a rate which is four percent greater than the highest interest rate assumption specified in section 356.215, subdivision 4d, expressed as a monthly rate and compounded monthly from January 1 of the year in which the additional municipal contribution is due until the date on which payment is made.

Sec. 13. Minnesota Statutes 1998, section 353A.09, is amended by adding a subdivision to read:

Subd. 5a. [AUTHORITY TO MODIFY CONTRIBUTION RATES.] (a) Notwithstanding subdivisions 4 and 5, a municipality associated with a consolidation account, with municipal governing body approval, may implement the contribution rates specified in section 353.65, subdivisions 2 and 3, rather than the rates specified in subdivisions 4 and 5.

(b) If the contribution rates specified in section 353.65, subdivisions 2 and 3, are subsequently modified, the applicable municipal governing body must approve that subsequent modification.

(c) The municipal governing body approval must be in the form of a municipal resolution. The municipal resolution must specify the effective date for the contribution rate modification. The municipal resolution must be filed with the executive director of the public employees retirement association, the state auditor, the secretary of state, and the executive director of the legislative commission on pensions and retirement.

Sec. 14. Minnesota Statutes 1998, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [AMORTIZATION CONTRIBUTIONS.] (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation must contain an exhibit indicating the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 354, 354A, and 490, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared. For funds governed by chapter 3A, sections 352.90 through 352.951, chapters 352B, 352C, sections 353.63 through 353.68, and chapters 353C, 354A, and 490, the level percent additional contribution must be calculated assuming annual payroll growth of 6.5 percent. For funds governed by sections 352.01 through 352.86 and chapter 354, the level percent additional contribution must be calculated assuming an annual payroll growth of five percent. For the fund governed by sections 353.01 through 353.46, the level percent additional contribution must be calculated assuming an annual payroll growth of six percent. For all other funds, the additional annual contribution must be calculated on a level annual dollar amount basis.

(b) For any fund other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, if there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1989, and each successive actuarial valuation is the first actuarial valuation date occurring after June 1, 2020.

(c) For any fund or plan other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the interest assumption specified in subdivision 4d in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund must be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective must be calculated using the applicable interest assumption specified in subdivision 4d in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution under item (iv) must be added to the level annual dollar amortization contribution or level percentage calculated under item (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the interest assumption specified in subdivision 4d in effect after any applicable change, rounded to the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined under item (vi) must be added to the date as of which the actuarial valuation was prepared and the date obtained is the new established date for full funding.

(d) For the Minneapolis employees retirement fund, the established date for full funding is June 30, 2020.

(e) For the following plans for which the annual actuarial valuation indicates an excess of valuation assets over the actuarial accrued liability, the valuation assets in excess of the actuarial accrued liability must be recognized in the following manner:

(1) the public employees retirement association police and fire plan, the valuation assets in excess of the actuarial accrued liability serve to reduce the current contribution requirements by an amount equal to the amortization of the excess expressed as a level percentage of pay over a 30-year period beginning anew with each annual actuarial valuation of the plan; and

(2) the correctional employees retirement plan of the Minnesota state retirement system, and the state patrol retirement plan, an excess of valuation assets over actuarial accrued liability must be amortized in the same manner over the same period as an unfunded actuarial accrued liability but must serve to reduce the required contribution instead of increasing it.

Sec. 15. Minnesota Statutes 1998, section 423A.02, subdivision 1b, is amended to read:

Subd. 1b. [ADDITIONAL AMORTIZATION STATE AID.] (a) Annually, on October 1, the commissioner of revenue shall allocate the additional amortization state aid transferred under section 69.021, subdivision 11, to:

(1) all police or salaried firefighter relief associations governed by and in full compliance with the requirements of section 69.77, that had an unfunded actuarial accrued liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the preceding December 31; and

(2) all local police or salaried firefighter consolidation accounts governed by chapter 353A that are certified by the executive director of the public employees retirement association as having for the current fiscal year an additional municipal contribution amount under section 353A.09, subdivision 5, paragraph (b), and that have implemented section 353A.083, subdivision 1, if the effective date of the consolidation preceded May 24, 1993, and that have implemented section 353A.083, subdivision 2, if the effective date of the consolidation preceded June 1, 1995; and

(3) municipalities that received amortization aid in 1999 and are required to make an additional municipal contribution under section 353.665, subdivision 8, for the duration of the required additional contribution.

(b) The commissioner shall allocate the state aid on the basis of the proportional share of the relief association or consolidation account of the total unfunded actuarial accrued liability of all recipient relief associations and consolidation accounts as of December 31, 1993, for relief associations, and as of June 30, 1994, for consolidation accounts.

(c) Beginning October 1, 2000, and annually thereafter, the commissioner shall allocate the state aid on the basis of 64.5 percent to the public employees police and fire fund or local consolidation account, whichever applies, on behalf of municipalities to which section 353.665, subdivision 8, paragraph (b), applies for distribution in accordance with paragraph (b) and subject to the limitation in subdivision 4, 34.2 percent to the city of Minneapolis to fund any unfunded actuarial accrued liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the preceding December 31 for the Minneapolis police relief association or the Minneapolis fire department relief association, and 1.3 percent to the city of Virginia to fund any unfunded actuarial accrued liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the preceding December 31 for the Virginia fire department relief association. In the event that there is no unfunded actuarial accrued liability in both the Minneapolis police relief association and the Minneapolis fire department relief association, the commissioner shall allocate that 34.2 percent of the aid as follows: 49 percent to the Minneapolis teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), 21 percent to the St. Paul teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), and 30 percent as additional funding to support minimum fire state aid for volunteer firefighter relief associations, with the allocation made at the same time and under the same procedures in subdivision 3. In the event there is no actuarial accrued unfunded liability in the Virginia fire department relief association, the commissioner shall allocate

that 1.3 percent of the aid as follows: 49 percent to the Minneapolis teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), 21 percent to the St. Paul teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), and 30 percent as additional funding to support minimum fire state aid for volunteer firefighter relief associations, with the allocation made at the same time and under the same procedures in subdivision 3.

(d) The association must have a five-year average, time-weighted rate of investment return equal to or in excess of the combined return for the same period of the state board of investment for the basic retirement funds and the Minnesota postretirement investment fund calculated using the formula promulgated under section 11A.04, clause (11).

(e) Additional amortization state aid payable to the public employees retirement association on behalf of a municipality must be credited by the executive director of the public employees retirement association against any additional municipal contribution to which the applicable municipality is obligated to make under section 353A.09, subdivision 5, or section 353.665, subdivision 8.

(f) The amounts required under this subdivision are annually appropriated to the commissioner of revenue.

Sec. 16. Minnesota Statutes 1998, section 423A.02, subdivision 2, is amended to read:

Subd. 2. [CONTINUED ELIGIBILITY.] A municipality that has qualified for amortization state aid under subdivision 1 on December 31, 1984, and has an additional municipal contribution payable under section 353A.09, subdivision 5, paragraph (b), as of the most recent December 31, continues upon application to be entitled to receive amortization state aid under subdivision 1 and supplementary amortization state aid under subdivision 1a, after the local police or salaried firefighters' relief association has been consolidated into the public employees police and fire fund. If a municipality loses entitlement for amortization state aid and supplementary amortization state aid in any year because of not having an additional municipal contribution, the municipality is not entitled to the aid amounts in any subsequent year. ~~If the actuarial assumptions specified in section 356.215 are changed in 1997, and the change results in a municipality having an additional municipal contribution, and the municipality had previously lost entitlement for amortization aid and supplementary amortization due to not having an additional municipal contribution, then the municipality is again entitled to receive amortization aid and supplementary amortization aid in the same amount as it previously received: A municipality that received amortization aid in 1999 and is required to make an additional municipal contribution under section 353.665, subdivision 8, continues to qualify for the amortization state aid and the supplemental amortization aid for the duration of the required additional contribution.~~

Sec. 17. Minnesota Statutes 1998, section 423A.02, is amended by adding a subdivision to read:

Subd. 4. [LIMIT ON CERTAIN TOTAL AID AMOUNTS.] (a) The total of amortization aid, supplemental amortization aid, and additional amortization aid under this section payable to a municipality to which section 353.665, subdivision 8, paragraph (b), applies, may not exceed the amount of the additional municipal contribution payable by an individual municipality under section 353.665, subdivision 8, paragraph (b).

(b) Any aid amount in excess of the limit under this subdivision for an individual municipality must be redistributed to the other municipalities to which section 353.665, subdivision 8, paragraph (b), applies. The excess aid must be distributed in proportion to each municipality's additional municipal contribution under section 353.665, subdivision 8, paragraph (b).

(c) When the total aid for each municipality under this section equals the limit under paragraph (a), any aid in excess of the limit must be redistributed under subdivisions 1, 1a, and 1b.

Sec. 18. Minnesota Statutes 1998, section 423A.02, is amended by adding a subdivision to read:

Subd. 5. [TERMINATION OF STATE AID PROGRAMS.] The amortization state aid, supplemental amortization state aid, and additional amortization state aid programs terminate when the assets of the Minneapolis teachers retirement fund association equal the actuarial accrued liability of that plan and when the assets of the St. Paul teachers retirement fund association equal the actuarial accrued liability of that plan.

Sec. 19. [1999 PERA-P&F ACTUARIAL VALUATION.]

(a) As of July 1, 1999, no actuarial valuations are required of the local police and fire consolidation accounts in existence before March 1, 1999, and have not been retained under Minnesota Statutes, section 353.655, subdivision 1, paragraph (b).

(b) The actuary retained by the legislative commission on pensions and retirement shall prepare all calculations required under Minnesota Statutes, section 353.665, and shall present them to the commission in a separate report.

(c) The calculated actuarial accrued liability of the public employees police and fire plan for July 1, 1999, must contain all liabilities associated with the former local police and fire consolidation accounts affected by Minnesota Statutes, section 353.665.

(d) The asset value of the public employees police and fire plan for July 1, 1999, is the sum of the following:

(1) the current assets of the public employees police and fire plan as of June 30, 1999, without reference to any local consolidation accounts in existence on March 1, 1999;

(2) the amount of assets transferred from the Minnesota postretirement investment fund with respect to merged local consolidation accounts under Minnesota Statutes, section 353.665, subdivision 3;

(3) that portion of the market value of assets of the merged local consolidation accounts after subtracting the amount in clause (2) determined by multiplying the total by the ratio that the current asset value of public employee police and fire fund assets other than the participation in the Minnesota postretirement investment fund as of June 30, 1999, without reference to any merged local consolidation accounts in existence on March 1, 1999, bears to the market value of the same assets; and

(4) a receivable amount equal to the present value of the future additional municipal contributions required under Minnesota Statutes, section 353.665, subdivision 8, paragraph (b).

Sec. 20. [REPEALER.]

Minnesota Statutes 1998, section 353.65, subdivision 3a, is repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 7, 10, and 15 to 19 are effective on the day following final enactment. Section 14 is effective on July 1, 2000. Sections 8 and 9 are effective on the first day of the first full pay period that begins after June 30, 1999.

ARTICLE 17

MINIMUM VOLUNTEER FIREFIGHTER
STATE AID AMOUNT CHANGES

Section 1. Minnesota Statutes 1998, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF FIRE STATE AID TO MUNICIPALITIES AND RELIEF ASSOCIATIONS.]

(a) The commissioner shall apportion the fire state aid relative to the premiums reported on the Minnesota Firetown Premium Reports filed under this chapter to each municipality and/or firefighters' relief association.

(b) The commissioner shall calculate an initial fire state aid allocation amount for each municipality or fire department under paragraph (c) and a minimum fire state aid allocation amount for each municipality or fire department under paragraph (d). The municipality or fire department must receive the larger fire state aid amount.

(c) The initial fire state aid allocation amount is the amount available for apportionment as fire state aid under subdivision 5, without inclusion of any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3, allocated one-half in proportion to the population as shown in the last official statewide federal census for each fire town and one-half in proportion to the market value of each fire town, including (1) the market value of tax exempt property and (2) the market value of natural resources lands receiving in lieu payments under sections 477A.11 to 477A.14, but excluding the market value of minerals. In the case of incorporated or municipal fire departments furnishing fire protection to other cities, towns, or townships as evidenced by valid fire service contracts filed with the commissioner, the distribution must be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments. In the case of municipalities or independent fire departments qualifying for the aid, the commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the market value of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with the commissioner. If one or more fire departments are furnishing contracted fire service to a city, town, or township, only the population and market value of the area served by each fire department may be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the market value of each service area. The agreement must be in writing and must be filed with the commissioner.

(d) The minimum fire state aid allocation amount is the amount in addition to the initial fire state allocation amount that is derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3, and allocated to municipalities with volunteer firefighter relief associations based on the number of active volunteer firefighters who are members of the relief association as reported in the annual financial reporting for the calendar year 1993 to the office of the state auditor, but not to exceed 30 active volunteer firefighters, so that all municipalities or fire departments with volunteer firefighter relief associations receive in total at least a minimum fire state aid amount per 1993 active volunteer firefighter to a maximum of 30 firefighters. If a relief association did not exist in calendar year 1993, the number of active volunteer firefighters who are members of the relief association as reported in the annual financial reporting for calendar year 1998 to the office of the state auditor, but not to exceed 30 active volunteer firefighters, shall be used in this determination.

(e) The fire state aid must be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall, within 30 days of receipt of the fire state aid, transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

(f) The commissioner may make rules to permit the administration of the provisions of this section. Any adjustments needed to correct prior misallocations must be made to subsequent apportionments.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment and applies to the first fire state aid and minimum fire state aid allocation occurring after that date.

ARTICLE 18

METROPOLITAN COUNCIL TARGETED EARLY RETIREMENT INCENTIVE

Section 1. [RETIREMENT INCENTIVE.]

The metropolitan council may offer its eligible employees, as specified in sections 2 and 3, the retirement incentive provided in section 4.

Sec. 2. [INCLUSION.]

If the metropolitan council chooses to offer the retirement incentive under section 4, it must designate the positions or group of positions within the council divisions specified in section 3, clause (1), that will qualify for participation in its retirement incentive program and may exclude otherwise eligible employees. After initially designating the qualified positions or group of positions, the council may at any time modify its designation in order to further limit the qualified positions or group of positions.

Sec. 3. [ELIGIBILITY.]

An employee of the metropolitan council is eligible to participate in the retirement incentive program if the employee:

(1) was employed in the environmental services, community development, or regional administration divisions of the council on January 1, 1999;

(2) notifies, on or after the effective date of this section, the council's regional administrator in writing of the employee's intention to retire, the plan or plans from which the individual will retire, and the employee's date of separation from employment with the council;

(3) is, on the date the council receives the employee's written notice of intention to retire, within the positions or group of positions then currently designated by the council under section 2;

(4) has, on the date of retirement, at least 25 years of combined allowable service in any covered fund or funds listed in Minnesota Statutes, section 356.30, subdivision 3;

(5) is, on the date of retirement, at least 55 years of age;

(6) is, upon retirement, immediately eligible for a retirement annuity from a defined benefit plan listed in Minnesota Statutes, section 356.30, subdivision 3; and

(7) has a retirement annuity accrual date in the applicable plan or plans on or after July 1, 1999, and before July 1, 2000.

Sec. 4. [RETIREMENT INCENTIVE.]

Subdivision 1. [FORMULA INCREASE.] For an eligible employee who elects to participate in the retirement incentive program, the benefit accrual rate multiplier percentage or percentages used to calculate the retirement annuity from each defined benefit plan listed in Minnesota Statutes, section 356.30, subdivision 3, from which the employee is eligible to receive a retirement annuity must be increased by .25 percentage points for each year of allowable service, and pro rata for completed months less than a full year, in the applicable plan or plans. If the eligible employee has more than 30 years of combined service in covered plans, the .25 percentage point increase applies only to the first 30 years of allowable service in such covered funds.

Subd. 2. [CERTIFICATION OF ELIGIBILITY.] Before applying the formula increase in subdivision 1, the applicable retirement plan or plans must receive a certification from the council's regional administrator that the employee meets the eligibility criteria in section 3, clauses (1) to (3).

Subd. 3. [PAYMENT OF ENHANCED RETIREMENT COST.] (a) If the metropolitan council chooses to offer a retirement incentive under this section, it must make an additional employer contribution or contributions as specified in paragraph (b) to the applicable retirement plan or plans from which the eligible individual retired under the incentive program.

(b) The additional employer contribution for the applicable employee to each applicable plan is an amount equal to the difference in the actuarial present value of the annuity payable by the plan for the employee, with and without the retirement incentive under subdivision 1. The actuarial present value calculations must be made by the chief administrative officer of the applicable retirement plan.

(c) An additional employer contribution under paragraph (b) must be paid within 60 days from the effective date of the applicable annuity for the eligible employee who elects to participate in the retirement incentive.

Sec. 5. [LIMIT ON REHIRING AND FUTURE SERVICES.]

The metropolitan council may not rehire or contract for services from an employee who retires under this article.

Sec. 6. [APPLICATION OF OTHER LAWS.]

Unilateral implementation of retirement incentives under this article by the metropolitan council is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective on the day following final enactment.

ARTICLE 19

MISCELLANEOUS PENSION CHANGES

Section 1. Minnesota Statutes 1998, section 3A.02, subdivision 1b, is amended to read:

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] (a) Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age of at least 60 years of 55 during the period June 1, 1999, until January 15, 2000, and of 60 thereafter and who is otherwise qualified in accordance with subdivision 1 is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to the retirement allowance specified in subdivision 1 reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the former member of the legislature deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the date the annuity begins to accrue until age 62.

(b) The age set by the board of directors under paragraph (a) cannot be less than the early retirement age under section 352.116, subdivision 1a.

(c) If there is an actuarial cost to the plan of resetting the early retirement age under paragraph (a), the retired legislator is required to pay an additional amount to cover the full actuarial value. The additional amount must be paid in a lump sum within 30 days of the certification of the amount by the executive director.

(d) The executive director of the Minnesota state retirement system shall report to the legislative commission on pensions and retirement on the utilization of this provision on or before September 1, 2000.

Sec. 2. Minnesota Statutes 1998, section 122A.46, subdivision 2, is amended to read:

Subd. 2. [LEAVE OF ABSENCE.] The board of any district may grant an extended leave of absence without salary to any full- or part-time elementary or secondary teacher who has been employed by the district for at least five years and has at least ten years of allowable service, as defined in section 354.05, subdivision 13, or the bylaws of the appropriate retirement association or ten years of full-time teaching service in Minnesota public elementary and secondary schools. The ~~maximum~~ duration of an extended leave of absence ~~pursuant to under~~ this section must be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence ~~pursuant to under~~ this section shall be taken by mutual consent of the board and the teacher. If the school board denies a teacher's request, it must provide reasonable justification for the denial.

Sec. 3. Minnesota Statutes 1998, section 352.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP OF BOARD; ELECTION; TERM.] The policy-making function of the system is vested in a board of 11 members, ~~who must be~~ known as the board of directors. This board shall consist of three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters, four state employees elected by state employees covered by the system excluding employees in categories specifically authorized to designate or elect a member by this subdivision, one employee ~~of the transit operating division~~ of the metropolitan council's transit commission operations or its successor agency designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division, one member of the state patrol retirement fund elected by members of that fund at a time and in a manner fixed by the board, one employee covered by the correctional employees plan elected by employees covered by that plan, and one retired employee elected by disabled and retired employees of all plans administered by the system at a time and in a manner to be fixed by the board. Two state employee members, whose terms of office begin on the first Monday in May after their election, must be elected biennially. Elected members and the appointed member of the metropolitan council's ~~office of~~ transit operations hold office for a term of four years, ~~except the retired member whose term is two years~~, and until their successors are elected or appointed, and have qualified. An employee of the system is not eligible for membership on the board of directors. A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors. The term of any board member who is on leave for more than six months automatically ends on expiration of ~~this period~~ the term of office.

Sec. 4. Minnesota Statutes 1998, section 354.05, subdivision 40, is amended to read:

Subd. 40. [TIMELY RECEIPT.] An application, payment, return, claim, or other document that is not personally delivered to the association on or before the applicable due date is considered to be a timely receipt if ~~officially postmarked~~ received on or before the due date or if delivered or filed under section 645.151.

Sec. 5. Minnesota Statutes 1998, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the association is vested in a board of eight trustees known as the board of trustees of the teachers retirement association. It is composed of the following persons: the commissioner of children, families, and learning, the commissioner of finance, a representative of the Minnesota school boards association, four members of the association elected by the members of the association, and one retiree elected by the retirees of the association. The five elected members of the board of trustees must be chosen by ~~mail~~ ballot in a manner fixed by the board of trustees of the association. In every odd-numbered year there shall be elected two members of the association to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every other odd-numbered year one retiree of the association must be elected to the board of trustees for a term of ~~two~~ four years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the association. Each election must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy must be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the association at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree may be appointed by the board, or elected by the members of the association as a trustee, if the person is not a member or retiree of the association in good standing at the time of the appointment or election.

Sec. 6. Minnesota Statutes 1998, section 354.10, subdivision 4, is amended to read:

Subd. 4. [CHANGES IN DESIGNATED BENEFICIARIES.] Any beneficiary designated by a retiree or member under section 354.05, subdivision 22, may be changed or revoked by the retiree or member on a form provided by the executive director. A change or revocation made under this subdivision is valid only if the properly completed form is received by the association ~~postmarked~~ on or before the date of death of the retiree or the member. If a designated beneficiary dies before the retiree or member designating the beneficiary, and a new beneficiary is not designated, the retiree's or member's estate is the beneficiary.

Sec. 7. Minnesota Statutes 1998, section 354C.11, is amended to read:

354C.11 [COVERAGE.]

Subdivision 1. [AUTHORIZATION.] ~~Personnel~~ Individuals employed by the board of trustees of the Minnesota state colleges and universities ~~who are in the unclassified service of the state, and who have completed at least two years of employment by the board or a predecessor board with a full-time contract are participants authorized to participate in the supplemental retirement plan, effective on the next following July 1, if the person is employed in an eligible~~ after meeting eligibility requirements specified in subdivision 2.

Subd. 2. [ELIGIBILITY.] (a) An individual must participate in the supplemental retirement plan if the individual is employed by the board of trustees in the unclassified service of the state and has completed at least two years with a full-time contract of applicable unclassified employment with the board or an applicable predecessor board in any of the positions specified in paragraph (b).

(b) Eligible positions or employment classifications are:

- (1) an unclassified administrative position as defined in section 354B.20, subdivision 6, or is employed in;
- (2) an employment classification included in one of the following collective bargaining units under section 179A.10, subdivision 2:
- (1) (i) the state university instructional unit;
- (2) (ii) the community college instructional unit;
- (3) (iii) the technical college instructional unit; and
- (4) (iv) the state university administrative unit; or
- (3) an unclassified employee of the board included in the general professional unit or supervisory employees unit under section 179A.10, subdivision 2.

Subd. 3. [CONTINUING ELIGIBILITY AUTHORIZATION.] Once a person qualifies for participation in the supplemental retirement plan, all subsequent service by the person as an unclassified employee of the ~~state university board, the state board for community colleges, the higher education board, or the technical colleges board of trustees~~ in a position or employment classification listed in subdivision 2, paragraph (b), is covered by the supplemental retirement plan.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 and 3 to 7 are effective on the day following final enactment. Section 2 is effective on July 1, 1999.

ARTICLE 20

OTHER CHANGES

Section 1. Minnesota Statutes 1998, section 3.85, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP.] The commission consists of ~~six~~ seven members of the senate appointed by the subcommittee on committees of the committee on rules and administration and ~~six~~ seven members of the house of representatives appointed by the speaker. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. Members who are still legislators continue to serve at the end of the two-year term until successors are appointed. Vacancies that

occur while the legislature is in session shall be filled like regular appointments. If the legislature is not in session, senate vacancies shall be filled by the last subcommittee on committees of the senate committee on rules and administration or other appointing authority designated by the senate rules, and house vacancies shall be filled by the last speaker of the house, or if the speaker is not available, by the last chair of the house rules committee.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment.

ARTICLE 21

PUBLIC PENSION PLAN BUILDING CONSTRUCTION OR ACQUISITION

Section 1. Minnesota Statutes 1998, section 353.03, subdivision 4, is amended to read:

Subd. 4. [OFFICES.] The commissioner of administration ~~shall~~ may make provision for suitable office space in the state capitol or other state office buildings, or at such other location in St. Paul as is determined by the commissioner for the use of the board of trustees and its executive director. The commissioner shall give the board at least four months notice for any proposed removal from their present location. Any and all rental charges shall be paid by the trustees from the public employees retirement fund.

Sec. 2. Minnesota Statutes 1998, section 354.06, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] A suitable office ~~shall~~ may be provided by the state through the proper officer for the use of the board and its executive director.

Sec. 3. [356.89] [PUBLIC PENSION FACILITIES.]

Subdivision 1. [BUILDING; RELATED FACILITIES.] The board of directors of the Minnesota state retirement system, the board of trustees of the public employees retirement association, and the board of trustees of the teachers retirement association, are authorized to expend or otherwise pledge pension funds or the proceeds of revenue bonds as provided in subdivision 3 for the common ownership, operation, and improvement of a building and related facilities for the administration of their public pension systems. This authority includes the authority to purchase or lease land and facilities and the authority to design, construct, furnish, improve, and equip a building and related parking facilities to accommodate employees and visitors. The boards' planning, selection, design, and building of facilities are not subject to the capital improvements provisions of sections 16B.30 to 16B.33. The competitive acquisition process set forth in chapter 16C does not apply provided the process set forth in subdivision 2 is followed. Notwithstanding that no appropriation is made, the requirements of section 16B.335 apply to this project. The boards must obtain approval of the chair of the house ways and means committee and the chair of the senate state government finance committee to construct, lease, or acquire new space for the administration of their pension systems.

Subd. 2. [CONTRACTING PROCEDURES.] (a) The boards may enter into a contract for facilities with a contractor to furnish the architectural, engineering, and related services as well as the labor, materials, supplies, equipment, and related construction services on the basis of a request for qualifications and competitive responses received through a request for proposals process which must include the items listed in paragraphs (b) to (i).

(b) Prior to issuing a request for qualifications and a request for proposals, the boards, with the assistance of the department of administration, shall prepare performance criteria and specifications which shall include:

(1) a general floor plan or layout indicating the general dimensions of the public building and space requirements;

(2) design criteria for the exterior and site area;

- (3) performance specifications for all building systems and components to assure quality and cost efficiencies;
- (4) conceptual floor plans for systems space;
- (5) preferred types of interior finishes, styles of windows, lighting and outlets, doors, and features such as built-in counters and telephone wiring;
- (6) mechanical and electrical requirements;
- (7) special interior features required; and
- (8) completion schedule.

(c) The boards shall first solicit statements of qualifications from eligible contractors and select more than one qualified contractor based upon experience, technical competence, past performance, capability to perform, and other appropriate facts. Contractors selected under this process shall be, employ, or have as a partner, member, coventurer, or subcontractor, persons licensed and registered under chapter 326 to provide the services required to design and complete the project. The boards do not have to select any of the respondents if none reasonably fulfill the criteria set forth within.

(d) The contractors selected shall be asked to respond to a request for proposals. Responses must include site plans, design concept, elevation, statement of material to be used, floor layouts, a detailed development budget, and a total cost to complete the project. The proposal must indicate that the contractor obtained at least two proposals from subcontractors for each item of work and must set forth how the subcontractors were selected. The boards shall evaluate the proposals based upon design, cost, quality, aesthetics, and the best overall value to the state pension funds. The board need not select any of the proposals submitted and reserves the right to reject any and all proposals, and may terminate the process or revise the request for proposals and solicit new proposals if the boards determine that the best interests of the pension funds would be better served by doing so. Proposals submitted shall constitute nonpublic data until the contract is awarded.

(e) The contract selected must comply with sections 574.26 to 574.261. Prior to the execution of a final contract, the contractor selected shall certify a firm construction price and completion date.

(f) The boards may consider building sites in the city of St. Paul and surrounding suburbs.

(g) Any land, building, or facility leased, constructed, or acquired and any leasehold interest acquired under this section shall be held in common ownership in the name of the three retirement systems as tenants in common. Each retirement system fund shall consider its interest as a fixed asset of its pension fund in accordance with governmental accounting standards.

(h) The boards may lease to another governmental subdivision any portion of the funds' building and lands which is not required for their direct use upon such terms and conditions as they deem to be in the best interest of the pension funds. Any income accruing from such rentals shall be separately accounted for and utilized to offset ongoing administrative expenses and any excess shall be carried forward for future administrative expenses. The boards are also authorized to enter into lease agreements for the establishment of satellite offices should the boards find such offices to be necessary in order to assure their members reasonable access to their services. The boards also have the authority to request the commissioner of administration to lease any portion of their building not required for their direct use pursuant to the commissioner's authorities under section 16B.24.

(i) The boards shall formulate and adopt a written working agreement which shall set forth the nature of each retirement system's ownership interest, the duties and obligations of each system towards the construction, operation, and maintenance costs of their facilities, and the identification of one retirement fund to serve as manager for operating and maintenance purposes. The boards may contract with independent third parties for maintenance-related activities, services, and supplies, and may utilize the services of the department of

administration where economically feasible to do so. In the event the boards cannot agree or resolve a dispute which relates to operations or maintenance of the facilities, they may request the commissioner of administration to appoint a representative from the department's real estate management division to serve as arbitrator of the dispute with authority to issue a written resolution of the dispute.

Subd. 3. [REVENUE BONDS AUTHORIZED.] The boards, or any of them, may issue revenue bonds in the principal amount necessary, in the opinion of the boards, to achieve the purposes described in subdivisions 1 and 2; to pay issuance costs and interest costs; and to establish necessary reserves to secure the bonds. The boards may issue bonds for the purpose of refunding bonds issued under this subdivision.

Subd. 4. [PROCEDURE.] The bonds authorized in subdivision 3 must be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, and the boards have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the boards. The bonds may be sold in one or more series. Different series may be backed by different revenue sources. No election is required.

Subd. 5. [NONLIABILITY OF STATE.] The state of Minnesota is not liable on bonds of the boards and the bonds are not a general or moral obligation of the state.

Subd. 6. [NONLIABILITY OF INDIVIDUALS.] Neither the members of the boards nor any person executing the bonds on behalf of the boards shall be personally liable on the bonds or subject to any personal liability or accountability by reason of executing them.

Sec. 4. [REPORT.]

The executive directors of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association must jointly report to the legislature by July 15, 2001, on a plan to consolidate administrative services for the three pension systems if the systems share a building.

Sec. 5. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to retirement; various statewide and local pension plans; providing future PERA pension benefits for privatized public hospital employees; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; establishing an additional postretirement adjustment for the Fairmont police relief association; extending survivor benefit provisions to include certain Fairmont police relief association survivors; providing a special ad hoc postretirement adjustment to certain retired St. Cloud police officers; authorizing the purchase of credit for certain periods of prior military service, out-of-state public school teaching service, maternity leaves, maternity breaks in employment, parochial and private school teaching service, Peace Corps service, VISTA service, and charter school teaching service; authorizing service credit purchases by certain plan members; authorizing the designation of a supplemental needs trust as an optional annuity form beneficiary; repealing the 30-year service maximum for monthly benefit volunteer firefighter relief associations; modifying governance provisions for the Minneapolis fire department relief association and the Minneapolis police relief association; permitting the purchase of service credit by various school district employees; expanding the membership of the state correctional employees retirement plan to include certain Minnesota extended treatment options program employees; downsizing the early retirement reduction rates for various public safety plans; grandparenting public employee police and fire plan coverage for certain Rice county correctional employees; requiring Rice county to repay certain police state aid amounts; providing employer penalties for pension plan membership certification failures or errors; providing special retirement coverage for certain state fire marshal employees; requiring a study; clarifying various Minneapolis employees retirement plan survivor benefit provisions; increasing the number of vendors for certain tax-sheltered annuities for educational employees; modifying various

benefit provisions for certain Minnesota state college and university system employees; authorizing the establishment of volunteer rescue squad relief associations by Kandiyohi county and the city of Litchfield; merging the pre-March 1, 1999, local police and paid fire consolidation accounts into the public employees police and fire plan; extending the minimum volunteer firefighter fire state aid amount to post-1993 relief association members; providing a targeted early retirement incentive program for certain employees of the metropolitan council; making miscellaneous changes in the legislators retirement plan, the Minnesota state college and university system individual retirement account plan, the Minnesota state retirement system, and the teachers retirement association; reducing the membership of the legislative commission on pensions and retirement; amending Minnesota Statutes 1998, sections 3.85, subdivisions 3 and 12; 3A.02, subdivision 1b; 43A.27, subdivision 3; 69.021, subdivisions 7 and 10; 69.031, subdivision 5; 122A.46, subdivision 2; 136F.48; 352.03, subdivision 1; 352.90; 352.91, by adding a subdivision; 353.01, subdivisions 2b, 10, and 16; 353.03, subdivision 4; 353.64, subdivision 1; 353.65, subdivisions 2 and 3; 353.651, subdivision 4; 353A.083, by adding a subdivision; 353A.09, subdivisions 4, 5, and by adding a subdivision; 353D.01, subdivision 2; 353D.02, by adding a subdivision; 353D.03, subdivision 3; 354.05, subdivision 40; 354.06, subdivisions 1 and 7; 354.10, subdivision 4; 354.445; 354.66, subdivisions 1b, 1c, 3, and 5; 354B.24, subdivision 3; 354B.25, subdivisions 2, 3, and 5; 354C.11; 354C.12, subdivision 4; 356.19, by adding a subdivision; 356.215, subdivision 4g; 356.24, subdivision 1; 356.55, subdivisions 1 and 6; 422A.06, subdivisions 3 and 6; 422A.101, subdivision 4; 422A.18, subdivision 2; 422A.22, subdivisions 4 and 5; 422A.23; and 423A.02, subdivisions 1b, 2, and by adding subdivisions; 423B.07; Laws 1977, chapter 61, section 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 352; 353; 354; 354A; 354B; 356; and 422A; proposing coding for new law as Minnesota Statutes, chapter 353F; repealing Minnesota Statutes 1998, sections 353.65, subdivision 3a; 422A.16, subdivision 3a; and 424A.02, subdivision 5."

The motion prevailed and the amendment was adopted.

The Speaker called Boudreau to the Chair.

Abeler; Westerberg; Fuller; Davids; Wenzel; Normes; Leppik; Dempsey; Goodno; Larsen, P.; Tingelstad; Entenza; Harder; Osthoff and Gunther moved to amend S. F. No. 319, as amended, as follows:

Page 32, after line 15, insert:

"ARTICLE 9

ANNUITY LIMITS

Section 1. Minnesota Statutes 1998, section 356.61, is amended to read:

356.61 [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan is entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds 1/12 of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.

The benefit limitation is to be determined on the date the benefit is initially payable or on the date the employee terminated employment, if earlier. The benefit limitation on any date is the benefit limitation for the limitation year in which the date occurs. The limitations apply only to the annual benefit which is derived from employer contributions. Mandatory and voluntary employee contributions, if any, are treated as a separate defined contribution plan maintained by the employer which is subject to the limitations placed on annual additions to defined contribution plans.

The maximum annual benefit for any limitation year is the lesser of (1) or (2) below:

(1) A dollar limitation of \$90,000, adjusted as of January 1 of each calendar year to the dollar limitation as determined for that year by the commissioner of Internal Revenue. The amount determined for any year will apply to limitation years ending with or within that calendar year.

(2) A compensation limitation of 100 percent of the average of compensation paid or made available to the participant by the employer during those three consecutive calendar years of employment, or actual number of consecutive calendar years of employment if employed less than three consecutive years, which give the highest average. Compensation means any compensation which is includable in the employee's gross income, plus any elective deferral as defined in section 402(g)(3) of the Internal Revenue Code of 1986, and any amount which was contributed or deferred by the employer at the election of the employee and which is not includable in the gross income of the employee by reason of section 125 or 457 of the Internal Revenue Code.

A benefit is deemed not to exceed the maximum benefit limitation if:

(1) the retirement benefits payable under the plan and under any other defined benefit plans of the employer do not exceed the \$10,000 limit set in section 415(b)(4) of the Internal Revenue Code for the plan year, or for any prior plan year, and

(2) the employer has not at any time maintained a defined contribution plan in which the employee participated.

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources.

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation must not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable must be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans must be totaled in determining whether or not the limitation applies. A reduction in the amount of the retirement annuity or disability benefit required under this section is made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dawkins moved to amend S. F. No. 319, as amended, as follows:

Page 20, line 4, delete "January" and insert "July"

The motion prevailed and the amendment was adopted.

S. F. No. 319, A bill for an act relating to retirement; various pension plans; providing special benefit coverage for privatized employees of the Luverne public hospital, the Waconia Ridgeview medical center, and the Glencoe area health center; creating a local government correctional service retirement plan; modifying actuarial cost provision; providing a special property tax levy for certain county retirement contributions; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; establishing an additional postretirement adjustment for the Fairmont police relief association; extending survivor benefit provisions to include certain Fairmont police relief association survivors; providing a special ad hoc postretirement adjustment to certain retired St. Cloud police officers; merging the pre-March 1, 1999, local police and paid fire consolidation accounts into the public employees police and fire plan; extending the minimum volunteer firefighter fire state aid amount to post-1993 relief association members; modifying governance provisions for the Minneapolis fire department relief association and the Minneapolis police relief association; providing a targeted early retirement incentive program for certain employees of the metropolitan council; permitting the purchase of service credit by various public employees; mandating certain school district service credit purchase payments; making miscellaneous changes in the legislators retirement plan, the Minnesota state colleges and university system individual retirement account plan, the Minnesota state retirement system, and the teachers retirement association; including supplemental needs trusts as recipients of optional annuity forms; eliminating the service credit maximum for monthly benefit volunteer fire relief associations; mandating school district repayment of certain omitted deduction interest charges; expanding the membership of the state correctional employees retirement plan to include certain Minnesota extended treatment options program employees; downsizing the early retirement reduction rates for various public safety plans; grandparenting public employee police and fire plan coverage for certain Rice county correctional employees; requiring Rice county to repay certain police state aid amounts; providing employer penalties for pension plan membership certification failures or errors; providing special retirement coverage for certain state fire marshal employees; authorizing the purchase of credit for certain periods of prior military service, out-of-state public teaching service, maternity leaves, maternity breaks-in-employment, parochial or private school teaching service, Peace Corps service or VISTA service; clarifying various Minneapolis employees retirement plan survivor benefit provisions; increasing the number of vendors for certain tax-sheltered annuities for educational employees; modifying various benefit provisions for certain Minnesota state colleges and universities employees; reducing the membership of the legislative commission on pensions and retirement; requiring a study; authorizing the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association to purchase or construct an administrative building; authorizing the issuance of certain revenue bonds; amending Minnesota Statutes 1998, sections 3.85, subdivisions 3, 11, and 12; 3A.02, subdivision 1b; 43A.27, subdivision 3; 69.021, subdivisions 7 and 10; 69.031, subdivision 5; 122A.46, subdivision 2; 136F.48; 273.1385, subdivision 2; 352.03, subdivision 1; 352.90; 352.91, by adding a subdivision; 352.92, subdivisions 1 and 2; 352.93, subdivision 2a; 352B.08, subdivision 2a; 353.01, subdivisions 2b, 10, and 16; 353.03, subdivision 4; 353.27, subdivisions 2 and 3; 353.64, subdivision 1; 353.65, subdivisions 2 and 3; 353.651, subdivision 4; 353A.083, by adding a subdivision; 353A.09, subdivisions 4, 5, and by adding a subdivision; 354.05, subdivision 40; 354.06, subdivisions 1 and 7; 354.10, subdivision 4; 354.445; 354.66, subdivisions 1b, 1c, and 3; 354B.24, subdivision 3; 354B.25, subdivisions 2, 3, and 5; 354C.11; 354C.12, subdivision 4; 356.19, by adding subdivisions; 356.20, subdivision 2; 356.215, subdivision 4g; 356.24, subdivision 1; 356.30, subdivision 3; 356.302, subdivision 7; and 356.303, subdivision 4; 356.55, subdivisions 1 and 6; 422A.06, subdivisions 3 and 6; 422A.101, subdivision 4; 422A.18, subdivision 2; 422A.22, subdivisions 4 and 5; and 422A.23; 423A.02, subdivisions 1b, 2, and by adding subdivisions; and 423B.07; Laws 1977, chapter 61, section 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 352; 353; 354; 354A; 354B; 356; and 422A; proposing coding for new law as Minnesota Statutes, chapters 353E; and 353F; repealing Minnesota Statutes 1998, sections 353.33, subdivision 3a; 353.65, subdivision 3a; 422A.16, subdivision 3a; and 424A.02, subdivision 5; Laws 1998, chapter 390, article 1, section 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Lindner	Otremba	Stang
Abrams	Entenza	Howes	Luther	Ozment	Storm
Anderson, B.	Erhardt	Huntley	Mahoney	Paulsen	Swenson
Anderson, I.	Erickson	Jaros	Mares	Pawlenty	Sykora
Bakk	Finseth	Jennings	Mariani	Paymar	Tingelstad
Biernat	Folliard	Johnson	Marko	Pelowski	Tomassoni
Bishop	Fuller	Juhnke	McCollum	Peterson	Trimble
Boudreau	Gerlach	Kahn	McElroy	Pugh	Tuma
Bradley	Gleason	Kalis	McGuire	Rest	Tunheim
Broecker	Goodno	Kelliher	Milbert	Reuter	Van Dellen
Buesgens	Gray	Kielkucki	Molnau	Rhodes	Vandever
Carlson	Greenfield	Knoblach	Mulder	Rifenberg	Wagenius
Carruthers	Greiling	Koskinen	Mullery	Rostberg	Wejzman
Cassell	Gunther	Krinkie	Munger	Rukavina	Wenzel
Chaudhary	Haake	Kubly	Murphy	Schumacher	Westerberg
Clark, J.	Haas	Kuisle	Ness	Seagren	Westfall
Daggett	Hackbarth	Larsen, P.	Nornes	Seifert, J.	Westrom
Davids	Harder	Larson, D.	Olson	Seifert, M.	Wilkin
Dawkins	Hasskamp	Leighton	Opatz	Skoe	Winter
Dehler	Hausman	Lenczewski	Orfield	Skoglund	Wolf
Dempsey	Hilty	Leppik	Osskopp	Smith	Workman
Dorman	Holberg	Lieder	Osthoff	Solberg	Spk. Sviggum

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

H. F. No. 1180 was reported to the House.

Mares moved that H. F. No. 1180 be returned to the General Register. The motion prevailed.

The Speaker resumed the Chair.

H. F. No. 1195, which was temporarily laid over earlier today on the Calendar for the Day, was again reported to the House.

H. F. No. 1195, A bill for an act relating to landlords and tenants; providing for certain eviction records to be sealed; modifying requirements for tenant screening reports in the second and fourth judicial districts; amending Minnesota Statutes 1998, section 504.30, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 484.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abeler	Erhardt	Jaros	Mares	Paymar	Tingelstad
Abrams	Erickson	Jennings	Mariani	Pelowski	Tomassoni
Anderson, B.	Finseth	Johnson	Marko	Peterson	Trimble
Anderson, I.	Folliard	Juhnke	McCollum	Pugh	Tuma
Bakk	Fuller	Kahn	McElroy	Rest	Tunheim
Bishop	Gerlach	Kalis	McGuire	Reuter	Van Dellen
Boudreau	Gleason	Kelliher	Milbert	Rhodes	Vandever
Bradley	Goodno	Kielkucki	Molnau	Rifenberg	Wagenius
Broecker	Gray	Knoblach	Mulder	Rostberg	Wejzman
Buesgens	Greenfield	Koskinen	Mullery	Rukavina	Wenzel
Carlson	Greiling	Krinkie	Munger	Schumacher	Westerberg
Carruthers	Gunther	Kubly	Murphy	Seagren	Westfall
Cassell	Haake	Kuisle	Ness	Seifert, J.	Westrom
Chaudhary	Haas	Larsen, P.	Nornes	Seifert, M.	Wilkin
Clark, J.	Hackbarth	Larson, D.	Olson	Skoe	Winter
Daggett	Harder	Leighton	Opatz	Skoglund	Wolf
Davids	Hasskamp	Lenczewski	Osskopp	Smith	Workman
Dawkins	Hilty	Leppik	Osthoff	Solberg	Spk. Sviggum
Dehler	Holberg	Lieder	Otremba	Stang	
Dempsey	Holsten	Lindner	Ozment	Storm	
Dorman	Howes	Luther	Paulsen	Swenson	
Dom	Huntley	Mahoney	Pawlenty	Sykora	

Those who voted in the negative were:

Biernat	Entenza	Hausman	Orfield
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The bill was passed and its title agreed to.

H. F. No. 1608 was reported to the House.

Mulder moved that H. F. No. 1608 be temporarily laid over on the Calendar for the Day. The motion prevailed.

S. F. No. 516 was reported to the House.

Knoblach withdrew his pending amendment to S. F. No. 516, as amended, offered on Wednesday, April 28, 1999.

Knoblach moved to amend S. F. No. 516, as amended, as follows:

Page 2, line 1, strike "\$50" and insert "\$1,100"

Page 2, line 2, strike "month" and insert "year"

Page 8, line 9, after "exchanges" insert a comma

Page 23, line 36, after "expenditures" insert ", unless at least three candidates each receive a proportionately equal share of the expenditure"

Page 28, lines 20 to 25, reinstate the stricken language

Page 28, line 26, delete "(b)" and insert "(c)"

Pages 32 to 34, delete section 47

Page 37, line 16, delete "26, 27, and 30" and insert "25, 26, and 29"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Tuma to the Chair.

Knoblach moved to amend S. F. No. 516, as amended, as follows:

Page 31, lines 25 to 31, delete the new language and reinstate the stricken language

Page 32, lines 1 to 4, delete the new language and reinstate the stricken language

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Knoblach moved to amend S. F. No. 516, as amended, as follows:

Page 20, after line 22, insert:

"Sec. 28. Minnesota Statutes 1998, section 10A.255, subdivision 1, is amended to read:

Subdivision 1. [METHOD OF CALCULATION.] The dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index media cost-per-thousand (CPM) index from ~~December~~ of the year preceding the last general election year to ~~December~~ of the year preceding the year in which the determination is made. The dollar amounts used for the preceding general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product must be rounded up to the next highest whole dollar. The index used must be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1982 as a base year media cost-per-thousand (CPM) increases - eight media composite used by the American Association of Advertising Agencies with 1990 as a base year."

Page 37, line 7, delete the first "and" and after "13" insert "; and 10A.255, subdivision 2"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knoblach amendment and the roll was called. There were 71 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Harder	McElroy	Reuter	Tingelstad
Abrams	Dempsey	Holberg	Molnau	Rhodes	Tuma
Anderson, B.	Dorman	Holsten	Mulder	Rifenberg	Van Dellen
Bakk	Erhardt	Howes	Munger	Rostberg	Wenzel
Bishop	Erickson	Kielkucki	Ness	Seagren	Westerberg
Boudreau	Finseth	Knoblach	Nornes	Seifert, J.	Westfall
Bradley	Fuller	Krinkie	Opatz	Seifert, M.	Westrom
Broecker	Gerlach	Larsen, P.	Osskopp	Solberg	Wilkin
Buesgens	Goodno	Leppik	Ozment	Stang	Wolf
Cassell	Gunther	Lindner	Paulsen	Storm	Workman
Daggett	Haas	Mares	Pawlenty	Swenson	Spk. Sviggum
Dauids	Hackbarth	McCollum	Pelowski	Sykora	

Those who voted in the negative were:

Anderson, I.	Gray	Juhnke	Luther	Otremba	Trimble
Biernat	Greenfield	Kahn	Mahoney	Paymar	Tunheim
Carlson	Greiling	Kalis	Mariani	Peterson	Vandever
Carruthers	Haake	Kelliher	Marko	Pugh	Wagenius
Chaudhary	Hasskamp	Koskinen	McGuire	Rest	Wejcman
Clark, J.	Hausman	Kubly	Milbert	Rukavina	Winter
Dawkins	Hilty	Kuisle	Mullery	Schumacher	
Dorn	Huntley	Larson, D.	Murphy	Skoe	
Entenza	Jaros	Leighton	Olson	Skoglund	
Folliard	Jennings	Lenczewski	Orfield	Smith	
Gleason	Johnson	Lieder	Osthoff	Tomassoni	

The motion prevailed and the amendment was adopted.

Knoblach moved to amend S. F. No. 516, as amended, as follows:

Page 20, delete section 28, and insert:

"Sec. 28. [10A.266] [TRADE ASSOCIATION COMMUNICATIONS.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following terms have the following meanings.

(b) "Trade association" means an organization other than a nonprofit corporation which is governed by section 211B.15, subdivision 15, and that is not created by a labor union or a corporation as defined in section 211B.15, subdivision 1, clauses (1) and (3), that

(1) expressly provides for members in its articles and bylaws;

(2) expressly solicits members; and

(3) expressly acknowledges the acceptance of membership, such as by sending a membership card or by inclusion on a membership newsletter list.

(c) "Members" means all persons who satisfy the requirements for membership in a trade association, affirmatively accept the trade association's invitation to become a member, and

(1) have some significant financial attachment to the trade association, such as a significant investment or ownership stake, but not merely the payment of dues; or

(2) are required to pay on a regular basis a specific amount of dues that is predetermined by the association and are entitled to vote directly either for at least one member who has full participatory and voting rights on the highest governing body of the trade association, or for those who select at least one member of those on the highest governing body of the trade association; or

(3) are entitled to vote directly for all of those on the highest governing body of the trade association.

Subd. 2. [EXCLUSIONS.] For the purposes of this chapter and section 211B.15, "contribution" and "independent expenditure" do not include communications by a trade association to its members and the association's executive and administrative personnel.

Subd. 3. [REPORTS.] The total amount of a disbursement under subdivision 1 in excess of \$200 for the purpose of influencing the nomination or election of a candidate or candidates must be reported to the board. The report must be filed on forms provided by the board on the dates required for reports under section 10A.20."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Knoblach moved to amend S. F. No. 516, as amended, as follows:

Page 1, line 41, after "individual" insert ", the individual's spouse, or the individual's dependent"

Page 2, line 4, after "or" insert "in which the individual, the individual's spouse, or the individual's dependent"

Page 2, line 5, after the period, insert "Associated business" does not include the identities of clients or customers of an association or sole proprietorship in connection with which the individual is compensated."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Skoglund, Osthoff and Davids moved to amend S. F. No. 516, as amended, as follows:

Pages 9 and 10, delete section 12

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gerlach offered an amendment to S. F. No. 516, as amended.

Knoblach requested a division of the Gerlach amendment to S. F. No. 516, as amended.

The first portion of the Gerlach amendment to S. F. No. 516, as amended, reads as follows:

Page 8, line 4, delete "and lodging for no more than one night"

Page 8, line 8, after "individual" insert "with whom the public official had a personal relationship before becoming a public official."

Renumber the clauses in sequence

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Gerlach amendment and the roll was called. There were 90 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Hausman	Lenczewski	Osskopp	Swenson
Abrams	Entenza	Holberg	Leppik	Osthoff	Sykora
Anderson, B.	Erhardt	Holsten	Lindner	Ozment	Tingelstad
Biernat	Erickson	Howes	Luther	Paulsen	Tuma
Bradley	Finseth	Huntley	Mares	Pawlenty	Van Dellen
Broecker	Folliard	Jennings	McCollum	Pugh	Vandever
Buesgens	Fuller	Kelliher	McGuire	Rest	Wagenius
Carruthers	Gerlach	Kielkucki	Milbert	Reuter	Wenzel
Cassell	Gleason	Knoblach	Molnau	Rhodes	Westerberg
Chaudhary	Goodno	Koskinen	Mulder	Rostberg	Westfall
Clark, J.	Greiling	Krinkie	Ness	Seagren	Westrom
Daggett	Gunther	Kuisle	Nornes	Seifert, J.	Wilkin
Davids	Haake	Larsen, P.	Olson	Seifert, M.	Wolf
Dawkins	Haas	Larson, D.	Opatz	Skoglund	Workman
Dempsey	Harder	Leighton	Orfield	Storm	Spk. Sviggum

Those who voted in the negative were:

Anderson, I.	Gray	Juhnke	Marko	Pelowski	Solberg
Bakk	Greenfield	Kahn	McElroy	Peterson	Stang
Bishop	Hackbarth	Kalis	Mullery	Rifenberg	Tomassoni
Boudreau	Hasskamp	Kubly	Munger	Rukavina	Trimble
Carlson	Hilty	Lieder	Murphy	Schumacher	Tunheim
Dehler	Jaros	Mahoney	Otremba	Skoe	Wejcmán
Dorn	Johnson	Mariani	Paymar	Smith	Winter

The motion prevailed and the first portion of the Gerlach amendment was adopted.

The Speaker resumed the Chair.

The second portion of the Gerlach amendment to S. F. No. 516, as amended, reads as follows:

Page 8, line 9, after "exchanges" insert a comma

Page 8, line 19, delete everything after "(2)"

Page 8, delete lines 20 to 31

Page 8, line 32, delete "(4)"

Renumber the clauses in sequence

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the second portion of the Gerlach amendment and the roll was called. There were 57 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Holberg	Leppik	Pawlenty	Wenzel
Abrams	Erickson	Holsten	Mares	Rest	Westerberg
Biernat	Finseth	Howes	Molnau	Rostberg	Westfall
Broecker	Folliard	Kielkucki	Mulder	Seifert, J.	Westrom
Buesgens	Fuller	Koskinen	Ness	Skoe	Wilkin
Cassell	Gerlach	Krinkie	Nornes	Storm	Workman
Chaudhary	Gleason	Kuisle	Orfield	Tuma	Spk. Sviggum
Clark, J.	Greiling	Larsen, P.	Osskopp	Tunheim	
Dawkins	Haake	Larsen, D.	Otremba	Vandever	
Dempsey	Haas	Lenczewski	Paulsen	Wagenius	

Those who voted in the negative were:

Anderson, B.	Erhardt	Johnson	Marko	Pelowski	Stang
Anderson, I.	Goodno	Juhnke	McCollum	Peterson	Swenson
Bakk	Gray	Kahn	McElroy	Pugh	Sykora
Bishop	Greenfield	Kalis	McGuire	Reuter	Tingelstad
Boudreau	Gunther	Kelliher	Milbert	Rhodes	Tomassoni
Bradley	Hackbarth	Knoblach	Mullery	Rifenberg	Trimble
Carlson	Harder	Kubly	Munger	Rukavina	Van Dellen
Carruthers	Hasskamp	Leighton	Murphy	Schumacher	Wejcman
Daggett	Hausman	Lieder	Olson	Seagren	Winter
Davids	Hilty	Lindner	Opatz	Seifert, M.	Wolf
Dehler	Huntley	Luther	Osthoff	Skoglund	
Dorman	Jaros	Mahoney	Ozment	Smith	
Dorn	Jennings	Mariani	Paymar	Solberg	

The motion did not prevail and the second portion of the Gerlach amendment was not adopted.

Rukavina, Dawkins, Finseth, Kahn, Osskopp, Davids and Anderson, I., moved to amend S. F. No. 516, as amended, as follows:

Page 30, line 1, after "means" insert ":(a)"

Page 30, line 3, strike "(a)" and insert "(1)"

Page 30, line 9, strike "(b)" and insert "(2)"

Page 30, line 13, before the period, insert "or;

(b) a group of legislators within one congressional district whose combined vote total at the last preceding state general election is not less than five percent of the total number of individuals who voted in that district at that general election and who present to the secretary of state a written statement declaring their intent to organize as a major political party"

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

Anderson, I.; Rukavina and Murphy moved to amend S. F. No. 516, as amended, as follows:

Page 30, after line 13, insert:

"Sec. 42. Minnesota Statutes 1998, section 202A.11, subdivision 2, is amended to read:

Subd. 2. [RIGHT TO USE.] A major political party which has adopted a party name is entitled to the exclusive use of that name for the designation of its candidates on all ballots, ~~and no candidate of any other political party is entitled to have printed on a ballot as a party designation any part of that name.~~"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Hilty moved to amend S. F. No. 516, as amended, as follows:

Page 23, line 21, reinstate the stricken "for any"

Page 23, line 21, reinstate the stricken "fundraising effort"

A roll call was requested and properly seconded.

The question was taken on the Hilty amendment and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gray	Kahn	Marko	Paymar	Trimble
Bakk	Greenfield	Kalis	McCollum	Pelowski	Tunheim
Biernat	Greiling	Kelliher	McGuire	Peterson	Wagenius
Carlson	Hasskamp	Koskinen	Milbert	Pugh	Wejman
Carruthers	Hausman	Kubly	Mullery	Rest	Wenzel
Chaudhary	Hilty	Larson, D.	Munger	Rukavina	Winter
Dawkins	Huntley	Lenczewski	Murphy	Schumacher	
Dorn	Jaros	Lieder	Opatz	Skoe	
Entenza	Jennings	Luther	Orfield	Skoglund	
Folliard	Johnson	Mahoney	Osthoff	Solberg	
Gleason	Juhnke	Mariani	Otremba	Tomassoni	

Those who voted in the negative were:

Abeler	Dehler	Hackbarth	Mares	Rhodes	Tuma
Abrams	Dempsey	Harder	McElroy	Rifenberg	Van Dellen
Anderson, B.	Dorman	Holberg	Molnau	Rostberg	Vandever
Bishop	Erhardt	Holsten	Mulder	Seagren	Westerberg
Boudreau	Erickson	Howes	Ness	Seifert, J.	Westfall
Bradley	Finseth	Kielkucki	Nornes	Seifert, M.	Westrom
Broecker	Fuller	Knoblach	Olson	Smith	Wilkin
Buesgens	Gerlach	Krinkie	Osskopp	Stang	Wolf
Cassell	Goodno	Kuisle	Ozment	Storm	Workman
Clark, J.	Gunther	Larsen, P.	Paulsen	Swenson	Spk. Sviggum
Daggett	Haake	Leppik	Pawlenty	Sykora	
Davids	Haas	Lindner	Reuter	Tingelstad	

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

Reuter moved to amend S. F. No. 516, as amended, as follows:

Page 32, line 33, delete everything after "cost"

Page 32, line 34, delete "facility rental"

Page 32, line 35, before the period, insert ", except as otherwise provided by this paragraph. Any cost associated with soliciting, raising, or accepting the contribution in excess of \$10 for a contribution of up to \$50 or \$20 for a joint contribution of up to \$100 must be deducted from the amount recorded on the official refund receipt form"

A roll call was requested and properly seconded.

Greiling moved to amend the Reuter amendment to S. F. No. 516, as amended, as follows:

Page 1, line 6, after "cost" insert "of food, beverage, entertainment, or facility rental"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Johnson	Mariani	Paymar	Trimble
Bakk	Gray	Kahn	Marko	Peterson	Tunheim
Biernat	Greenfield	Kalis	McCollum	Pugh	Wagenius
Bishop	Greiling	Kelliher	McGuire	Rest	Wejzman
Carlson	Harder	Koskinen	Milbert	Rukavina	Wenzel
Carruthers	Hasskamp	Larson, D.	Mullery	Schumacher	Westrom
Chaudhary	Hausman	Leighton	Munger	Skoe	Winter
Dawkins	Hilty	Lenczewski	Murphy	Skoglund	
Dorn	Huntley	Lieder	Orfield	Smith	
Entenza	Jaros	Luther	Osthoff	Solberg	
Folliard	Jennings	Mahoney	Otremba	Tomassoni	

Those who voted in the negative were:

Abeler	Dempsey	Holberg	Mares	Pelowski	Tingelstad
Abrams	Dorman	Holsten	McElroy	Reuter	Tuma
Anderson, B.	Erhardt	Howes	Molnau	Rhodes	Van Dellen
Boudreau	Erickson	Juhnke	Mulder	Rifenberg	Vandever
Bradley	Finseth	Kielkucki	Ness	Rostberg	Westerberg
Broecker	Fuller	Knoblach	Nornes	Seagren	Westfall
Buesgens	Gerlach	Krinkie	Olson	Seifert, J.	Wilkin
Cassell	Goodno	Kubly	Opatz	Seifert, M.	Wolf
Clark, J.	Gunther	Kuisle	Osskopp	Stang	Workman
Daggett	Haake	Larsen, P.	Ozment	Storm	Spk. Sviggum
Davids	Haas	Leppik	Paulsen	Swenson	
Dehler	Hackbarth	Lindner	Pawlenty	Sykora	

The motion did not prevail and the amendment to the amendment was not adopted.

The Speaker called Boudreau to the Chair.

The question recurred on the Reuter amendment and the roll was called. There were 95 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Abeler	Bakk	Bradley	Cassell	Davids	Dorman
Abrams	Bishop	Broecker	Clark, J.	Dehler	Dorn
Anderson, B.	Boudreau	Buesgens	Daggett	Dempsey	Entenza

Erickson	Hasskamp	Larsen, P.	Nornes	Reuter	Tuma
Finseth	Hilty	Leighton	Olson	Rhodes	Van Dellen
Folliard	Holberg	Leppik	Opatz	Rifenberg	Vandever
Fuller	Holsten	Lindner	Orfield	Rostberg	Wagenius
Gerlach	Howes	Luther	Osskopp	Schumacher	Westerberg
Gleason	Juhnke	Mares	Otremba	Seagren	Westfall
Goodno	Kelliher	McCollum	Ozment	Seifert, J.	Westrom
Greiling	Kielkucki	McElroy	Paulsen	Seifert, M.	Wilkin
Gunther	Knoblach	McGuire	Pawlenty	Stang	Winter
Haake	Koskinen	Molnau	Paymar	Storm	Wolf
Haas	Krinkie	Mulder	Pelowski	Swenson	Workman
Hackbarth	Kubly	Murphy	Peterson	Sykora	Spk. Sviggum
Harder	Kuisle	Ness	Pugh	Tingelstad	

Those who voted in the negative were:

Anderson, I.	Gray	Kahn	Marko	Skoe	Wejzman
Biernat	Greenfield	Kalis	Milbert	Skoglund	Wenzel
Carlson	Hausman	Larson, D.	Mullery	Smith	
Carruthers	Huntley	Lenczewski	Munger	Solberg	
Chaudhary	Jaros	Lieder	Osthoff	Tomassoni	
Dawkins	Jennings	Mahoney	Rest	Trimble	
Erhardt	Johnson	Mariani	Rukavina	Tunheim	

The motion prevailed and the amendment was adopted.

Trimble moved to amend S. F. No. 516, as amended, as follows:

Page 4, after line 31, insert:

"Sec. 5. Minnesota Statutes 1998, section 10A.04, subdivision 4, is amended to read:

Subd. 4. [INFORMATION REQUIRED.] (a) The report shall include such information as the board may require from the registration form and the information required by this subdivision for the reporting period.

(b) Each lobbyist shall report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(c) Each lobbyist shall report the amount and nature of each honorarium, gift, loan, item or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any public or local official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public or local official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid. A lobbyist need report only the aggregate amount and nature of food or beverages given or made available to all members of the legislature or a house of the legislature or to all members of a local legislative body, along with the name of the legislative body and the date it was given or made available.

(d) Each lobbyist shall report each original source of funds in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, each such source of funds used to influence administrative action, and each such source of funds used to influence the official action of metropolitan governmental units. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

(e) Each lobbyist shall report the amount of money received for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Trimble amendment and the roll was called. There were 122 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holberg	Mahoney	Paulsen	Storm
Abrams	Entenza	Howes	Mares	Pawlenty	Sykora
Anderson, B.	Erhardt	Huntley	Mariani	Paymar	Tingelstad
Anderson, I.	Erickson	Jaros	Marko	Pelowski	Tomassoni
Bakk	Finseth	Jennings	McCollum	Peterson	Trimble
Biernat	Folliard	Johnson	McElroy	Pugh	Tuma
Bishop	Fuller	Juhnke	McGuire	Rest	Tunheim
Boudreau	Gerlach	Kahn	Milbert	Reuter	Vandever
Bradley	Gleason	Kalis	Molnau	Rhodes	Wagenius
Broecker	Goodno	Kelliher	Mulder	Rifenberg	Wejzman
Buesgens	Gray	Knoblach	Mullery	Rostberg	Wenzel
Carlson	Greenfield	Koskinen	Munger	Rukavina	Westerberg
Carruthers	Greiling	Kubly	Murphy	Schumacher	Westfall
Cassell	Gunther	Kuisele	Ness	Seagren	Westrom
Chaudhary	Haake	Larsen, P.	Nornes	Seifert, J.	Winter
Clark, J.	Haas	Larsen, D.	Opatz	Seifert, M.	Wolf
Daggett	Hackbarth	Leighton	Orfield	Skoe	Spk. Sviggum
Dawkins	Harder	Lenczewski	Osskopp	Skoglund	
Dehler	Hasskamp	Leppik	Osthoff	Smith	
Dempsey	Hausman	Lieder	Otremba	Stanek	
Dorman	Hilty	Luther	Ozment	Stang	

Those who voted in the negative were:

Davids	Kielkucki	Lindner	Solberg	Van Dellen	Workman
Holsten	Krinkie	Olson	Swenson	Wilkin	

The motion prevailed and the amendment was adopted.

Bishop; Ness; Rukavina; Osskopp; Tomassoni; Jennings; Schumacher; Rostberg; Davids; Tinglestad; Stang; Gunther; Mulder; Van Dellen; Mares; Wolf; Erickson; Huntley; Reuter; Ozment; Solberg; Swenson; Osthoff; Haas and Smith moved to amend S. F. No. 516, as amended, as follows:

Page 7, after line 31, insert:

"(7) food or a beverage not to exceed \$5 in value to the recipient given by a host as part of ordinary office hospitality or at a meeting away from the offices of the governmental entity in which the recipient official holds office; this exception shall not apply to a legislator when the legislature is in session"

Page 7, line 32, strike "(7)" and insert "(8)"

Page 8, line 6, delete "(8)" and insert "(9)"

Page 35, after line 18, insert:

"(7) food or a beverage not to exceed \$5 in value to the recipient given by a host as part of ordinary office hospitality or at a meeting away from the offices of the governmental entity in which the recipient official holds office; this exception shall not apply to a legislator when the legislature is in session"

Page 35, line 19, strike "(7)" and insert "(8)"

Page 35, line 29, delete "(8)" and insert "(9)"

A roll call was requested and properly seconded.

Folliard moved to amend the Bishop et al amendment to S. F. No. 516, as amended, as follows:

Page 1, line 4, after "value" insert "per day"

Page 1, line 5, delete "by a host"

Page 1, line 11, after "value" insert "per day"

Page 1, line 12, delete "by a host"

The motion did not prevail and the amendment to the amendment was not adopted.

The Speaker resumed the Chair.

The question recurred on the Bishop et al amendment and the roll was called. There were 42 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Bradley	Dehler	Gray	Hilty	Jaros
Bakk	Davids	Dorn	Gunther	Holsten	Jennings
Bishop	Dawkins	Erickson	Hasskamp	Huntley	Juhnke

Kahn	Mahoney	Mullery	Pelowski	Solberg	Trimble
Kalis	Mares	Munger	Reuter	Stang	Tunheim
Leighton	Mariani	Ness	Rukavina	Swenson	Van Dellen
Lieder	Mulder	Osthoff	Schumacher	Tomassoni	Wolf

Those who voted in the negative were:

Abeler	Entenza	Holberg	Luther	Paymar	Sykora
Abrams	Erhardt	Howes	Marko	Peterson	Tingelstad
Anderson, B.	Finseth	Johnson	McCollum	Pugh	Tuma
Biernat	Folliard	Kelliher	McGuire	Rest	Vandever
Boudreau	Fuller	Kielkucki	Milbert	Rhodes	Wagenius
Broecker	Gerlach	Knoblach	Molnau	Rifenberg	Wejcman
Buesgens	Gleason	Koskinen	Murphy	Rostberg	Wenzel
Carlson	Goodno	Krinkie	Nornes	Seagren	Westerberg
Carruthers	Greenfield	Kubly	Olson	Seifert, J.	Westfall
Cassell	Greiling	Kuisle	Opatz	Seifert, M.	Westrom
Chaudhary	Haake	Larsen, P.	Orfield	Skoe	Wilkin
Clark, J.	Haas	Larson, D.	Osskopp	Skoglund	Winter
Daggett	Hackbarth	Lenczewski	Otremba	Smith	Workman
Dempsey	Harder	Leppik	Paulsen	Stanek	Spk. Sviggum
Dorman	Hausman	Lindner	Pawlenty	Storm	

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

Greiling moved to amend S. F. No. 516, as amended, as follows:

Page 13, lines 13 and 14, delete the new language and reinstate the stricken language

Page 13, line 15, delete the new language

Page 13, lines 23 through 26, delete the new language

Page 13, line 36, delete the new language and reinstate the stricken language

Page 14, line 1, reinstate the stricken language

Page 14, lines 2 through 5, delete the new language

The motion prevailed and the amendment was adopted.

Osthoff moved to amend S. F. No. 516, as amended, as follows:

Page 34, after line 15, insert:

"Sec. 48. [465.58] [CONTRACT LOBBYISTS.]

No statutory or home rule charter city, county, town, or other governmental subdivision may expend tax money to pay a registered lobbyist, as defined in section 10A.01, subdivision 11. The prohibition under this section does not apply either to wages, salaries, or other compensation paid to employees of the subdivision or to dues paid to an association of local governments."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Osthoff amendment and the roll was called. There were 116 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Luther	Pawlenty	Tingelstad
Abrams	Entenza	Howes	Mahoney	Pelowski	Tomassoni
Anderson, B.	Erhardt	Jaros	Mares	Peterson	Trimble
Anderson, I.	Erickson	Johnson	Mariani	Pugh	Tuma
Bakk	Finseth	Juhnke	Marko	Reuter	Tunheim
Biernat	Folliard	Kalis	McCollum	Rhodes	Van Dellen
Bishop	Fuller	Kelliher	McElroy	Rifenberg	Vandever
Boudreau	Gerlach	Kielkucki	McGuire	Rostberg	Wagenius
Broecker	Gleason	Knoblach	Milbert	Rukavina	Wenzel
Buesgens	Goodno	Koskinen	Molnau	Schumacher	Westerberg
Carlson	Gray	Krinkie	Mulder	Seagren	Westfall
Carruthers	Greiling	Kubly	Ness	Seifert, J.	Westrom
Cassell	Gunther	Kuisle	Nornes	Seifert, M.	Wilkin
Chaudhary	Haake	Larsen, P.	Olson	Skoe	Wolf
Clark, J.	Haas	Larson, D.	Orfield	Smith	Workman
Daggett	Hackbarth	Leighton	Osskopp	Stanek	Spk. Sviggum
Dauids	Harder	Lenczewski	Osthoff	Stang	
Dawkins	Hasskamp	Leppik	Otremba	Storm	
Dehler	Hilty	Lieder	Ozment	Swenson	
Dempsey	Holberg	Lindner	Paulsen	Sykora	

Those who voted in the negative were:

Bradley	Huntley	Mullery	Opatz	Skoglund
Dorn	Jennings	Munger	Paymar	Solberg
Greenfield	Kahn	Murphy	Rest	Wejcman

The motion prevailed and the amendment was adopted.

Anderson, I.; Dehler; Jaros; Osskopp; Rukavina; Kahn; Dauids and Haas moved to amend S. F. No. 516, as amended, as follows:

Page 30, line 1, after "means" insert ": (a)"

Page 30, line 3, strike "(a)" and insert "(1)"

Page 30, line 9, strike "(b)" and insert "(2)"

Page 30, line 13, before the period, insert "or;"

(b) a group of legislators within one congressional district whose combined vote total at the last preceding state general election is not less than five percent of the total number of individuals who voted in that district at that general election and who present to the secretary of state a written statement declaring their intent to organize as a major political party"

Page 30, after line 13, insert:

"Sec. 42. Minnesota Statutes 1998, section 202A.11, subdivision 2, is amended to read:

Subd. 2. [RIGHT TO USE.] A major political party which has adopted a party name is entitled to the exclusive use of that name for the designation of its candidates on all ballots, ~~and no candidate of any other political party is entitled to have printed on a ballot as a party designation any part of that name."~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Anderson, I., et al amendment and the roll was called. There were 46 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gray	Kahn	Murphy	Skoe	Wenzel
Bakk	Hasskamp	Kalis	Osskopp	Smith	Westfall
Bishop	Hilty	Larson, D.	Otremba	Solberg	Westrom
Carlson	Holsten	Leighton	Paymar	Stang	Winter
Davids	Howes	Lieder	Peterson	Tomassoni	Workman
Dawkins	Jaros	Mariani	Pugh	Tuma	Spk. Sviggum
Dehler	Johnson	Marko	Rukavina	Tunheim	
Finseth	Juhnke	Milbert	Schumacher	Van Dellen	

Those who voted in the negative were:

Abeler	Dorn	Harder	Lindner	Orfield	Storm
Abrams	Entenza	Hausman	Luther	Ozment	Swenson
Anderson, B.	Erhardt	Holberg	Mahoney	Paulsen	Sykora
Biernat	Erickson	Huntley	Mares	Pawlenty	Tingelstad
Boudreau	Folliard	Jennings	McCollum	Pelowski	Trimble
Bradley	Fuller	Kelliher	McElroy	Rest	Vandeveer
Broecker	Gerlach	Kielkucki	McGuire	Reuter	Wagenius
Buesgens	Gleason	Knoblach	Molnau	Rhodes	Wejzman
Carruthers	Goodno	Koskinen	Mulder	Rifenberg	Westerberg
Cassell	Greenfield	Krinkie	Mullery	Rostberg	Wilkin
Chaudhary	Greiling	Kubly	Munger	Seagren	Wolf
Clark, J.	Gunther	Kuisle	Ness	Seifert, J.	
Daggett	Haake	Larsen, P.	Nornes	Seifert, M.	
Dempsey	Haas	Lenczewski	Olson	Skoglund	
Dorman	Hackbarth	Leppik	Opatz	Stanek	

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

Carlson moved to amend S. F. No. 516, as amended, as follows:

Page 6, line 5, delete "and receive contributions from"

The motion prevailed and the amendment was adopted.

Carruthers moved to amend S. F. No. 516, as amended, as follows:

Page 21, after line 27, insert:

"Sec. 30. Minnesota Statutes 1998, section 10A.27, subdivision 5, is amended to read:

Subd. 5. [INDEPENDENT EXPENDITURES.] Nothing in this section shall be construed as limiting independent expenditures on behalf of a candidate, except that no political party or unit thereof that issues contribution refund receipts may make an independent expenditure on behalf of a candidate."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Carruthers amendment and the roll was called. There were 58 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Kahn	Mariani	Osthoff	Solberg
Bakk	Gray	Kalis	Marko	Otremba	Tomassoni
Biernat	Greenfield	Kelliher	McCollum	Pelowski	Trimble
Carlson	Greiling	Kubly	McGuire	Peterson	Tunheim
Carruthers	Hasskamp	Larson, D.	Milbert	Pugh	Wagenius
Chaudhary	Hausman	Leighton	Mullery	Rest	Wejman
Dawkins	Hilty	Lenczewski	Munger	Rukavina	Wenzel
Dorn	Jaros	Lieder	Murphy	Schumacher	Winter
Entenza	Johnson	Luther	Opatz	Skoe	
Folliard	Juhnke	Mahoney	Orfield	Skoglund	

Those who voted in the negative were:

Abeler	Dempsey	Holberg	McElroy	Rifenberg	Van Dellen
Abrams	Dorman	Holsten	Molnau	Rostberg	Vandever
Anderson, B.	Erhardt	Howes	Mulder	Seagren	Westerberg
Bishop	Erickson	Huntley	Ness	Seifert, J.	Westfall
Boudreau	Finseth	Kielkucki	Nornes	Seifert, M.	Westrom
Bradley	Fuller	Knoblach	Olson	Smith	Wilkin
Broecker	Gerlach	Koskinen	Osskopp	Stanek	Wolf
Buesgens	Goodno	Krinkie	Ozment	Stang	Workman
Cassell	Gunther	Kuisle	Paulsen	Storm	Spk. Sviggum
Clark, J.	Haake	Larsen, P.	Pawlenty	Swenson	
Daggett	Haas	Leppik	Paymar	Sykora	
Davids	Hackbarth	Lindner	Reuter	Tingelstad	
Dehler	Harder	Mares	Rhodes	Tuma	

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

The Speaker called Boudreau to the Chair.

Entenza moved to amend S. F. No. 516, as amended, as follows:

Page 7, line 8, before "A" insert "(a)"

Page 7, after line 14, insert:

"(b) Legislators shall not accept a gift or the loan of an item, which is given solely because the person is a legislator, from a business or a corporation during a regular session of the legislature."

A roll call was requested and properly seconded.

The question was taken on the Entenza amendment and the roll was called. There were 118 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abeler	Erhardt	Huntley	Luther	Paulsen	Swenson
Abrams	Finseth	Jennings	Mahoney	Pawlenty	Sykora
Anderson, B.	Folliard	Johnson	Mares	Paymar	Tingelstad
Biernat	Fuller	Juhnke	Mariani	Pelowski	Trimble
Bishop	Gerlach	Kahn	Marko	Peterson	Tuma
Boudreau	Gleason	Kalis	McCollum	Pugh	Tunheim
Broecker	Goodno	Kelliher	McElroy	Rest	Van Dellen
Buesgens	Gray	Kielkucki	McGuire	Rhodes	Vandever
Carlson	Greenfield	Knoblach	Milbert	Rifenberg	Wagenius
Carruthers	Greiling	Koskinen	Molnau	Rostberg	Wejcman
Cassell	Gunther	Krinkie	Mulder	Schumacher	Wenzel
Chaudhary	Haake	Kubly	Mullery	Seagren	Westerberg
Clark, J.	Hackbarth	Kuisle	Munger	Seifert, J.	Westrom
Daggett	Harder	Larsen, P.	Murphy	Seifert, M.	Wilkin
Davids	Hasskamp	Larson, D.	Ness	Skoe	Winter
Dawkins	Hausman	Leighton	Olson	Skoglund	Wolf
Dempsey	Hilty	Lenczewski	Opatz	Smith	Workman
Dorman	Holberg	Leppik	Orfield	Solberg	Spk. Sviggum
Dorn	Holsten	Lieder	Osskopp	Stanek	
Entenza	Howes	Lindner	Ozment	Storm	

Those who voted in the negative were:

Anderson, I.	Dehler	Nornes	Rukavina	Westfall
Bakk	Erickson	Otremba	Stang	
Bradley	Haas	Reuter	Tomassoni	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 516, A bill for an act relating to elections and ethics; clarifying definitions; giving the board of campaign finance and public disclosure jurisdiction over the ban on gifts to local officials; facilitating reports of last-minute contributions; clarifying campaign finance requirements; increasing certain campaign contribution and spending limits; requiring return of public subsidies under certain conditions; making advisory opinions public data; clarifying certain definitions and prohibitions; clarifying and authorizing exceptions to the ban on gifts; providing civil penalties; providing for updated voter records; amending Minnesota Statutes 1998, sections 10A.01, subdivisions 7, 11, and 18; 10A.02, subdivisions 11, 12, and 13; 10A.03, subdivision 3; 10A.04, subdivisions 5 and 7; 10A.065, subdivisions 1, 3, and by adding a subdivision; 10A.071; 10A.08; 10A.09, subdivisions 3 and 7; 10A.14, subdivision 4; 10A.15, subdivisions 3, 5, and by adding a subdivision; 10A.20, subdivisions 2, 3, 5, 12, and by adding a subdivision; 10A.23; 10A.25, subdivisions 2 and 10; 10A.255, subdivision 1; 10A.27, subdivision 10; 10A.29; 10A.31, subdivisions 7 and 10; 10A.315; 10A.322, subdivisions 1 and 4; 10A.324, subdivision 1; 10A.34; 200.02, by adding a subdivision; 201.13, by adding a subdivision; 211A.02, subdivision 2; 211A.12; 290.06, subdivision 23; and 471.895; proposing coding for new law in Minnesota Statutes, chapter 211A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Harder	McElroy	Rostberg	Tunheim
Abrams	Dempsey	Holberg	Molnau	Seagren	Van Dellen
Anderson, B.	Dorman	Holsten	Mulder	Seifert, J.	Wenzel
Bishop	Erhardt	Howes	Ness	Seifert, M.	Westerberg
Boudreau	Erickson	Kielkucki	Nornes	Smith	Westrom
Bradley	Finseth	Knoblach	Olson	Stanek	Wilkin
Broecker	Fuller	Krinkie	Osskopp	Stang	Wolf
Buesgens	Gerlach	Kuisle	Ozment	Storm	Workman
Cassell	Goodno	Larsen, P.	Pawlenty	Swenson	Spk. Sviggum
Clark, J.	Gunther	Leppik	Reuter	Sykora	
Daggett	Haas	Lindner	Rhodes	Tingelstad	
Davids	Hackbarth	Mares	Rifenberg	Tuma	

Those who voted in the negative were:

Anderson, I.	Gray	Juhnke	Mahoney	Otremba	Solberg
Bakk	Greenfield	Kahn	Mariani	Paulsen	Tomassoni
Biernat	Greiling	Kalis	Marko	Paymar	Trimble
Carlson	Haake	Kelliher	McColum	Pelowski	Vandever
Carruthers	Hasskamp	Koskinen	McGuire	Peterson	Wagenius
Chaudhary	Hausman	Kubly	Milbert	Pugh	Wejzman
Dawkins	Hilty	Larson, D.	Mullery	Rest	Westfall
Dorn	Huntley	Leighton	Munger	Rukavina	Winter
Entenza	Jaros	Lenczewski	Murphy	Schumacher	
Folliard	Jennings	Lieder	Opatz	Skoe	
Gleason	Johnson	Luther	Orfield	Skoglund	

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

Munger was excused for the remainder of today's session.

S. F. No. 145 was reported to the House.

Rhodes moved to amend S. F. No. 145 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 861, the first engrossment:

"Section 1. Minnesota Statutes 1998, section 10A.01, is amended to read:

10A.01 [DEFINITIONS.]

Subdivision 1. [~~SCOPE APPLICATION.~~] For the purposes of sections 10A.01 to 10A.34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. [ADMINISTRATIVE ACTION.] "Administrative action" means an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule pursuant to under chapter 14. "Administrative action" does not include the application or administration of an adopted rule, except in cases of rate setting, power plant and powerline siting, and granting of certificates of need under ~~chapter 116F~~ section 216B.243.

Subd. 3. [ASSOCIATION.] "Association" means ~~business, corporation, firm, partnership, committee, labor organization, club, or any other~~ a group of two or more persons, ~~which includes more than who are not all members~~ of an immediate family, acting in concert.

Subd. 4. [ASSOCIATED BUSINESS.] "Associated business" means ~~any an~~ association ~~in connection with from~~ which the individual ~~is compensated~~ receives compensation in excess of \$50, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or ~~is a holder of whose~~ securities the individual holds worth \$2,500 or more at fair market value.

Subd. 5. [CANDIDATE.] "Candidate" means an individual who seeks nomination or election ~~to any statewide or legislative office for which reporting is not required under federal laws. The term candidate shall also include an individual who seeks nomination or election to supreme court, court of appeals, or district court judgeships of the~~ as a state constitutional officer, legislator, or judge. An individual ~~shall be~~ is deemed to seek nomination or election if the individual has taken the action necessary under the law of ~~the this~~ state of Minnesota to qualify for nomination or election, has received contributions or made expenditures in excess of \$100, or has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about the individual's nomination or election. A candidate remains a candidate until the candidate's principal campaign committee is dissolved as provided in section 10A.24.

Subd. 6. [BOARD.] "Board" means the state campaign finance and public disclosure board.

Subd. 7. [CONTRIBUTION.] (a) "Contribution" means ~~a transfer of funds~~ money, a negotiable instrument, or a donation in kind that is given to a political committee, political fund, principal campaign committee, or party unit.

(b) "Contribution" includes ~~any~~ a loan or advance of credit to a political committee, political fund, ~~or~~ principal campaign committee, ~~which or party unit, if the~~ loan or advance of credit is ~~(a): (1) forgiven;~~ or ~~(b) paid (2) repaid~~ by an individual or an association other than the political committee, political fund, ~~or~~ principal campaign committee, or party unit to which the loan or advance of credit ~~is~~ was made. If an advance of credit or a loan is forgiven or ~~paid repaid~~ as provided in this ~~subdivision paragraph,~~ it is a contribution in the year in which the loan or advance of credit ~~is~~ was made.

~~A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.~~

(c) "Contribution" does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee ~~or~~ political fund, principal campaign committee, or party unit, or the publishing or broadcasting of news items or editorial comments by the news media.

~~Subd. 7a. [TRANSFER OF FUNDS.] "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.~~

~~Subd. 7b. [DONATION IN KIND.] "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. Donation in kind includes~~ An approved expenditure is a donation in kind.

Subd. 8. [DEPOSITORY.] "Depository" means ~~any~~ a bank, savings association, or credit union; organized under federal or state law and transacting business within ~~Minnesota~~ this state.

Subd. 9. [ELECTION.] "Election" means a primary, special primary, general, or special election.

Subd. 9a. [ELECTION CYCLE.] "Election cycle" means the period from January 1 following a general election for an office to December 31 following the next general election for that office, except that "election cycle" for a special election means the period from the date the special election writ is issued to 60 days after the special election is held.

Subd. 10. [CAMPAIGN EXPENDITURE.] "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

An expenditure is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause ~~(a)~~ (1), "expenditure" includes the dollar value of a donation in kind.

"Expenditure" does not include:

~~(a)~~ (1) noncampaign disbursements as defined in subdivision 10c;

~~(b)~~ Transfers as defined in subdivision 7a;

~~(c)~~ (2) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, ~~or~~ political fund, principal campaign committee, or party unit; or

~~(d)~~ (3) the publishing or broadcasting of news items or editorial comments by the news media.

Subd. 10a. [APPROVED EXPENDITURE.] "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of ~~that~~ the candidate, ~~which if the~~ expenditure is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of ~~that~~ the candidate, the candidate's principal campaign committee, or the candidate's agent. An approved expenditure is a contribution to that candidate.

Subd. 10b. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, ~~which if the~~ expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate. An expenditure by a political party or political party unit, ~~as defined in section 10A.275, subdivision 3,~~ in a race where the political party has a candidate on the ballot is not an independent expenditure.

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a ~~political committee, political fund, or~~ principal campaign committee for any of the following purposes:

- (a) (1) payment for accounting and legal services;
- (b) (2) return of a contribution to the source;
- (c) (3) repayment of a loan made to the ~~political committee, political fund, or~~ principal campaign committee by that committee ~~or fund~~;
- (d) (4) return of a public subsidy;
- (e) (5) payment for food, beverages, entertainment, and facility rental for a fundraising event;
- (f) (6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die;
- (g) ~~a donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f);~~
- (h) (7) payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities;
- (i) (8) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;
- (j) (9) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;
- (k) (10) costs of child care for the candidate's children when campaigning;
- (l) (11) fees paid to attend a campaign school;
- (m) (12) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;
- (n) (13) interest on loans paid by a principal campaign committee on outstanding loans;
- (o) (14) filing fees;
- (p) (15) post-general election thank-you notes or advertisements in the news media;
- (q) (16) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

~~(r)~~ transfers (17) contributions to a party unit as defined in section 10A.275, subdivision 3; and

~~(s)~~ (18) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Subd. 11. [LOBBYIST.] (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration, or authorized to spend money by another individual, association, political subdivision, or public higher education system, who spends more than five hours in any month or more than \$250, not including the individual's own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials; or

(2) who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

(1) a public official;

(2) an employee of the state, including an employee of any of the public higher education systems;

(3) an elected local official;

(4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a metropolitan governmental unit, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of metropolitan governmental units;

(5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;

(8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony; or

~~(9) a stockholder of a family farm corporation as defined in section 500.24, subdivision 2, who does not spend over \$250, excluding the stockholder's own travel expenses, in any year in communicating with public officials; or~~

~~(10) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.~~

Subd. 12. [MAJOR POLITICAL PARTY.] "Major political party" means a major political party as defined in section 200.02, subdivision 7.

Subd. 13. [MINOR POLITICAL PARTY.] "Minor political party" means ~~any party other than a major~~ a minor political party: as defined in section 200.02, subdivision 23.

(a) ~~Under whose name in the last applicable general election a candidate filed for legislative office and received not less than ten percent of the vote for that office; or filed for statewide office; or~~

(b) ~~Which files a petition with the secretary of state containing the names of 2,000 individuals registered to vote in Minnesota and declaring that the signers desire that the party be eligible to receive money from the state elections campaign fund in the same manner as a major political party.~~

~~For the purposes of this chapter, all individuals who are eligible to vote in areas where there is no permanent system of registration shall be considered registered voters.~~

Subd. 15. [POLITICAL COMMITTEE.] "Political committee" means ~~any an~~ an association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question:

~~"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any, other than a principal campaign committee formed pursuant to section 10A.19 or a political party unit.~~

Subd. 16. [POLITICAL FUND.] "Political fund" means ~~any an~~ an accumulation of dues or voluntary contributions by an association other than a political committee, which principal campaign committee, or party unit, if the accumulation is collected or expended for the purpose of influencing to influence the nomination or election of a candidate or for the purpose of promoting to promote or defeating defeat a ballot question.

Subd. 17. [POLITICAL PARTY.] "Political party" means ~~either~~ a major political party or a minor political party. A political party is the aggregate of all its political party units in this state.

Subd. 17a. [POLITICAL PARTY UNIT.] "Political party unit" or "party unit" means the state committee or the party organization within a house of the legislature, congressional district, county, legislative district, municipality, or precinct.

Subd. 17b. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means a principal campaign committee formed under section 10A.19.

Subd. 18. [PUBLIC OFFICIAL.] "Public official" means any:

(a) (1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the office of senate counsel and research or house research;

(b) (3) constitutional officer in the executive branch and the officer's chief administrative deputy;

~~(c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;~~

(4) solicitor general or deputy, assistant, or special assistant attorney general;

~~(d)~~ (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as designated pursuant to listed in section 15.01 or 15.06;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules, or the power to adjudicate contested cases or appeals;

~~(e)~~ (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules or adjudicate contested cases;

~~(f)~~ (8) executive director of the state board of investment;

~~(g)~~ (9) executive director of the Indian affairs intertribal board;

~~(h)~~ (10) commissioner of the iron range resources and rehabilitation board;

~~(i)~~ (11) commissioner of mediation services;

~~(j)~~ (12) deputy of any official listed in clauses ~~(e) to (i)~~ (7) and (8);

~~(k)~~ (13) judge of the workers' compensation court of appeals;

~~(l)~~ (14) administrative law judge or compensation judge in the state office of administrative hearings or referee in the department of economic security;

~~(m) solicitor general or deputy, assistant or special assistant attorney general;~~

~~(n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the office of senate counsel and research or house research;~~

~~(o)~~ (15) member, regional administrator, division director, general counsel, or operations manager of the metropolitan council;

(16) member or chief administrator of a metropolitan agency;

~~(p)~~ (17) the director of the racing commission, the director of the gambling control board, the director of the state lottery, and the deputy director of the state lottery;

~~(q)~~ (18) director of the division of alcohol and gambling enforcement in the department of public safety;

~~(r)~~ (19) member or executive director of the higher education facilities authority;

~~(s)~~ (20) member of the board of directors or president of the Minnesota world trade center corporation; or

~~(t) member or chief administrator of a metropolitan agency Minnesota Technology, Inc.; or~~

(21) member of the board of directors or executive director of the Minnesota state high school league.

Subd. 19. [OFFICE HOLDER.] "Office holder" means an individual who holds any statewide or legislative office, except a federal office for which candidates are required to report under federal laws, state supreme court justice, and judges of the court of appeals or district court.

Subd. 20. [ADVANCE OF CREDIT.] "Advance of credit" means any money owed for goods provided or services rendered. An advance of credit is an expenditure or a noncampaign disbursement in the year in which the goods or services are used or consumed. "Advance of credit" does not mean a loan as defined in subdivision 21.

Subd. 21. [LOAN.] "Loan" means an advance of money or anything of value made to a political committee, political fund, ~~or~~ principal campaign committee, or party unit.

Subd. 22. [FINANCIAL INSTITUTION.] "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of commerce.

Subd. 23. [BALLOT QUESTION.] "Ballot question" means a question or proposition ~~which~~ that is placed on the ballot and ~~which~~ that may be voted on by all voters of the state. "Promoting or defeating a ballot question" includes activities related to qualifying the question for placement on the ballot.

Subd. 24. [STATE COMMITTEE.] "State committee" means the organization ~~which~~ that, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of the political party at the state level.

Subd. 25. [LOCAL OFFICIAL.] "Local official" means a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

Subd. 26. [METROPOLITAN GOVERNMENTAL UNIT.] "Metropolitan governmental unit" means any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2, a regional railroad authority established by one or more of those counties under section 398A.03, a city with a population of over 50,000 located in the seven-county metropolitan area, the metropolitan council, or a metropolitan agency as defined in section 473.121, subdivision 5a, ~~the Minnesota state high school league, and Minnesota Technology, Inc.~~

Subd. 27. [POLITICAL SUBDIVISION.] "Political subdivision" means the metropolitan council, a metropolitan agency as defined in section 473.121, subdivision 5a, or a municipality as defined in section 471.345, subdivision 1; ~~the Minnesota state high school league, and Minnesota Technology, Inc.~~

Subd. 28. [PRINCIPAL.] "Principal" means an individual or association that:

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

Subd. 29. [POPULATION.] "Population" means the population established by the most recent federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by an estimate made by the state demographer under section 4A.02, whichever has the latest stated date of count or estimate.

Sec. 2. Minnesota Statutes 1998, section 10A.02, as amended by Laws 1999, chapter 1, section 1, is amended to read:

10A.02 [BOARD OF CAMPAIGN FINANCE AND PUBLIC DISCLOSURE.]

Subdivision 1. [MEMBERSHIP.] ~~There is hereby created~~ A state campaign finance and public disclosure board composed of six members is established. ~~The members shall be appointed by the governor shall appoint the members~~ with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after appointment or by adjournment sine die, whichever occurs first, the appointment shall terminate on the day following the 45th legislative day or on adjournment sine die, whichever occurs first. If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm. Two members ~~shall~~ must

be former members of the legislature who support different political parties; two members ~~shall~~ must be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members ~~shall~~ must support different political parties. No more than three of the members of the board ~~shall~~ may support the same political party. No member of the board may currently serve as a lobbyist.

Subd. 2. [VACANCY; TERMS.] ~~Any~~ An appointment to fill a vacancy ~~shall be~~ is made only for the unexpired term of a member who is being replaced and the appointee ~~shall~~ must meet the same stated qualifications as the member being replaced. The membership terms, compensation, and removal of members on the board ~~shall be~~ are as provided in section 15.0575, except that the extension of terms and the filling of vacancies ~~shall be~~ are subject to the advice and consent of the legislature in the same manner as provided in subdivision 1.

Subd. 3. [VOTE REQUIRED.] The concurring vote of four members of the board ~~shall be~~ is required to decide any matter before the board.

Subd. 4. [OFFICERS.] The board shall elect from among its members a chair; and a vice-chair ~~and a secretary~~. ~~The secretary shall keep a record of all proceedings and actions by the board.~~ Meetings of the board ~~shall be~~ are at the call of the chair or at the call of any four members of the board acting together.

Subd. 5. [EXECUTIVE DIRECTOR; STAFF.] The board shall appoint an executive director ~~who shall be~~. The executive director is in the unclassified service. The executive director serves as secretary of the board and shall keep a record of all proceedings and actions by the board. The board may also employ and prescribe the duties of other permanent or temporary employees in the unclassified service as may be necessary to administer this chapter, subject to appropriation. The executive director and all other employees ~~shall~~ serve at the pleasure of the board. Expenses of the board ~~shall~~ must be approved by the chair or ~~such other~~ another member as the rules of the board may provide and the expenses ~~shall~~ must then be paid in the same manner as other state expenses are paid.

Subd. 7. [POLITICAL ACTIVITY.] All members and employees of the board ~~shall be~~ are subject to any provisions of law regulating political activity by state employees. In addition, no member or employee of the board ~~shall~~ may be a candidate for, or holder of, ~~(a)~~ (1) a national, state, congressional district, legislative district, county, or precinct office in a political party, or ~~(b)~~ (2) an elected public office for which party designation is required by statute.

Subd. 8. [DUTIES.] (a) The board shall:

~~(a)~~ report at the close of each fiscal year to the legislature, the governor, and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ, and the money it has disbursed. The board shall include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations;

(b) The board shall prescribe forms for statements and reports required to be filed under this chapter and make the forms available to individuals required to file them;

(c) The board shall make available to the individuals required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting;

(d) The board shall develop a filing, coding, and cross-indexing system consistent with the purposes of this chapter;

(e) The board shall make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. ~~Any~~ An individual may copy a report or statement by hand or by duplicating machine and the board shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any individual or association for any commercial purpose. "Commercial purpose" does not include purposes related to elections, political activities, or law enforcement. Any individual or association violating the provisions of this clause may be subject to a civil penalty of up to \$1,000. An individual who knowingly violates this subdivision is guilty of a misdemeanor;

(f) Notwithstanding ~~the provisions of~~ section 138.163, the board shall preserve reports and statements for a period of five years from the date of receipt;

(g) The board shall compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; ~~and.~~

(h) The board shall prepare and publish reports ~~as it may deem~~ considers appropriate.

Subd. 9. [DOCUMENTS; INFORMATION.] The executive director ~~of the board or the director's staff~~ shall inspect all material filed with the board as promptly as is necessary to comply with ~~the provisions of~~ this chapter, and other provisions of law requiring the filing of a document with the board. The executive director shall immediately notify the individual required to file a document with the board if a written complaint is filed with the board ~~by any registered voter~~ alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with ~~the provisions of~~ this chapter, or that the individual has failed to file a document required by this chapter. The executive director ~~and staff~~ may provide an individual required to file a document under this chapter with factual information concerning the limitations on corporate campaign contributions imposed by section 211B.15.

Subd. 10. [AUDITS AND INVESTIGATIONS.] The board may make audits and investigations with respect to statements and reports ~~which that~~ are filed or ~~which that~~ should have been filed under ~~the provisions of~~ this chapter. In all matters relating to its official duties, the board ~~shall have~~ has the power to issue subpoenas and cause them to be served. If a person does not comply with a subpoena, the board may apply to the district court of Ramsey county for issuance of an order compelling obedience to the subpoena. A person failing to obey the order is punishable by the court as for contempt.

Subd. 11. [VIOLATIONS; ENFORCEMENT.] (a) The board may investigate any alleged violation of this chapter. The board shall investigate any violation ~~which that~~ is alleged in a written complaint filed with the board and, ~~except for alleged violations of section 10A.25 or 10A.27,~~ shall within 30 days after the filing of the complaint make a public finding of whether ~~or not~~ there is probable cause to believe a violation has occurred. ~~In the case of a written, except that if the complaint alleging alleges~~ a violation of section 10A.25 or 10A.27, the board shall either enter a conciliation agreement or make a public finding of whether ~~or not~~ there is probable cause, within 60 days ~~of after~~ the filing of the complaint. The deadline for action on ~~any a~~ written complaint may be extended by majority vote of the board.

(b) Within a reasonable time after beginning an investigation of an individual or association, the board shall notify ~~that the~~ individual or association of the fact of the investigation. The board shall ~~not~~ make ~~no a~~ finding of whether ~~or not~~ there is probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations.

~~Any~~ (c) A hearing or action of the board concerning ~~any a~~ complaint or investigation other than a finding concerning probable cause or a conciliation agreement ~~shall be~~ is confidential. Until the board makes a public finding concerning probable cause or enters a conciliation agreement:

(a) ~~No~~ (1) a member, employee, or agent of the board shall ~~not~~ disclose to ~~any an~~ individual ~~any~~ information obtained by that member, employee, or agent concerning ~~any a~~ complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter; and

(b) ~~Any~~ (2) an individual who discloses information contrary to ~~the provisions of~~ this subdivision ~~shall be~~ is guilty of a misdemeanor.

(d) Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report that finding to the appropriate law enforcement authorities.

Subd. 11a. [DATA PRIVACY.] If, after making a public finding concerning probable cause or entering a conciliation agreement, the board determines that the record of the investigation contains statements, documents, or other matter ~~which that~~, if disclosed, would unfairly injure the reputation of an innocent individual, the board may:

(a) (1) retain ~~any such~~ the statement, document, or other matter as a private record, as "private" is defined in section 13.02, subdivision 12, for a period of one year, after which it ~~shall~~ must be destroyed; or

(b) (2) return ~~any such~~ the statement, document, or other matter to the individual who supplied it to the board.

Subd. 12. [ADVISORY OPINIONS.] (a) The board may issue and publish advisory opinions on the requirements of this chapter based upon real or hypothetical situations. An application for an advisory opinion may be made only by an individual or association who wishes to use the opinion to guide the individual's or the association's own conduct. The board shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit.

(b) A written advisory opinion issued by the board is binding on the board in ~~any~~ a subsequent board proceeding concerning the person making or covered by the request and is a defense in a judicial proceeding that involves the subject matter of the opinion and is brought against the person making or covered by the request unless:

(1) the board has amended or revoked the opinion before the initiation of the board or judicial proceeding, has notified the person making or covered by the request of its action, and has allowed at least 30 days for the person to do anything that might be necessary to comply with the amended or revoked opinion;

(2) the request has omitted or misstated material facts; or

(3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

(c) A request for an opinion and the opinion itself are nonpublic data. The board, however, may publish an opinion or a summary of an opinion, but may not include in the publication the name of the requester, the name of a person covered by a request from an agency or political subdivision, or any other information that might identify the requester, unless the person consents to the inclusion.

Subd. 12a. [ADVISORY OPINIONS; RULES.] If the board intends to apply principles of law or policy announced in an advisory opinion issued under subdivision 12 more broadly than to the individual or association to whom the opinion was issued, the board must adopt these principles or policies as rules under chapter 14.

Subd. 13. [RULES.] ~~The provisions of Chapter 14 apply~~ applies to the board. The board may adopt rules to carry out the purposes of this chapter.

Subd. 14. [LEGAL SERVICES.] Notwithstanding ~~the provisions of~~ section 8.15, the board must not be assessed the cost of legal services rendered to it by the attorney general's office.

Sec. 3. [10A.025] [FILING DATE.]

If a scheduled filing date under this chapter falls on a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

Sec. 4. Minnesota Statutes 1998, section 10A.03, is amended to read:

10A.03 [LOBBYIST REGISTRATION.]

Subdivision 1. [~~FILING OF FIRST REGISTRATION FORM.~~] ~~Each~~ A lobbyist shall file a registration form with the board within five days after becoming a lobbyist.

Subd. 2. [~~CONTENTS OF FORM.~~] The board shall prescribe a registration form ~~shall be prescribed by the board and shall, which must~~ include:

- (a) (1) the name and address of the lobbyist;
- (b) (2) the principal place of business of the lobbyist;
- (c) (3) the name and address of each person individual, association, political subdivision, or public higher education system, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears; and
- (d) (4) a general description of the subject or subjects on which the lobbyist expects to lobby.

If the lobbyist lobbies on behalf of an association, the registration form ~~shall~~ must include the name and address of the officers and directors of the association.

Subd. 3. [~~NOTICE; LATE FILING FAILURE TO FILE.~~] The board shall notify by certified mail or personal service any lobbyist who fails to file a registration form within five days after becoming a lobbyist. If a lobbyist fails to file a form within seven days after receiving this notice, the board may impose a late filing fee ~~at~~ of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a form within 21 days of receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the form. A lobbyist who knowingly fails to file a form within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1998, section 10A.04, is amended to read:

10A.04 [LOBBYIST REPORTS.]

Subdivision 1. [REPORTS REQUIRED.] ~~Each A~~ lobbyist shall file reports of the lobbyist's activities with the board as long as the lobbyist continues to lobby. A lobbyist may file a termination statement at any time after ceasing to lobby.

Subd. 2. [TIME OF REPORTS.] Each report ~~shall~~ must cover the time from the last day of the period covered by the last report to 15 days ~~prior to~~ before the current filing date. The reports ~~shall~~ must be filed with the board by the following dates:

- (a) (1) January 15;
- (b) (2) April 15; and
- (c) (3) July 15.

Subd. 3. [INFORMATION ~~SUPPLIED TO LOBBYIST.~~] ~~Each person or association~~ An employer or employee about whose activities a lobbyist is required to report shall provide the information required by ~~sections 10A.03 to 10A.05~~ subdivision 4 to the lobbyist no later than five days before the prescribed filing date.

Subd. 4. [CONTENT.] (a) ~~The A~~ report ~~shall~~ under this section must include ~~such~~ information ~~as~~ the board ~~may require~~ requires from the registration form and the information required by this subdivision for the reporting period.

(b) ~~Each A~~ lobbyist shall report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, lobbying to influence action by the Minnesota state high school league or Minnesota Technology, Inc., and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(c) ~~Each A~~ lobbyist shall report the amount and nature of each ~~honorarium, gift, loan, item, or benefit,~~ excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any ~~public or local official, as defined in section 10A.071, subdivision 1,~~ by the lobbyist or ~~any an~~ employer or ~~any~~ employee of the lobbyist. The list ~~shall~~ must include the name and address of each ~~public or local official to whom the honorarium, gift, loan, item, or benefit was given or paid and the date it was given or paid.~~ A lobbyist ~~need report only the aggregate amount and nature of food or beverages given or made available to all members of the legislature or a house of the legislature or to all members of a local legislative body, along with the name of the legislative body and the date it was given or made available.~~

(d) Each lobbyist shall report each original source of ~~funds~~ money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, ~~each such source of funds used to influence~~ administrative action, ~~and each such source of funds used to influence~~ or the official action of a metropolitan governmental ~~units~~ unit. The list ~~shall~~ must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of ~~funds~~ money in excess of \$500.

~~Subd. 4a. [STATEMENT IN LIEU OF REPORT.] If in any reporting period the lobbyist's reportable disbursements total not over \$100 and no honorarium, gift, loan, item or benefit equal in value to \$50 or more was given or paid to any public official, a statement to that effect in lieu of the report may be filed for that period. The unreported disbursements shall be included in the report for the following period, unless the total for that period, including the carryover, is not over \$100. The January 15 report shall include all previously unreported disbursements, even though the total for the year is not over \$100.~~

Subd. 5. [LATE FILING.] The board shall notify by certified mail or personal service any lobbyist who fails after seven days after a filing date imposed by this section to file a report or statement required by this section. If a lobbyist fails to file a report within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a report within 21 days after receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the report. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Subd. 6. [~~LOBBYIST AND~~ PRINCIPAL REPORTS.] (a) ~~Each A~~ principal shall report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) ~~Each~~ The principal shall report which of the following categories includes the total amount, rounded to the nearest dollar, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units:

- (1) \$501 to \$50,000;
- (2) \$50,001 to \$150,000; or
- (3) \$150,001 to \$250,000.

(c) Beyond \$250,000, each additional \$250,000 constitutes an additional category, and each principal shall report which of the categories includes the total amount spent by the principal for the purposes provided in this subdivision.

(d) The principal shall report under this subdivision a total amount that includes:

- (1) all direct payments by the principal to lobbyists in ~~Minnesota~~ this state;
- (2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in ~~Minnesota~~ this state; and

(3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in ~~Minnesota~~ this state.

Subd. 7. [FINANCIAL RECORDS.] The board may randomly audit the financial records of lobbyists and principals required to report under this section.

~~Subd. 8. [REPORTS BY SOLICITORS.] A lobbyist who directly solicits and causes others to make aggregate contributions to candidates or a caucus of the members of a political party in a house of the legislature in excess of \$5,000 between January 1 of the election year and 25 days before the primary or general election must file the information in the report required by section 10A.20, subdivision 14, ten days before the primary or general election. This disclosure requirement is in addition to the report required by section 10A.20, subdivision 14.~~

Sec. 6. Minnesota Statutes 1998, section 10A.05, is amended to read:

10A.05 [LOBBYIST REPORT.]

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall ~~report to the governor, and the presiding officer of each house of the legislature,~~ publish the names of the lobbyists registered who were not previously reported, the names of the ~~persons or individuals,~~ associations, political subdivisions, or public higher education systems whom they represent as lobbyists, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative ~~or action,~~ administrative action or both. ~~At the same times, the executive director of the board shall report to the governing body of each metropolitan governmental unit, the names of the registered lobbyists who attempt to influence the official action of metropolitan governmental units, the names of the persons or associations whom they represent as lobbyists, and the subject or subjects on which they are lobbying, or the official action of a metropolitan governmental unit.~~

Sec. 7. Minnesota Statutes 1998, section 10A.06, is amended to read:

10A.06 [CONTINGENT FEES PROHIBITED.]

No person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislative or administrative action, or of the official action of a metropolitan governmental unit. A person who violates ~~the provisions of~~ this section is guilty of a gross misdemeanor.

Sec. 8. Minnesota Statutes 1998, section 10A.065, subdivision 1, is amended to read:

Subdivision 1. [~~REGISTERED LOBBYIST CONTRIBUTIONS; DURING LEGISLATIVE SESSION.~~] A candidate for the legislature or for constitutional office, ~~a~~ the candidate's principal campaign committee, ~~any other political committee with the candidate's name or title, any committee authorized by the candidate, or a political committee or party unit established by all or a part of the party organization within a house of the legislature,~~ shall not solicit or accept a contribution ~~on behalf of a candidate's principal campaign committee, any other political committee with the candidate's name or title, any committee authorized by the candidate, or a political committee established by all or a part of the party organization within a house of the legislature,~~ from a registered lobbyist, political committee, or political fund, or from a party unit established by the party organization within a house of the legislature, during a regular session of the legislature.

Sec. 9. Minnesota Statutes 1998, section 10A.065, subdivision 1a, is amended to read:

Subd. 1a. [PARTY UNIT SOLICITATIONS.] A political party unit shall not solicit or receive at an event hosted by a candidate for the legislature or by a candidate for constitutional office a contribution from a lobbyist, political committee, ~~or~~ political fund, or party unit during a regular session of the legislature.

Sec. 10. Minnesota Statutes 1998, section 10A.065, subdivision 3, is amended to read:

Subd. 3. [CIVIL PENALTY.] A candidate ~~or~~, political committee, ~~or party unit~~ that violates this section is subject to a civil fine of up to \$500. If the board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to ~~impose~~ collect a civil fine as ~~prescribed~~ imposed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.

Sec. 11. Minnesota Statutes 1998, section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.]

~~Any~~ A public official who represents a client for a fee before ~~any~~ an individual, board, commission, or agency that has rule making authority in a hearing conducted under chapter 14, shall disclose the official's participation in the action to the board within 14 days after the appearance. The board shall notify by certified mail or personal service any public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within seven days of this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice.

Sec. 12. Minnesota Statutes 1998, section 10A.09, is amended to read:

10A.09 [STATEMENTS OF ECONOMIC INTEREST.]

Subdivision 1. [TIME FOR FILING.] Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the board:

(1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit;

(2) within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective ~~public~~ state office or an elective local office in a metropolitan governmental unit;

(3) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or

(4) in the case of members of the Minnesota racing commission, the director of the Minnesota racing commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Subd. 2. [~~NOTIFICATION~~ NOTICE TO BOARD.] The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public or local official required by this section to file a statement of economic interest, shall notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.

Subd. 3. [NOTICE OF FILING.] The board shall notify ~~the secretary of state or the appropriate county auditor~~ and, when necessary in the case of appointive office, the presiding officer of the house that will approve or disapprove the nomination, of the name of the an individual who has filed a statement of economic interest with the board, a copy of the statement, and the date on which the statement was filed.

Subd. 5. [FORM.] A statement of economic interest required by this section ~~shall~~ must be on a form prescribed by the board. The individual filing shall provide the following information:

(~~a~~) (1) name, address, occupation, and principal place of business;

(b) (2) the name of each associated business and the nature of that association;

(c) (3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, ~~and which if the~~ interest is valued in excess of \$2,500; or (ii) an option to buy, ~~which if the~~ property has a fair market value of \$50,000 or more;

(d) (4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, ~~which if the~~ property has a fair market value of \$50,000 or more. ~~Any A~~ listing under clause (c) (3) or (d) shall (4) ~~must~~ indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county ~~wherein in which~~ the property is located; and

(e) (5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a race horse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest.

Subd. 6. [SUPPLEMENTARY STATEMENT.] Each individual who is required to file a statement of economic interest shall file a supplementary statement on April 15 of each year that the individual remains in office if information on the most recently filed statement has changed. The supplementary statement, if required, shall ~~must~~ include the amount of each honorarium in excess of \$50 received since the previous statement, ~~together with and~~ the name and address of the source of the honorarium. The board shall maintain a statement of economic interest submitted by an officeholder ~~shall be filed in the same file~~ with the statement submitted as a candidate.

Subd. 6a. [LOCAL OFFICIALS.] A local official required to file a statement under this section shall file it with the governing body of the official's political subdivision. The governing body shall maintain statements filed with it under this subdivision as public data.

Subd. 7. [LATE FILING.] The board shall notify by certified mail or personal service any individual who fails within the prescribed time to file a statement of economic interest required by this section. If an individual fails to file a statement within seven days after receiving this notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within seven days after a second notice is guilty of a misdemeanor.

Subd. 8. [FAILURE TO FILE; SUSPENSION.] ~~Any A~~ public official, except a member of the legislature or a constitutional officer, who is required to file a statement of economic interest and fails to do so by the prescribed deadline ~~shall must~~ be suspended without pay by the board in the manner prescribed in the contested case procedures in chapter 14.

Sec. 13. Minnesota Statutes 1998, section 10A.10, is amended to read:

10A.10 [PENALTY FOR FALSE STATEMENTS.]

A report or statement required to be filed ~~by sections 10A.02 to 10A.09 shall~~ under this chapter must be signed and certified as true by the individual required to file the report. ~~Any An~~ individual who signs and certifies to be true a report or statement knowing it contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

Sec. 14. Minnesota Statutes 1998, section 10A.11, is amended to read:

10A.11 [ORGANIZATION OF ~~POLITICAL~~ COMMITTEES AND PARTY UNITS.]

Subdivision 1. [CHAIR AND TREASURER.] ~~Every A~~ political committee ~~shall, principal campaign committee,~~ or party unit must have a chair and a treasurer. ~~Nothing in this chapter shall prohibit them from being~~ The chair and treasurer may be the same individual.

Subd. 2. [~~TREASURER VACANCY IN OFFICE OF TREASURER.~~] ~~No contribution shall be accepted and no expenditure shall be made by or on behalf of~~ A political committee ~~at a time when there is a vacancy in,~~ principal campaign committee, or party unit may not accept a contribution or make an expenditure or permit an expenditure to be made on its behalf while the office of treasurer is vacant.

Subd. 3. [DEPUTY TREASURERS.] The treasurer of a political committee, principal campaign committee, or party unit may appoint as many deputy treasurers as necessary and ~~shall be~~ is responsible for their accounts.

Subd. 4. [DEPOSITORIES.] The treasurer of a political committee, principal campaign committee, or party unit may designate ~~not more than one~~ one or two depositories in each county in which a campaign is conducted.

Subd. 5. [COMMINGLING PROHIBITED.] ~~No funds of~~ A political committee ~~shall be commingled,~~ principal campaign committee, or party unit may not commingle its funds with ~~any~~ personal funds of officers, members, or associates of the committee.

Subd. 7. [PENALTY.] ~~Any~~ A person who knowingly violates ~~the provisions of~~ this section is guilty of a misdemeanor.

Sec. 15. Minnesota Statutes 1998, section 10A.12, is amended to read:

10A.12 [POLITICAL FUNDS.]

Subdivision 1. [~~TRANSFERS MUST BE FROM POLITICAL FUND WHEN REQUIRED.~~] ~~No~~ An association other than a political committee ~~shall transfer~~ or party unit may not contribute more than \$100 in aggregate in any one year to candidates ~~or,~~ political committees, or party units or make any approved or independent expenditure or expenditure to promote or defeat a ballot question unless the ~~transfer~~ contribution or expenditure is made from a political fund.

Subd. 2. [COMMINGLING PROHIBITED.] The contents of a political fund ~~shall~~ may not be commingled with ~~any~~ other funds or with the personal funds of ~~any~~ an officer or member of the fund.

Subd. 3. [TREASURER.] ~~Each~~ An association ~~which~~ that has a political fund ~~shall~~ must elect or appoint a treasurer of the political fund.

Subd. 4. [~~TREASURER VACANCY IN OFFICE OF TREASURER.~~] ~~No contributions to the~~ A political fund ~~shall be accepted and no expenditures may not accept a contribution or make an expenditure or transfers contribution~~ from the political fund ~~shall be made~~ while the office of treasurer of the political fund is vacant.

Subd. 5. [DUES OR MEMBERSHIP FEES.] ~~Notwithstanding subdivision 1, any~~ An association may, if not prohibited by other law, deposit in its political fund money derived from dues or membership fees. ~~Pursuant to~~ Under section 10A.20, the treasurer of the fund shall disclose the name of any member whose dues, membership fees, and contributions deposited in the political fund together exceed \$100 in ~~any one~~ a year.

Subd. 6. [PENALTY.] ~~Any~~ A person who knowingly violates ~~the provisions of~~ this section is guilty of a misdemeanor.

Sec. 16. Minnesota Statutes 1998, section 10A.13, is amended to read:

10A.13 [ACCOUNTS ~~WHICH~~ THAT MUST BE KEPT.]

Subdivision 1. [~~LIST OF ACCOUNTS; PENALTY.~~] The treasurer of a political committee ~~or,~~ political fund, principal campaign committee, or party unit shall keep an account of:

(*) (1) the sum of all contributions, except any donation in kind valued at \$20 or less, made to the ~~political committee or political fund, or party unit;~~

(b) ~~(2)~~ the name and address of each source of a transfer contribution made to the ~~political committee or political fund, or party unit~~ in excess of \$20, together with the date and amount of each;

~~(c) The name and address of each source of a donation in kind valued in excess of \$20, together with the date and amount;~~

~~(d) (3)~~ each expenditure made by the committee ~~or~~ fund, or party unit, together with the date and amount;

~~(e) (4)~~ each approved expenditure made on behalf of the committee ~~or~~ fund, or party unit, together with the date and amount; and

~~(f) (5)~~ the name and address of each political committee ~~or~~ political fund, principal campaign committee, or party unit to which transfers contributions in excess of \$20 have been made, together with the date and amount.

Any individual who knowingly violates ~~any provision of~~ this subdivision is guilty of a misdemeanor.

Subd. 2. [RECEIPTS.] The treasurer shall obtain a receipted bill, stating the particulars, for every expenditure ~~in excess of over~~ \$100 made by, or approved expenditure ~~in excess of over~~ \$100 made on behalf of, ~~a political the committee or political fund, or party unit~~, and for any expenditure or approved expenditure in a lesser amount if the aggregate amount of lesser expenditures and approved expenditures made to the same individual or association during ~~any the same~~ year exceeds \$100. ~~The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.~~

Sec. 17. Minnesota Statutes 1998, section 10A.14, is amended to read:

10A.14 [REGISTRATION ~~OF POLITICAL COMMITTEES AND POLITICAL FUNDS.~~]

Subdivision 1. [FIRST REGISTRATION BY TREASURER.] The treasurer of a political committee ~~or~~ political fund, principal campaign committee, or party unit shall register with the board by filing a statement of organization no later than 14 days after ~~the date upon which~~ the committee ~~or~~ fund, or party unit has made a contribution, received contributions, or made expenditures in excess of \$100.

Subd. 2. [CONTENTS FORM.] The statement of organization ~~shall~~ must include:

(a) ~~(1)~~ the name and address of the ~~political committee or political fund, or party unit~~;

~~(2) the name and address of the chair of a political committee, principal campaign committee, or party unit;~~

~~(b) (3)~~ the name and address of any supporting association of a political fund;

~~(c) (4)~~ the name and address of ~~the chair~~, the treasurer; and any deputy treasurers;

~~(d) (5)~~ a listing of all depositories or safety deposit boxes used;

~~(e) a statement as to whether the committee is a principal campaign committee as authorized by section 10A.19, subdivision 1; and~~

~~(f) (6) for political parties the state committee of a political party only, a list of categories of substate its party units as defined in section 10A.27, subdivision 4.~~

Subd. 4. [NOTICE OF FAILURE TO FILE; PENALTY.] The board shall notify by certified mail or personal service any individual who fails to file a statement required by this section. If an individual fails to file a statement within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal

service any individual who fails to file a statement within 21 days after receiving a first notice that such individual may be subject to a criminal penalty for failure to file the report. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 18. Minnesota Statutes 1998, section 10A.15, is amended to read:

10A.15 [CONTRIBUTIONS.]

Subdivision 1. [ANONYMOUS CONTRIBUTIONS.] ~~No anonymous contribution in excess of \$20 shall be retained by any~~ A political committee or, political fund, principal campaign committee, or party unit may not retain an anonymous contribution in excess of \$20, but shall ~~be forwarded forward~~ it to the board and deposited for deposit in the general account of the state elections campaign fund.

Subd. 2. [SOURCE OF CONTRIBUTIONS; AMOUNT; DATE.] ~~Every~~ An individual who receives a contribution in excess of \$20 for a political committee ~~or, political fund, principal campaign committee, or party unit~~ shall, on demand of the treasurer, inform the treasurer of the name and, if known, the address of the source of the contribution, ~~together with~~ the amount of the contribution, and the date it was received.

Subd. 3. [DEPOSIT IN ACCOUNT.] All ~~transfers contributions~~ received by or on behalf of ~~any~~ a candidate, principal campaign committee, political committee or, political fund shall, or party unit must be deposited in an account designated "Campaign Fund of (name of candidate, committee ~~or, fund, or party unit~~)." All ~~transfers shall contributions~~ must be deposited promptly upon receipt and, except for ~~transfers contributions~~ received during the last three days of ~~any~~ a reporting period as described in section 10A.20, ~~shall must~~ be deposited during the reporting period in which they were received. ~~Any transfer~~ A contribution received during the last three days of a reporting period ~~shall must~~ be deposited within 72 hours ~~of after~~ receipt and ~~shall must~~ be reported as received during the reporting period whether or not deposited within that period. ~~Any~~ A candidate, principal campaign committee, political committee, political fund, or party unit may refuse to accept a contribution. A deposited transfer contribution may be returned to the contributor within 60 days ~~of after~~ deposit. A transfer contribution deposited and not returned within 60 days ~~of after~~ that deposit ~~shall be deemed for the purposes of this chapter, to be~~ must be reported as accepted by the candidate, political committee, or political fund.

Subd. 3a. [EXCEEDING CONTRIBUTION LIMITS EXCESS.] ~~No~~ A treasurer of a principal campaign committee of a candidate ~~shall may not~~ deposit ~~any transfer which a contribution~~ that on its face exceeds the limit on contributions to ~~that the~~ candidate prescribed by section 10A.27 unless, at the time of deposit, the treasurer issues a check to the source for the amount of the excess.

Subd. 3b. [ATTRIBUTABLE CONTRIBUTIONS.] Contributions made to a candidate or principal campaign committee that are directed to ~~that the~~ candidate or principal campaign committee by a political fund ~~or, committee,~~ or party unit must be reported as attributable to the political fund ~~or, committee,~~ or party unit and count toward the contribution limits of that fund ~~or, committee, or party unit~~ specified in section 10A.27, if the ~~political fund or, committee, or party unit~~ was organized or is operated primarily to direct contributions other than from its own ~~funds money~~ to one or more candidates or principal campaign committees. The treasurer of the political fund ~~or, committee, or party unit~~ shall advise the candidate or the candidate's principal campaign committee if the contribution or contributions are not from the ~~funds money~~ of the ~~political fund or the political, committee, or party unit~~ and the original source of the ~~funds money~~. As used in this subdivision, the term "direct" includes, but is not limited to, order, command, control, or instruct. A violation of this subdivision is a violation of section 10A.29.

Subd. 3c. [RELATED COMMITTEES.] An individual, association, political committee, ~~or political fund, or party unit~~ may establish, finance, maintain, or control a political committee ~~or, political fund, or party unit~~. One who does this is a "parent." The political committee ~~or, fund, or party unit~~ so established, financed, maintained, or controlled is a "subsidiary." If the parent is an association, the association must create a political committee or political fund to serve as the parent for reporting purposes. A subsidiary must report its contribution to a candidate or principal campaign committee as attributable to its parent, and the contribution is counted toward the contribution limits in section 10A.27 of the parent as well as of the subsidiary.

Subd. 4. [PENALTY.] ~~Any~~ An individual violating ~~the provisions of~~ this section is guilty of a misdemeanor.

Subd. 5. [~~LOBBYIST, POLITICAL COMMITTEE, OR POLITICAL FUND~~ REGISTRATION NUMBER ON CHECKS.] A contribution made to a candidate by a lobbyist, political committee, ~~or~~ political fund, or party unit must show the name of the lobbyist, political committee, ~~or~~ political fund, or party unit and the number under which it is registered with the board.

Sec. 19. Minnesota Statutes 1998, section 10A.16, is amended to read:

10A.16 [EARMARKING CONTRIBUTIONS PROHIBITED.]

An individual, political committee, ~~or~~ political fund, principal campaign committee, or party unit may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate other than the initial recipient. An individual, political committee, ~~or~~ political fund, principal campaign committee, or party unit that knowingly accepts any earmarked contribution is guilty of a gross misdemeanor.

Sec. 20. Minnesota Statutes 1998, section 10A.17, is amended to read:

10A.17 [EXPENDITURES.]

Subdivision 1. [AUTHORIZATION.] ~~No expenditure shall be made by~~ A political committee, political fund, ~~or~~ principal campaign committee, or party unit may not expend money unless it the expenditure is authorized by the treasurer or deputy treasurer of that committee ~~or, fund, or party unit.~~

Subd. 2. [~~APPROVED EXPENDITURES WRITTEN AUTHORIZATION.~~] ~~No~~ An individual or association may not make an approved expenditure of more than \$20 without receiving written authorization ~~as to the amount that may be spent and the purpose of the expenditure~~ from the treasurer of the principal campaign committee of the candidate who approved the expenditure stating the amount that may be spent and the purpose of the expenditure.

Subd. 3. [~~VOUCHERS FOR PETTY CASH.~~] The treasurer or deputy treasurer of a political committee, principal campaign committee, or party unit may sign vouchers for petty cash of ~~not more than~~ up to \$100 per week for statewide elections or \$20 per week for legislative elections, to be used for miscellaneous expenditures.

Subd. 4. [~~INDEPENDENT SOLICITATION OR EXPENDITURE~~ EXPENDITURES.] ~~Any~~ An individual, political committee, ~~or~~ political fund, principal campaign committee, or party unit that independently solicits or accepts contributions or makes independent expenditures on behalf of ~~any~~ a candidate shall publicly disclose that the expenditure is an independent expenditure. All written communications with those from whom contributions are independently solicited or accepted or to whom independent expenditures are made on behalf of a candidate, ~~shall~~ must contain a statement in conspicuous type that the activity is an independent expenditure and is not approved by the candidate nor is the candidate responsible for it. Similar language ~~shall~~ must be included in all oral communications, in conspicuous type on the front page of all literature and advertisements published or posted, and at the end of all broadcast advertisements made by that individual, political committee ~~or, political fund,~~ principal campaign committee, or party unit on the candidate's behalf.

Subd. 5. [PENALTY.] ~~Any~~ A person who knowingly violates ~~the provisions of~~ subdivision 2 is guilty of a misdemeanor. A person who knowingly violates ~~the provisions of~~ subdivision 4 or falsely claims that an expenditure was an independent expenditure is guilty of a gross misdemeanor.

Sec. 21. Minnesota Statutes 1998, section 10A.18, is amended to read:

10A.18 [TIME FOR RENDERING BILLS WHEN RENDERED AND PAID, CHARGES, OR CLAIMS; PENALTY.]

Every A person who has a bill, charge, or claim against ~~any~~ a political committee ~~or, political fund,~~ principal campaign committee, or party unit for ~~any~~ an expenditure shall render in writing to the treasurer of the committee ~~or, fund, or party unit~~ the bill, charge, or claim within 60 days after the material or service is provided. ~~Failure to~~ so present the bill, charge or claim Violation of this section is a misdemeanor.

Sec. 22. Minnesota Statutes 1998, section 10A.19, is amended to read:

10A.19 [PRINCIPAL CAMPAIGN COMMITTEE.]

Subdivision 1. [SINGLE COMMITTEE.] ~~No~~ A candidate shall not accept contributions from any a source, other than self, in aggregate in excess of \$100 or accept a public subsidy unless the candidate designates and causes to be formed a single principal campaign committee for each office sought. A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit ~~as defined in section 10A.275, subdivision 3.~~

~~A political committee bearing a candidate's name or title or otherwise operating under the direct or indirect control of the candidate, other than a principal campaign committee of the candidate, may not accept contributions after May 21, 1993, and must be dissolved by December 31, 1993.~~

Subd. 2. [REPLACEMENT OF OFFICERS.] A candidate may at any time without cause remove and replace the chair, treasurer, deputy treasurer, or any other officer of the candidate's principal campaign committee.

Sec. 23. Minnesota Statutes 1998, section 10A.20, is amended to read:

10A.20 [CAMPAIGN REPORTS.]

Subdivision 1. [FIRST FILING; DURATION.] The treasurer of every a political committee ~~and~~ political fund, principal campaign committee, or party unit shall begin to file the reports required by this section in the first year it receives contributions or makes expenditures in excess of \$100 and shall continue to file until the committee ~~or~~ fund, or party unit is terminated.

Subd. 2. [TIME FOR FILING.] (a) The reports ~~shall~~ must be filed with the board on or before January 31 of each year and additional reports ~~shall~~ must be filed as required and in accordance with ~~clauses (a) paragraphs (b) and (b) (c).~~

~~(a) (b)~~ (b) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee ~~shall~~ must be filed 15 days before a primary and ten days before a general election, seven days before a special primary and a special election, and ten days after a special election cycle. ~~The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.~~

~~(b) (c)~~ (c) In each general election year, a political ~~committees and committee,~~ political funds other than principal campaign committees fund, or party unit shall file reports ten 15 days before a primary and ten days before a general election.

~~If a scheduled filing date falls on a Saturday, Sunday, or legal holiday, the filing date shall be the next regular business day.~~

Subd. 3. [CONTENTS OF REPORT.] Each (a) ~~The report under this section shall~~ must disclose:

~~(a)~~ (a) the amount of liquid assets on hand at the beginning of the reporting period;

~~(b)~~ (b) The report must disclose the name, address, and employer, or occupation if self-employed, of each individual; ~~political committee or political fund who within the year or association that~~ has made one or more transfers or donations in kind contributions to the political committee or political fund reporting entity, including the purchase of tickets for all a fund raising ~~efforts effort,~~ which that in aggregate within the year exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each ~~transfer or donation in kind contribution,~~ and the aggregate amount of ~~transfers and donations in kind contributions~~ contributions within the year from each

source so disclosed. A donation in kind ~~shall~~ must be disclosed at its fair market value. An approved expenditure is must be listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors ~~shall~~ must be listed in alphabetical order; Contributions from the same contributor must be listed under the same name. When a contribution received from a contributor in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of this paragraph, the name, address, and employer, or occupation if self-employed, of the contributor must then be listed on the report.

(c) The report must disclose the sum of contributions to the ~~political committee or political fund~~ reporting entity during the reporting period;

(d) The report must disclose each loan made or received by the ~~political committee or political fund~~ reporting entity within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation, and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If ~~any~~ a loan made to the principal campaign committee of a candidate is forgiven ~~at any time~~ or is repaid by ~~any~~ an entity other than that principal campaign committee, it ~~shall~~ must be reported as a contribution for the year in which the loan was made;

(e) The report must disclose each receipt ~~in excess of over~~ \$100 during the reporting period not otherwise listed under ~~clauses paragraphs~~ (b) to (d);

(f) The report must disclose the sum of all receipts of the ~~political committee or political fund~~ reporting entity during the reporting period;

(g) The report must disclose the name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the ~~political committee or political fund~~ reporting entity within the year in excess of \$100, together with the amount, date, and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question ~~which that~~ the expenditure is was intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the candidate's name, address, and office sought ~~for each such candidate~~; A reporting entity making an expenditure on behalf of more than one candidate for state or legislative office shall allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

(h) The report must disclose the sum of all expenditures made by or on behalf of the ~~political committee or political fund~~ reporting entity during the reporting period;

(i) The report must disclose the amount and nature of ~~any an~~ any an advance of credit incurred by the ~~political committee or political fund~~ reporting entity, continuously reported until paid or forgiven. If ~~any an~~ any an advance of credit incurred by the principal campaign committee of a candidate is forgiven ~~at any time~~ by the creditor or paid by ~~any an~~ any an entity other than that principal campaign committee, it ~~shall~~ must be reported as a donation in kind for the year in which the advance of credit was ~~incurred; made.~~

(j) The report must disclose the name and address of each political committee, political fund, ~~or~~ principal campaign committee, or party unit to which ~~aggregate transfers contributions have been made that aggregate in excess of \$100 have been made~~ within the year, ~~together with and~~ the amount and date of each transfer; contribution.

(k) The report must disclose the sum of all ~~transfers contributions~~ made by the ~~political committee, political fund, or principal campaign committee~~ reporting entity during the reporting period;

(l) ~~Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1, The report must disclose~~ the name and address of each individual or association to whom ~~aggregate~~ noncampaign disbursements have been made that aggregate in excess of \$100 ~~have been made~~ within the year by or on behalf of a ~~principal campaign committee, political committee, or political fund, together with the reporting entity and~~ the amount, date, and purpose of each noncampaign disbursement;

(m) ~~The report must disclose~~ the sum of all noncampaign disbursements made within the year by or on behalf of a principal campaign committee, political committee, or political fund; the reporting entity.

(n) ~~The report must disclose~~ the name and address of a nonprofit corporation that provides administrative assistance to a political committee or political fund as authorized by section 211B.15, subdivision 17, ~~together with~~ the type of administrative assistance provided, and the aggregate fair market value of each type of assistance provided to the political committee or political fund during the reporting period; ~~and.~~

~~(o) A report filed under subdivision 2, clause (b), by a political committee or political fund that is subject to subdivision 14, must contain the information required by subdivision 14, if the political committee or political fund has solicited and caused others to make aggregate contributions greater than \$5,000 between January 1 of the general election year and the end of the reporting period. This disclosure requirement is in addition to the report required by subdivision 14.~~

~~Subd. 3a. [COUNTIES IN LEGISLATIVE DISTRICT.] The reports of a principal campaign committee of a legislative candidate required by this section shall list in a prominent place on the first page of every report each county in which the legislative district lies.~~

Subd. 4. [PERIOD OF REPORT.] A report ~~shall~~ must cover the period from the last day covered by the previous report to seven days ~~prior to~~ before the filing date, except that the report due on January 31 ~~shall~~ must cover the period from the last day covered by the previous report to December 31.

Subd. 5. [PREELECTION REPORTS.] In ~~any~~ a statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report ~~prior to~~ before an election and the election ~~shall~~ must be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; or
- (3) by certified mail sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary if in which the statewide or legislative candidate is unopposed ~~in that primary.~~

Subd. 6. [REPORT WHEN NO COMMITTEE.] ~~Every~~ A candidate who does not designate and cause to be formed a principal campaign committee; and ~~any~~ an individual who makes independent expenditures or expenditures expressly advocating the approval or defeat of a ballot question in aggregate in excess of \$100 in ~~any~~ a year; shall file with the board a report containing the information required by subdivision 3. Reports required by this subdivision ~~shall~~ must be filed on the dates on which reports by committees ~~and~~ and funds, and party units are filed.

Subd. 6a. [STATEMENT OF INDEPENDENCE.] ~~Any~~ An individual, political committee ~~or~~ or political fund, or party unit filing a report or statement disclosing ~~any~~ an independent expenditure ~~pursuant to~~ under subdivision 3 or 6 shall file with ~~that~~ the report a sworn statement that the disclosed expenditures ~~so disclosed~~ were not made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of any candidate; or any candidate's principal campaign committee or agent.

~~Subd. 6b. [INDEPENDENT EXPENDITURES; NOTICE.] (a) Within 24 hours after an individual, political committee, or political fund makes or becomes obligated by oral or written agreement to make an independent expenditure in excess of \$100, other than an expenditure by an association targeted to inform solely its own dues-paying members of the association's position on a candidate, the individual, political committee, or political~~

fund shall file with the board an affidavit notifying the board of the intent to make the independent expenditure and serve a copy of the affidavit on each candidate in the affected race and on the treasurer of the candidate's principal campaign committee. The affidavit must contain the information with respect to the expenditure that is required to be reported under subdivision 3, paragraph (g), except that if an expenditure is reported before it is made, the notice must include a reasonable estimate of the anticipated amount. Each new expenditure requires a new notice.

~~(b) An individual or the treasurer of a political committee or political fund who fails to give notice as required by this subdivision, or who files a false affidavit of notice, is guilty of a gross misdemeanor and is subject to a civil fine of up to four times the amount of the independent expenditure stated in the notice or of which notice was required, whichever is greater.~~

Subd. 7. [STATEMENT OF INACTIVITY.] If ~~no contribution is received or expenditure made by or on behalf of a candidate, political fund or political committee~~ a reporting entity has no receipts or expenditures during a reporting period, the treasurer of the committee or fund shall file with the board at the time required by this section a statement to that effect.

Subd. 8. [EXEMPTION FROM DISCLOSURE.] The board shall exempt ~~any a~~ member of or contributor to ~~any an~~ association, political committee or political fund or any other individual, from the provisions requirements of this section if the member, contributor, or other individual demonstrates by clear and convincing evidence that disclosure would expose the member or contributor to economic reprisals, loss of employment, or threat of physical coercion.

An association, ~~political committee or political fund~~ may seek an exemption for all of its members or contributors if it demonstrates by clear and convincing evidence that a substantial number of its members or contributors would suffer a restrictive effect on their freedom of association if members were required to seek exemptions individually.

Subd. 10. [EXEMPTION PROCEDURE.] ~~Any An~~ individual, or association, ~~political committee or political fund~~ seeking an exemption pursuant to under subdivision 8 shall submit a written application for exemption to the board. The board, without hearing, shall grant or deny the exemption within 30 days after receiving ~~an the~~ application; and shall issue a written order stating the reasons for its action. The board shall publish its order in the State Register and give notice to all parties known to the board to have an interest in the matter. If the board receives a written objection to its action from any party within 20 days after publication of its order and notification of interested parties, the board shall hold a contested case hearing on the matter. Upon the filing of a timely objection from the applicant, an order denying an exemption ~~shall be is~~ suspended pending the outcome of the contested case. If no timely objection is received, the exemption ~~shall continue to be~~ continues in effect until a written objection is filed with the board in a succeeding election year. The board by rule shall establish a procedure so that ~~any an~~ individual seeking an exemption may proceed anonymously if the individual would be exposed to the reprisals listed in subdivision 8 if the individual's identity were to be revealed for the purposes of a hearing.

Subd. 11. [REPRISALS PROHIBITED ACTIVITY; PENALTY.] ~~No person An~~ individual or association shall not engage in economic reprisals or threaten loss of employment or physical coercion against ~~any person an~~ individual or association because of that ~~person's individual's~~ or association's political contributions or political activity. This subdivision ~~shall does~~ not apply to compensation for employment or loss of employment ~~when if~~ the political affiliation or viewpoint of the employee is a bona fide occupational qualification of the employment. ~~Any person An~~ individual or association ~~which that~~ violates this subdivision is guilty of a gross misdemeanor.

Subd. 12. [FAILURE TO FILE; PENALTY.] The board shall notify by certified mail or personal service ~~any an~~ individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice. If an individual fails to file a statement due before ~~any a~~ primary or election within three days ~~of after~~ the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 per day, not to exceed \$500, commencing on the fourth day after the date the statement was due. The board shall further notify by certified mail or personal service ~~any an~~ individual who fails to file ~~any a~~ statement within 14 days after receiving a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Subd. 13. [THIRD-PARTY REIMBURSEMENT.] An individual, ~~political committee, or political fund or association~~ filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph (g) or (l), that is a reimbursement to a third party ~~is required to~~ must report the purpose of each expenditure or disbursement for which the third party is being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third-party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.

Subd. 14. [REPORTS BY SOLICITORS.] An individual, ~~or association, political committee, or political fund,~~ other than a candidate or the members of a candidate's principal campaign committee, that directly solicits and causes others to make contributions to candidates or a ~~caucus of the members of a political party unit~~ in a house of the legislature, that aggregate more than \$5,000 ~~in a calendar year between January 1 of a general election year and the end of the reporting period~~ must file with the board a report disclosing the amount of each contribution, the names of the contributors, and to whom the contributions were given. The report must be filed 15 days before a primary and ten days before a general election. The report for each calendar year must be filed with the board by January 31 of the following year. ~~The report must cover the accumulated contributions made or received during the calendar year.~~

Sec. 24. Minnesota Statutes 1998, section 10A.22, subdivision 6, is amended to read:

Subd. 6. [RECORDKEEPING; PENALTY.] ~~Each~~ A person required to file ~~any~~ a report or statement shall maintain records on the matters required to be reported, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, ~~which that~~ will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. The person shall keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections ~~thereto~~ to them. ~~Any~~ A person who knowingly violates ~~any provisions of~~ this subdivision is guilty of a misdemeanor.

Sec. 25. Minnesota Statutes 1998, section 10A.22, subdivision 7, is amended to read:

Subd. 7. [UNREGISTERED ASSOCIATION LIMIT; STATEMENT REQUIRED; PENALTY.] (a) The treasurer of a political committee ~~or, political fund, principal campaign committee, or party unit~~ shall not accept a contribution of more than \$100 from an association not registered ~~in this state under this chapter~~ unless the contribution is accompanied by a written statement ~~which that~~ meets the disclosure and reporting period requirements imposed by section 10A.20. This statement ~~shall~~ must be certified as true and correct by an officer of the contributing association. The ~~political committee or political fund which, or party unit that~~ accepts the contribution shall include a copy of the statement with the report ~~which that~~ discloses the contribution to the board. ~~The provisions of This subdivision shall does~~ not apply when a national political party ~~transfers~~ contributes money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three ~~political committees or political funds, or party units~~ in ~~any~~ a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty up to \$1,000 if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three ~~political committees or political funds, or party units~~ in ~~any~~ a calendar year.

An officer of an association who violates this paragraph is guilty of a misdemeanor.

Sec. 26. Minnesota Statutes 1998, section 10A.23, is amended to read:

10A.23 [CHANGES AND CORRECTIONS.]

~~Any~~ Material changes in information previously submitted and ~~any~~ corrections to a report or statement ~~shall~~ must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction ~~shall~~ must identify the form and the paragraph containing the information to be changed or corrected. ~~Any~~ A person who willfully fails to report a material change or correction is guilty of a gross misdemeanor.

Sec. 27. Minnesota Statutes 1998, section 10A.24, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.]

Subdivision 1. [TERMINATION REPORT.] ~~No~~ A political committee ~~or~~, political fund ~~shall~~, principal campaign committee, or party unit may not dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. "Assets" include credit balances at vendors and physical assets such as computers and postage stamps. Physical assets must be listed at their fair market value. The termination report may be made at any time and ~~shall~~ must include all information required in periodic reports.

Subd. 2. [TERMINATION ALLOWED.] Notwithstanding subdivision 1, ~~after mailing notice to any remaining creditors by certified mail,~~ a political committee ~~or~~ political fund, ~~or~~ party unit that has debts incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may notify any remaining creditors by certified mail and then file a termination report.

Sec. 28. Minnesota Statutes 1998, section 10A.241, is amended to read:

10A.241 [TRANSFER OF DEBTS.]

Notwithstanding ~~any provisions of this chapter to the contrary except as provided in this~~ section 10A.24, a candidate may terminate the candidate's principal campaign committee for one state office by transferring any debts of that committee to the candidate's principal campaign committee for another state office, ~~provided that any~~ if all outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven. A loan that is forgiven is covered by section 10A.20 and, for purposes of section 10A.324, is a contribution to the principal campaign committee from which the debt was transferred under this section.

Sec. 29. Minnesota Statutes 1998, section 10A.242, is amended to read:

10A.242 [DISSOLUTION OF INACTIVE COMMITTEES AND FUNDS.]

Subdivision 1. [DISSOLUTION REQUIRED.] A political committee ~~or~~, political fund, ~~or~~ principal campaign committee must be dissolved within 60 days after receiving notice from the board that the committee ~~or~~ fund has become inactive. The assets of the committee or fund must be spent for the purposes authorized by section 211B.12 and other applicable law or liquidated and deposited in the general account of the state elections campaign fund within 60 days after the board notifies the committee or fund that it has become inactive.

Subd. 2. [INACTIVITY DEFINED.] (a) A principal campaign committee becomes inactive on the later of the following dates:

(1) when six years have elapsed since the last election in which the person was a candidate for the office sought or held at the time the principal campaign committee registered with the board; or

(2) when six years have elapsed since the last day on which the individual for whom it exists served in an elective office subject to this chapter.

(b) A political committee or fund ~~other than a principal campaign committee~~ becomes inactive when two years have elapsed since the end of a reporting period during which the political committee or fund made an expenditure or disbursement requiring disclosure under this chapter.

Subd. 3. [REMAINING DEBTS.] If a committee or fund becomes inactive when it still has unpaid debts, the committee or fund shall liquidate available assets to pay the debts. If insufficient assets exist to pay the debts, the board may set up a payment schedule and allow the committee or fund to defer dissolution until all debts are paid. This section does not extinguish debts incurred by the committee or fund.

Sec. 30. Minnesota Statutes 1998, section 10A.25, is amended to read:

10A.25 [~~SPENDING LIMITS ON CAMPAIGN EXPENDITURES.~~]

Subdivision 1. [~~GOVERNOR AND LIEUTENANT GOVERNOR CANDIDATES LIMITS ARE VOLUNTARY.~~] For the purposes of sections 10A.11 to 10A.34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate. ~~Except as provided in subdivision 3, all expenditures made by and all approved expenditures made on behalf of the candidate for lieutenant governor shall be considered to be expenditures by and approved expenditures on behalf of the candidate for governor. The expenditure limits imposed by this section apply only to a candidate who has signed an agreement under section 10A.322 to be bound by them as a condition of receiving a public subsidy for the candidate's campaign.~~

Subd. 2. [~~MAXIMUM EXPENDITURES AMOUNTS.~~] (a) In a year in which an election is held for an office sought by a candidate, ~~no expenditures shall be made by the principal campaign committee of that the candidate; shall not make campaign expenditures nor any permit approved expenditures to be made on behalf of that the candidate which expenditures and approved expenditures that result in an aggregate amount expenditures~~ in excess of the following:

- (1) for governor and lieutenant governor, running together, ~~\$1,626,691~~ \$1,926,127;
- (2) for attorney general, ~~\$271,116~~ \$321,023;
- (3) for secretary of state, state treasurer, and state auditor, separately, ~~\$135,559~~ \$160,514;
- (4) for state senator, ~~\$40,669~~ \$45,569;
- (5) for state representative, ~~\$20,335~~ \$24,083.

(b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make campaign expenditures and approved expenditures of five percent of that amount to seek endorsement.

(c) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(~~e~~) (d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is running for that office for the first time and who has not run previously for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office.

Subd. 2a. [AGGREGATED EXPENDITURES.] If a candidate makes expenditures from more than one principal campaign committee for nomination or election to statewide office in the same election year, the amount of expenditures from all of the candidate's principal campaign committees for statewide office for that election year must be aggregated for purposes of ~~the application of~~ applying the limits on ~~campaign~~ expenditures under subdivision 2, ~~clauses (a) to (c).~~

Subd. 3. [~~ENDORSEMENT OF GOVERNOR AND LIEUTENANT GOVERNOR A SINGLE CANDIDATE.~~] Notwithstanding subdivision 2, clause (a), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make expenditures and approved expenditures of \$30,000 or five percent of the amount in subdivision 2, clause (a), whichever is greater, to seek endorsement. This amount shall be in addition to the amount which may be expended pursuant to subdivision 2, clause (a). For the purposes of sections 10A.11 to 10A.34, a candidate for governor and a candidate for lieutenant governor, running together, are considered a single candidate. Except as provided in subdivision 2, paragraph (b), all expenditures made by or all approved expenditures made on behalf of the candidate for lieutenant governor are considered to be expenditures by or approved expenditures on behalf of the candidate for governor.

Subd. 4. [~~EXPENDITURES BEFORE FEBRUARY 28, 1978.~~] The limits prescribed in this section shall not apply to any expenditure or approved expenditure made or advance of credit incurred before February 28, 1978 unless the goods or services for which they were made or incurred are consumed or used after February 28, 1978.

Subd. 5. [~~CONTESTED PRIMARY RACES.~~] Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who received fewer than twice as many votes as any one of the candidate's opponents in that primary may make ~~aggregate~~ expenditures and ~~permit~~ approved expenditures to be made on behalf of the candidate equal to 120 percent of the applicable amount limit as set forth in subdivision 2, as adjusted by section 10A.255. A candidate in a contested primary race may not, under this subdivision, ~~make aggregate expenditures and approved expenditures of but no more than 100 percent of the expenditure limits imposed by subdivision 2 limit~~ until after the primary.

Subd. 6. [~~LIMIT IN NONELECTION YEAR.~~] During an election cycle, in any year before an the election year for the office held or sought by the candidate, the aggregate amount of a candidate shall not make campaign expenditures by and nor permit approved expenditures to be made on behalf of a the candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2.

Subd. 7. [~~PUBLICATION OF EXPENDITURE LIMITS.~~] On or before December 31 of each nonelection year the board shall determine and publish in the State Register the expenditure limits for each office for the next calendar year as prescribed by subdivision 2.

Subd. 10. [~~EFFECT OF OPPONENT'S CONDUCT.~~] (a) A candidate who has agreed to be bound by the expenditure limits imposed by this section as a condition of receiving a public subsidy for the candidate's campaign is released from the expenditure limits but remains eligible to receive a public subsidy if the candidate has an opponent who does not agree to be bound by the limits and receives contributions or makes or becomes obligated to make expenditures during that election cycle in excess of the following limits:

(1) up to ten days before the primary election, receipts or expenditures equal to 20 percent of the expenditure limit for that office as set forth in subdivision 2; or

(2) after ten days before the primary election, cumulative receipts or expenditures during that election cycle equal to 50 percent of the expenditure limit for that office as set forth in subdivision 2.

(b) A candidate who has not agreed to be bound by expenditure limits, or the candidate's principal campaign committee, shall file written notice with the board and provide written notice to any opponent of the candidate for the same office within 24 hours of exceeding the limits in paragraph (a), clause (2). The notice must state only that the candidate or candidate's principal campaign committee has received contributions or made or become obligated to make campaign expenditures in excess of the limits in paragraph (a), clause (2). Upon receipt of the notice, the candidate who ~~has had~~ agreed to be bound by the limits is no longer bound by the expenditure limits.

Subd. 11. [~~CARRYFORWARD; DISPOSITION OF OTHER FUNDS.~~] After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to 50 percent of the election year expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund ~~and any public matching subsidy~~ must be returned to the state

treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign fund or a political party for multicandidate expenditures as defined in section 10A.275.

Subd. 12. [UNUSED POSTAGE AND CREDIT BALANCES CARRIED FORWARD.] Postage that is purchased but not used during an election cycle and credit balances at vendors that exceed a combined total of \$500 must be carried forward and counted as expenditures during the election cycle during which they are used.

Subd. 13. [~~INDEPENDENT EXPENDITURES; LIMITS INCREASED.~~] (a) ~~The expenditure limits in this section are increased by the sum of independent expenditures made in opposition to a candidate plus independent expenditures made on behalf of the candidate's major political party opponents, other than expenditures by an association targeted to inform solely its own dues-paying members of the association's position on a candidate.~~

~~(b) Within 48 hours after receipt of an expenditure report or notice required by section 10A.20, subdivision 3, 6, or 6b, the board shall notify each candidate in the race of the increase in the expenditure limit for the candidates against whom the independent expenditures have been made.~~

~~(c) Within three days after providing this notice, the board shall pay each candidate against whom the independent expenditures have been made, if the candidate is eligible to receive a public subsidy and has raised twice the minimum match required, an additional public subsidy equal to one-half the independent expenditures. The amount needed to pay the additional public subsidy under this subdivision is appropriated from the general fund to the board.~~

Sec. 31. Minnesota Statutes 1998, section 10A.255, subdivision 1, is amended to read:

Subdivision 1. [METHOD OF CALCULATION.] The dollar amounts ~~provided~~ in section 10A.25, subdivision 2, must be adjusted for general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the preceding general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product must be rounded up to the next highest ~~whole dollar~~ \$10 increment. The index used must be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1982 as a base year.

Sec. 32. Minnesota Statutes 1998, section 10A.265, is amended to read:

10A.265 [FREEDOM TO ASSOCIATE AND COMMUNICATE.]

Nothing in this chapter shall ~~may~~ be construed as ~~abridging~~ to abridge the right of an association to communicate with its members.

Sec. 33. Minnesota Statutes 1998, section 10A.27, is amended to read:

10A.27 [~~ADDITIONAL LIMITATIONS~~ CONTRIBUTION LIMITS.]

Subdivision 1. [CONTRIBUTION LIMITS.] (a) Except as provided in subdivision 2, ~~no~~ a candidate shall ~~not~~ permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

~~(1)~~ (1) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;

~~(2)~~ (2) to a candidate for attorney general, \$1,000 in an election year for the office sought and \$200 in other years;

(~~Ⓒ~~) (3) to a candidate for the office of secretary of state, state treasurer or state auditor, \$500 in an election year for the office sought and \$100 in other years;

(~~Ⓓ~~) (4) to a candidate for state senator, \$500 in an election year for the office sought and \$100 in other years; and

(~~Ⓔ~~) (5) to a candidate for state representative, \$500 in an election year for the office sought and \$100 in the other year.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

Subd. 2. [~~CONTRIBUTIONS FROM POLITICAL PARTY UNITS LIMIT.~~] ~~No~~ A candidate shall not permit the candidate's principal campaign committee to accept contributions from any political party units in aggregate in excess of ten times the amount that may be contributed to that candidate as set forth in subdivision 1.

Subd. 4. [~~DEFINITION OF POLITICAL PARTY.~~] ~~For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.~~

Subd. 5. [~~INDEPENDENT EXPENDITURES.~~] ~~Nothing in This section shall be construed as limiting independent expenditures on behalf of a candidate.~~

Subd. 7. [~~CONTRIBUTIONS AND EXPENDITURES BEFORE FEBRUARY 28, 1978.~~] ~~Contributions and approved expenditures made prior to February 28, 1978 which are in excess of the limits imposed by this section shall not be in violation of this section but shall be disclosed as required by this chapter.~~

Subd. 8. [~~EXCESS LOANS PROHIBITED.~~] ~~No~~ A candidate shall not permit the candidate's principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. ~~No~~ A candidate shall not permit the candidate's principal campaign committee to accept any a loan from a financial institution for which ~~that~~ the financial institution may hold any an endorser of ~~that~~ the loan liable to pay any an amount in excess of the amount that the endorser may contribute to that candidate.

Subd. 9. [~~TRANSFERS AMONG COMMITTEES; CONTRIBUTIONS TO AND FROM CERTAIN OTHER CANDIDATES.~~] (a) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a ~~transfer or~~ contribution from another candidate's principal campaign committee or from any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate, unless the contributing candidate's principal campaign committee is being dissolved. A candidate's principal campaign committee shall not make a ~~transfer or~~ contribution to another candidate's principal campaign committee, except when the contributing committee is being dissolved.

(b) A candidate's principal campaign committee shall not accept a ~~transfer or~~ contribution from, or make a ~~transfer or~~ contribution to, a committee associated with a person who seeks nomination or election to the office of President, Senator, or Representative in Congress of the United States.

(c) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a contribution from a candidate for political subdivision office in any state, unless the contribution is from the personal funds of the candidate for political subdivision office. A candidate or the treasurer of a candidate's principal campaign committee shall not make a contribution from the principal campaign committee to a candidate for political subdivision office in any state.

Subd. 10. [~~PROHIBITED~~ LIMITED PERSONAL CONTRIBUTIONS.] A candidate who accepts a public subsidy may not contribute to the candidate's own campaign during a year more than ten times the candidate's election year contribution limit under subdivision 1.

Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF CONTRIBUTORS.] A candidate shall not permit the candidate's principal campaign committee to accept a contribution from a political committee ~~other than a political party unit as defined in section 10A.275~~, a political fund, a lobbyist, or a large giver contributor, if the contribution will cause the aggregate contributions from those types of contributors to exceed an amount equal to 20 percent of the expenditure limits for the office sought by the candidate. For purposes of this subdivision, "large giver contributor" means an individual, other than the candidate, who contributes an amount that is more than \$100 and more than one-half the amount an individual may contribute.

Subd. 12. [~~CONTRIBUTIONS TO OTHER POLITICAL COMMITTEES OR FUNDS.~~] ~~The treasurer of a political committee or political fund, other than a candidate's principal campaign committee or a political party unit as defined in section 10A.275, shall not permit the political committee or political fund to accept aggregate contributions from an individual, political committee, or political fund in an amount more than \$100 a year.~~

Sec. 34. Minnesota Statutes 1998, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. [EXCEPTIONS.] Notwithstanding ~~any~~ other provisions of this chapter, the following expenditures by ~~a state political party~~, a party unit, or two or more party units acting together, with at least one party unit being either: the state party organization committee or the party organization within a congressional district, county, or legislative district, ~~shall are not be~~ considered contributions to or expenditures on behalf of any a candidate for the purposes of section 10A.25 or 10A.27; and ~~shall must~~ not be allocated to ~~any~~ candidates pursuant to under section ~~10A.22, subdivision 5~~ 10A.20, subdivision 3, paragraph (g):

(~~a~~) (1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement a published, posted, or broadcast advertisement;

(~~b~~) (2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(~~c~~) (3) expenditures for ~~any a~~ telephone conversation including the names of three or more individuals whose names are to appear on the ballot;

(~~d~~) (4) expenditures for ~~any a~~ political party fundraising effort on behalf of three or more candidates; or

(~~e~~) (5) expenditures for party committee staff ~~member~~ services that benefit three or more candidates.

Sec. 35. Minnesota Statutes 1998, section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING LIMITS.]

Subdivision 1. [~~CANDIDATE~~ EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits in section 10A.25 who permits the candidate's principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount by which the expenditures exceeded the limit.

Subd. 2. [~~CIVIL FINE~~ EXCEEDING CONTRIBUTION LIMITS.] A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27, ~~and the treasurer of a political fund or political committee, other than a principal campaign committee, who permits the committee or fund to accept contributions in excess of the limits imposed by section 10A.27, shall be~~ is subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 3. [CONCILIATION AGREEMENT.] If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to ~~the provisions of~~ subdivision 1 or 2, the board shall make every effort for a period of ~~not less than~~ at least 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement ~~made pursuant to~~ under this subdivision ~~shall be~~ is a matter of public record. Unless violated, a conciliation agreement ~~shall be~~ is a bar to any civil proceeding under subdivision 4.

Subd. 4. [CIVIL ACTION.] If the board is unable after a reasonable time to correct by informal methods ~~any~~ a matter ~~which~~ that constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district, to ~~impose~~ collect a civil fine as ~~prescribed~~ imposed by the board ~~pursuant to~~ under subdivision 1 or 2. All money recovered ~~pursuant to~~ under this section ~~shall~~ must be deposited in the general fund of the state.

Sec. 36. Minnesota Statutes 1998, section 10A.29, is amended to read:

10A.29 [CIRCUMVENTION PROHIBITED.]

Any attempt by an individual or association to circumvent ~~the provisions of~~ this chapter by redirecting ~~funds a contribution~~ through, or ~~contributing funds~~ making a contribution on behalf of, another individual or association is a gross misdemeanor.

Sec. 37. Minnesota Statutes 1998, section 10A.30, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] ~~There is hereby established~~ An account ~~within~~ is established in the special revenue fund of the state ~~to be~~ known as the "state elections campaign fund."

Sec. 38. Minnesota Statutes 1998, section 10A.31, is amended to read:

10A.31 [DESIGNATION OF INCOME TAX PAYMENTS.]

Subdivision 1. [~~AMOUNT ALLOWED~~ DESIGNATION.] ~~Every~~ An individual resident of ~~Minnesota~~ this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 shall be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that \$5 shall be paid. No individual ~~shall be~~ is allowed to designate \$5 more than once in any year. The taxpayer may designate that the amount be paid into the account of a political party or into the general account.

~~Subd. 2. [DESIGNATION OF ACCOUNT.] The taxpayer may designate that the amount designated be paid into the account of a political party or into the general account.~~

Subd. 3. [FORM.] The commissioner of ~~the department of~~ revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to ~~allocate~~ pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form ~~shall~~ must also contain language prepared by the commissioner ~~which~~ that permits the individual to direct the state to ~~allocate~~ pay the \$5 (or \$10 if filing a joint return) to: ~~(i)~~ (1) one of the major political parties; ~~(ii)~~ (2) any minor political party as defined in section 10A.01, subdivision 13, ~~which~~ that qualifies under the provisions of subdivision 3a; or ~~(iii)~~ (3) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return ~~shall~~ must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Subd. 3a. [QUALIFICATION OF POLITICAL PARTIES.] ~~(a)~~ A major political party ~~as defined in section 10A.01, subdivision 12,~~ qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3, ~~provided that~~ if it qualifies as a major political party by July 1 of the taxable year.

~~(b)~~ A minor political party ~~as defined in section 10A.01, subdivision 13~~ qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3, ~~provided that~~

~~(1)(a)~~ if a petition is filed, it is filed by June 1 of the taxable year; or

~~(b)~~ if the party ran a candidate for statewide office, that office must have been the office of governor and lieutenant governor, secretary of state, state auditor, state treasurer, or attorney general; and

~~(2)~~ if the secretary of state certifies to the commissioner of revenue by July 1, 1984, and by July 1 of every odd-numbered the taxable year thereafter the parties which qualify as minor political parties under this subdivision.

~~A minor party shall be certified only if the secretary of state determines that the party satisfies the following conditions:~~

~~(a)~~ (1) the party meets the requirements of section 10A.01, subdivision 13, and in the last applicable general election, the party ran a candidate for the statewide offices listed in clause (1)(b) of this subdivision office of governor and lieutenant governor, secretary of state, state auditor, state treasurer, or attorney general, who received votes in each county that in the aggregate total at least one percent of the total number of individuals who voted in the election;

~~(b)~~ (2) it is a political party, not a principal campaign committee; and

~~(c)~~ (3) it has held a state convention in the last two years, adopted a state constitution, and elected state officers; and

~~(d)~~ an officer of the party has filed with the secretary of state a certification ~~that the party held a state convention in the last two years, adopted a state constitution, and elected state officers~~ to that effect.

Subd. 4. [APPROPRIATION.] (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund ~~and shall,~~ must be transferred and credited to the appropriate account in the state elections campaign fund, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. ~~An amount equal to~~ The remaining three percent ~~shall~~ must be retained kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Subd. 5. [ALLOCATION ~~TO CANDIDATES.~~] (a) [GENERAL ACCOUNT.] In each calendar year the money in the general account ~~shall~~ must be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

(b) [PARTY ACCOUNT.] In each calendar year the money in each party account ~~shall~~ must be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.4 percent for the office of attorney general;
- (3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;
- (5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and
- (6) ten percent for the state committee of a political party; ;

Money allocated to each state committee under ~~this~~ clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275; ; Money allocated to a state committee under ~~this~~ clause (6) must be paid to the committee ~~by the state treasurer as notified by the state campaign finance and public disclosure board~~ as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the department of revenue to the ~~state campaign finance and public disclosure board~~. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the department of revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

Subd. 5a. [PARTY ACCOUNT FOR LEGISLATIVE CANDIDATES.] To ~~assure~~ ensure that ~~moneys~~ money will be returned to the counties from which ~~they were it was~~ collected; and to ~~assure~~ ensure that the distribution of ~~those moneys~~ money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates ~~shall~~ must be distributed as follows: provided in this subdivision.

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account ~~set aside for~~ allocated to candidates ~~of~~ for the state senate or state house of representatives, whichever applies, according to the following formula; ;

For each county within the candidate's district, the candidate's share of the dollars ~~allocated~~ designated by taxpayers who resided in that county and credited to the candidate's party account and ~~set aside for~~ allocated to that office ~~shall~~ must be:

(~~a~~) (1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (~~i~~) whose names appeared on the ballot ~~in each voting precinct of the state and~~ (~~ii~~) statewide and for the state senate and state house of representatives, divided by

(~~b~~) (2) the sum of the votes cast in ~~that~~ the entire county in the last general election for all candidates of that candidate's party (~~i~~) whose names appeared on the ballot ~~in each voting precinct in the state and~~ (~~ii~~) statewide and for the state senate and state house of representatives, multiplied by

~~(c)~~ (3) the amount in the candidate's party account ~~allocated~~ designated by taxpayers who resided in that county and ~~set aside for the candidates for the~~ allocated to that office ~~for which the candidate is running.~~

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For ~~any~~ a party under whose name no candidate's name appeared on the ballot ~~in each voting precinct in the state~~ statewide in the last general election, amounts in the party's account ~~shall~~ must be allocated based on ~~(a)~~ (1) the number of people voting in the last general election in that part of the county in the candidate's district, divided by ~~(b)~~ (2) the number of the people voting in ~~that~~ the entire county in the last general election, multiplied by ~~(c)~~ (3) the amount in the candidate's party account ~~allocated~~ designated by taxpayers who resided in that county and ~~set aside for the candidates for the~~ allocated to that office ~~for which the candidate is running.~~

~~In a year in which~~ the first general election after a legislative reapportionment is held the legislature is redistricted, "the candidate's district" means the newly drawn district; and voting data from the last general election ~~will~~ must be applied to the area encompassing the newly drawn district, notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party ~~shall be~~ is the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses ~~(a)~~ (1) and ~~(b)~~ (2). The average vote ~~shall~~ must be added to the sums in clauses ~~(a)~~ (1) and ~~(b)~~ (2) before the calculation is made for all districts in the county.

~~Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.~~

Subd. 6. [DISTRIBUTION OF PARTY ACCOUNTS.] As soon as the board has obtained from the secretary of state the results of the primary election, but ~~in any event~~ no later than one week after certification by the state canvassing board of the results of the primary, the board shall distribute the available ~~funds~~ money in each party account, as certified by the commissioner of revenue on September 1, to the candidates of that party who have signed ~~the a spending limit agreement as provided in under~~ section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were opposed in either the primary election or the general election, and whose names are to appear on the ballot in the general election, according to the allocations set forth in ~~subdivision~~ subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. If a candidate files the affidavit required by section 10A.323 after September 1 of the general election year, the board shall pay the candidate's allocation to the candidate at the next regular payment date for public subsidies for that election cycle that occurs at least 15 days after the candidate files the affidavit.

Subd. 6a. [PARTY ACCOUNT MONEY NOT DISTRIBUTED.] Money from a party account not distributed to candidates for state senator or representative in any election year must be returned to the general fund of the state, except that the subsidy from the party account an unopposed candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under subdivision 5, paragraph (b), clause (6), and used for only those items permitted under section 10A.275. Money from a party account not distributed to candidates for other offices in an election year must be returned to the party account for reallocation to candidates as provided in subdivision 5, paragraph (b), in the following year.

Subd. 7. [DISTRIBUTION OF GENERAL ACCOUNT.] (a) Within two weeks after certification by the state canvassing board of the results of the general election, the board shall distribute the available ~~funds~~ money in the general account, as certified by the commissioner of revenue on November 1 and according to allocations set forth in subdivision 5, in equal amounts to all candidates ~~for each statewide office who:~~

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323;
- (3) were opposed in either the primary election or the general election; and

(4) are either a candidate for statewide office who received at least five percent of the votes cast in the general election for that office; and to all candidates or a candidate for legislative office who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates, provided that seal.

(b) The public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account ~~and the public subsidy paid to match independent expenditures~~ to exceed 50 percent of the expenditure limit for the candidate. ~~If a candidate is entitled to receive an opponent's share of the general account public subsidy under section 10A.25, subdivision 10, the opponent's share must be excluded in calculating the 50 percent limit or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10.~~ Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted. ~~The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.~~

Subd. 10. [DECEMBER DISTRIBUTION.] In the event that on the date of either certification by the commissioner of revenue as provided in ~~subdivisions~~ subdivision 6 and or 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board by December 1 the amount accumulated in each account since the previous certification. By December 15, the board shall distribute to each candidate according to the allocations ~~as provided in subdivision~~ subdivisions 5 and 5a the amounts to which the candidates are entitled.

Subd. 10a. [FORM OF DISTRIBUTION.] A distribution to a candidate must be in the form of checks a check made "payable to the campaign fund of(name of candidate)....."

Subd. 10b. [REMAINDER.] ~~Any~~ Money accumulated after the final certification ~~shall~~ must be ~~maintained kept~~ in the respective accounts for distribution in the next general election year.

Subd. 11. [WRITE-IN CANDIDATE.] For the purposes of this section, a write-in candidate is a candidate only upon complying with ~~the provisions of section~~ sections 10A.322, subdivision 1 and 10A.323.

~~Subd. 12. [UNOPPOSED CANDIDATE NOT ELIGIBLE.] A candidate who is unopposed in both the primary election and the general election is not eligible to receive a public subsidy from the state election campaign fund. The subsidy from the party account the candidate would otherwise have been eligible to receive must be paid to the candidate's political party to be deposited in a special account under section 10A.31, subdivision 5, clause (6), and used for only those items permitted under section 10A.275.~~

Sec. 39. Minnesota Statutes 1998, section 10A.315, is amended to read:

10A.315 [SPECIAL ELECTION SUBSIDY.]

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to ~~candidates~~ a candidate for the same office at the last general election.

(b) ~~If the filing period for the special election coincides with the filing period for the general election, the candidate must meet the matching requirements of section 10A.323 and the special election subsidy must be distributed in the same manner as money is distributed to legislative candidates in a general election.~~

~~(c) If the filing period for the special election does not coincide with the filing period for the general election, the procedures in this paragraph apply. A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. The candidate and must meet the matching contribution requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.~~

~~(c)~~ (c) The amount necessary to make the payments required by this subdivision is appropriated from the general fund to the ~~state treasurer~~ board.

Sec. 40. Minnesota Statutes 1998, section 10A.321, is amended to read:

10A.321 [ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.]

Subdivision 1. [CALCULATION AND CERTIFICATION OF ESTIMATES.] The commissioner of revenue shall calculate and certify to the board before July 1 in ~~an~~ each election year an estimate of the total amount in the state general account of the state elections campaign fund and the amount of money each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign fund. This estimate must be based upon the allocations and formulas in section 10A.31, ~~subdivision~~ subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, ~~subdivision~~ subdivisions 5 and 5a, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. [PUBLICATION, CERTIFICATION, AND NOTIFICATION PROCEDURES.] Before the first day of filing for office, the board shall publish and forward to all filing officers the estimates calculated and certified under subdivision 1 along with a copy of section 10A.25, subdivision 10. Within seven days after the last day for filing for office, the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. ~~Within seven days afterward, the board shall estimate the minimum amount to be received by each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7.~~ By August 15 the board shall notify all candidates of their estimated minimum amount. The board shall include with the notice a form for the agreement provided in section 10A.322 along with a copy of section 10A.25, subdivision 10.

Sec. 41. Minnesota Statutes 1998, section 10A.322, is amended to read:

10A.322 [~~PUBLIC SUBSIDY~~ SPENDING LIMIT AGREEMENTS.]

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25; 10A.27, subdivision 10; and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. ~~The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, The candidate may submit shall file the agreement directly to with the board at any time before by September 1 preceding the candidate's general election or a special election held at the general election.~~ An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board shall ~~forward a copy~~ notify the commissioner of revenue of any agreement signed under this subdivision ~~to the commissioner of revenue.~~

(d) Notwithstanding ~~any provisions of this section paragraph (b), when~~ if a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement ~~at any time before the deadline for submission of a signed agreement under section 10A.315 not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office.~~

Subd. 2. [HOW LONG AGREEMENT IS EFFECTIVE.] The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, and the contribution limit in section 10A.27, subdivision 10, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the end of the first election cycle completed after the agreement was filed, whichever occurs first.

Subd. 3. [ESTIMATE; ACTUAL AMOUNT.] For the purposes of subdivisions 1 to 3 only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in section 10A.321, subdivision 1, plus the total amount estimated as provided in section 10A.321, subdivision 1, to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. ~~If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement must not be considered violated.~~

Subd. 4. [REFUND RECEIPT FORMS; PENALTY.] The board shall make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official refund receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

Sec. 42. Minnesota Statutes 1998, section 10A.323, is amended to read:

10A.323 [~~MATCHING REQUIREMENTS~~ AFFIDAVIT OF CONTRIBUTIONS.]

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions from persons eligible to vote in this state in the amount indicated for the office sought, counting only the first \$50 received from each contributor:

- (1) candidates for governor and lieutenant governor running together, \$35,000;
- (2) candidates for attorney general, \$15,000;
- (3) candidates for secretary of state, state treasurer, and state auditor, separately, \$6,000;
- (4) candidates for the senate, \$3,000; and
- (5) candidates for the house of representatives, \$1,500.

The affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state ~~and the total amount of those contributions received,~~ disregarding the portion of any contribution in excess of \$50.

The candidate or the candidate's treasurer shall submit the affidavit required by this section to the board in writing by September 1 of the general election year to receive the payment ~~based on the results of~~ made following the primary election, ~~by September 15 to receive the payment made October 1, by October 1 to receive the payment made October 15, and by November 1 to receive the payment made November 15, and by December 1 to receive the payment made December 15 following the general election.~~

A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the filing period for the general election shall submit the affidavit required by this section to the board within five days after filing the affidavit of candidacy.

Sec. 43. Minnesota Statutes 1998, section 10A.324, subdivision 1, is amended to read:

Subdivision 1. [WHEN RETURN REQUIRED.] A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund or the public ~~matching~~ subsidy received under section 10A.315, under the circumstances in this section or section 10A.25, subdivision 11.

~~(a) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board.~~

~~(b) To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board. The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned. Expenditures in excess of the candidate's spending limit do not count in determining aggregate expenditures under this paragraph.~~

Sec. 44. Minnesota Statutes 1998, section 10A.324, subdivision 3, is amended to read:

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. ~~For purposes of this section, a transfer from a principal campaign committee to a political party is considered to be a noncampaign disbursement. The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned. Any An amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate.~~

Sec. 45. Minnesota Statutes 1998, section 10A.34, is amended to read:

10A.34 [REMEDIES.]

Subdivision 1. [PERSONAL LIABILITY.] A person charged with a duty under ~~sections 10A.02 to 10A.34 shall be this chapter is~~ personally liable for the penalty for failing to discharge it.

Subd. 1a. [~~RECOVERING LATE FILING FEES.~~] The board may bring an action in the district court in Ramsey county to recover ~~any a~~ late filing fee imposed ~~pursuant to any provision of~~ under this chapter. ~~All~~ Money recovered ~~shall must~~ be deposited in the general fund of the state.

Subd. 2. [INJUNCTION.] The board or a county attorney may seek an injunction in the district court to enforce ~~the provisions of sections 10A.02 to 10A.34 this chapter.~~

Subd. 3. [NOT A CRIME.] Unless otherwise provided, a violation of ~~sections 10A.02 to 10A.34~~ this chapter is not a crime.

Sec. 46. [10A.35] [COMMERCIAL USE OF INFORMATION PROHIBITED.]

Information copied from reports and statements filed with the board may not be sold or used by an individual or association for a commercial purpose. Purposes related to elections, political activities, or law enforcement are not commercial purposes. An individual or association who violates this section is subject to a civil penalty of up to \$1,000. An individual who knowingly violates this section is guilty of a misdemeanor.

Sec. 47. Minnesota Statutes 1998, section 200.02, is amended by adding a subdivision to read:

Subd. 23. [MINOR POLITICAL PARTY.] (a) "Minor political party" means a political party that is not a major political party as defined by subdivision 7 and that has adopted a state constitution, designated a state party chair, and met the requirements of paragraph (b) or (c), as applicable.

(b) To be considered a minor party in all elections statewide, the political party must have presented at least one candidate for a partisan office voted on statewide at the preceding state general election who received votes in each county that in the aggregate equal at least one percent of the total number of individuals who voted in the election, or its members must have presented to the secretary of state a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least one percent of the total number of individuals who voted in the preceding state general election.

(c) To be considered a minor party in an election in a legislative district, the political party must have presented at least one candidate for a legislative office in that district who received votes from at least ten percent of the total number of individuals who voted for that office, or its members must have presented to the secretary of state a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least ten percent of the total number of individuals who voted in the preceding state general election for that legislative office.

Sec. 48. Minnesota Statutes 1998, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to ~~any~~ a political party. The maximum refund for an individual must not exceed \$50 and; for a married couple, filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner ~~not no~~ sooner than January 1 of the calendar year in which the contribution ~~is was~~ made and no later than April 15 of the calendar year following the calendar year in which the contribution ~~is was~~ made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution ~~is was~~ made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to ~~any~~ a candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322 ~~or 10A.43~~;
- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25 ~~or 10A.43~~; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign ~~expenditure~~ expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of ~~the party that party's~~ organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means ~~a congressional candidate as defined in section 10A.41, subdivision 4,~~ or a candidate as defined in section 10A.01, subdivision 5, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 ~~of each year~~ a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 49. [INSTRUCTION TO REVISOR.]

Subdivision 1. The revisor of statutes shall renumber the definition subdivisions of Minnesota Statutes, section 10A.01, in alphabetical order and make necessary cross-reference changes consistent with the renumbering.

Subd. 2. The revisor of statutes shall renumber each section or subdivision of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>10A.10</u>	<u>10A.025, subd. 2</u>
<u>10A.22, subd. 6</u>	<u>10A.025, subd. 3</u>
<u>10A.23</u>	<u>10A.025, subd. 4</u>
<u>10A.19</u>	<u>10A.105</u>
<u>10A.25, subd. 11</u>	<u>10A.257, subd. 1</u>
<u>10A.25, subd. 12</u>	<u>10A.257, subd. 2</u>
<u>10A.22, subd. 7</u>	<u>10A.27, subd. 13</u>
<u>10A.065, subd. 1</u>	<u>10A.273, subd. 1</u>
<u>10A.065, subd. 1a</u>	<u>10A.273, subd. 2</u>
<u>10A.065, subd. 2</u>	<u>10A.273, subd. 3</u>
<u>10A.065, subd. 3</u>	<u>10A.273, subd. 4</u>
<u>10A.065, subd. 4</u>	<u>10A.273, subd. 5</u>
<u>10A.20, subd. 11</u>	<u>10A.36</u>
<u>10A.265</u>	<u>10A.37</u>

Sec. 50. [REPEALER.]

Minnesota Statutes 1998, sections 10A.065, subdivision 5; 10A.22, subdivisions 1, 4, and 5; 10A.255, subdivision 2; 10A.275, subdivisions 2 and 3; 10A.324, subdivisions 2 and 4; 10A.325; 10A.335; 10A.40; 10A.41; 10A.42; 10A.43; 10A.44; 10A.45; 10A.46; 10A.47; 10A.48; 10A.49; 10A.50; and 10A.51, are repealed."

Delete the title and insert:

"A bill for an act relating to ethics in government; clarifying and simplifying the law related to lobbyist registration, conflicts of interest, and campaign finance; eliminating invalid provisions; amending Minnesota Statutes 1998, sections 10A.01; 10A.02, as amended; 10A.03; 10A.04; 10A.05; 10A.06; 10A.065, subdivisions 1, 1a, and 3; 10A.08; 10A.09; 10A.10; 10A.11; 10A.12; 10A.13; 10A.14; 10A.15; 10A.16; 10A.17; 10A.18; 10A.19; 10A.20; 10A.22, subdivisions 6 and 7; 10A.23; 10A.24; 10A.241; 10A.242; 10A.25; 10A.255, subdivision 1; 10A.265; 10A.27; 10A.275, subdivision 1; 10A.28; 10A.29; 10A.30, subdivision 1; 10A.31; 10A.315; 10A.321; 10A.322; 10A.323; 10A.324, subdivisions 1 and 3; 10A.34; 200.02, by adding a subdivision; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1998, sections 10A.065, subdivision 5; 10A.22, subdivisions 1, 4, and 5; 10A.255, subdivision 2; 10A.275, subdivisions 2 and 3; 10A.324, subdivisions 2 and 4; 10A.325; 10A.335; 10A.40; 10A.41; 10A.42; 10A.43; 10A.44; 10A.45; 10A.46; 10A.47; 10A.48; 10A.49; 10A.50; and 10A.51."

The motion prevailed and the amendment was adopted.

Rhodes moved to amend S. F. No. 145, as amended, as follows:

Page 80, after line 24, insert:

"Subd. 3. In the next edition of Minnesota Statutes, in Chapter 10A the revisor of statutes must strike or delete "shall" wherever it appears and insert "must" and strike or delete "may" wherever it appears before "not" and insert "must"."

The motion prevailed and the amendment was adopted.

S. F. No. 145, A bill for an act relating to ethics in government; clarifying and simplifying the law related to lobbyist registration, conflicts of interest, and campaign finance; eliminating invalid provisions; amending Minnesota Statutes 1998, sections 10A.01; 10A.02, as amended; 10A.03; 10A.04; 10A.05; 10A.06; 10A.065, subdivisions 1, 1a, and 3; 10A.08; 10A.09; 10A.10; 10A.11; 10A.12; 10A.13; 10A.14; 10A.15; 10A.16; 10A.17; 10A.18; 10A.19; 10A.20; 10A.22, subdivisions 6 and 7; 10A.23; 10A.24; 10A.241; 10A.242; 10A.25; 10A.255, subdivisions 1 and 3; 10A.265; 10A.27; 10A.275, subdivision 1; 10A.28; 10A.29; 10A.30, subdivision 1; 10A.31; 10A.315; 10A.321; 10A.322; 10A.323; 10A.324, subdivisions 1 and 3; 10A.34; 200.02, by adding a subdivision; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1998, sections 10A.065, subdivision 5; 10A.22, subdivisions 1, 4, and 5; 10A.255, subdivision 2; 10A.275, subdivisions 2 and 3; 10A.324, subdivisions 2 and 4; 10A.325; 10A.335; 10A.40; 10A.41; 10A.42; 10A.43; 10A.44; 10A.45; 10A.46; 10A.47; 10A.48; 10A.49; 10A.50; and 10A.51.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Lindner	Ozment	Stang
Abrams	Entenza	Howes	Luther	Paulsen	Storm
Anderson, B.	Erhardt	Huntley	Mahoney	Pawlenty	Swenson
Anderson, I.	Erickson	Jaros	Mares	Paymar	Sykora
Bakk	Finseth	Jennings	Mariani	Pelowski	Tingelstad
Biernat	Folliard	Johnson	Marko	Peterson	Tomassoni
Bishop	Fuller	Juhnke	McCollum	Pugh	Trimble
Boudreau	Gerlach	Kahn	McElroy	Rest	Tuma
Bradley	Gleason	Kalis	McGuire	Reuter	Tunheim
Broecker	Goodno	Kelliher	Milbert	Rhodes	Van Dellen
Buesgens	Gray	Kielkucki	Molnau	Rifenberg	Vandever
Carlson	Greenfield	Knoblach	Mulder	Rostberg	Wagenius
Carruthers	Greiling	Koskinen	Mullery	Rukavina	Wejcmán
Cassell	Gunther	Krinkie	Murphy	Schumacher	Wenzel
Chaudhary	Haake	Kubly	Ness	Seagren	Westerberg
Clark, J.	Haas	Kuisle	Nornes	Seifert, J.	Westfall
Daggett	Hackbarth	Larsen, P.	Olson	Seifert, M.	Westrom
Davids	Harder	Larson, D.	Opatz	Skoe	Wilkin
Dawkins	Hasskamp	Leighton	Orfield	Skoglund	Winter
Dehler	Hausman	Lenczewski	Osskopp	Smith	Wolf
Dempsey	Hilty	Leppik	Osthoff	Solberg	Workman
Dorman	Holberg	Lieder	Otremba	Stanek	Spk. Sviggum

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

H. F. No. 1608, which was temporarily laid over earlier today on the Calendar for the Day, was again reported to the House.

Mulder moved to amend H. F. No. 1608, the first engrossment, as follows:

Page 32, delete section 30

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 19, delete everything after the first semicolon

The motion prevailed and the amendment was adopted.

Mulder moved to amend H. F. No. 1608, the first engrossment, as amended, as follows:

Page 5, line 22, delete "Public Law" and insert "United States Code, title 42, sections 1320d to 1320d-8"

Page 5, delete line 23

Page 5, line 24, delete "110, page 1936" and delete "updated" and insert "amended"

Page 5, delete line 32 and insert "United States Code, title 42, sections 1320d to 1320d-8"

Page 5, line 33, delete "Large, volume 110, page 1936" and delete "updated" and insert "amended"

The motion prevailed and the amendment was adopted.

The Speaker called Boudreau to the Chair.

Davids moved to amend H. F. No. 1608, the first engrossment, as amended, as follows:

Page 1, after line 26, insert:

"Section 1. Minnesota Statutes 1998, section 62E.04, subdivision 4, is amended to read:

Subd. 4. [MAJOR MEDICAL COVERAGE.] Each insurer and fraternal shall affirmatively offer coverage of major medical expenses to every applicant who applies to the insurer or fraternal for a new unqualified policy, which has a lifetime benefit limit of less than \$1,000,000, at the time of application and annually to every holder of such an unqualified policy of accident and health insurance renewed by the insurer or fraternal. The coverage shall provide that when a covered individual incurs out-of-pocket expenses of \$5,000 or more within a calendar year for services covered in section 62E.06, subdivision 1, benefits shall be payable, subject to any copayment authorized by the commissioner, up to a maximum lifetime limit of \$500,000. The offer of coverage of major medical expenses may consist of the offer of a rider on an existing unqualified policy or a new policy which is a qualified plan."

Page 6, after line 7, insert:

"Sec. 9. Minnesota Statutes 1998, section 62J.75, is amended to read:

62J.75 [CONSUMER ADVISORY BOARD.]

(a) The consumer advisory board consists of 18 members appointed in accordance with paragraph (b). All members must be public, consumer members who:

(1) do not have and never had a material interest in either the provision of health care services or in an activity directly related to the provision of health care services, such as health insurance sales or health plan administration;

(2) are not registered lobbyists; and

(3) are not currently responsible for or directly involved in the purchasing of health insurance for a business or organization.

(b) The governor, the speaker of the house of representatives, and the subcommittee on committees of the committee on rules and administration of the senate shall each appoint six members. Members may be compensated in accordance with section 15.059, subdivision 3, except that members shall not receive per diem compensation or reimbursements for child care expenses.

(c) The board shall advise the commissioners of health and commerce on the following:

(1) the needs of health care consumers and how to better serve and educate the consumers on health care concerns and recommend solutions to identified problems; and

(2) consumer protection issues in the self-insured market, including, but not limited to, public education needs.

The board also may make recommendations to the legislature on these issues.

(d) The board and this section expire June 30, ~~2001~~ 1999.

Sec. 10. Minnesota Statutes 1998, section 62Q.64, is amended to read:

62Q.64 [DISCLOSURE OF EXECUTIVE COMPENSATION.]

(a) Each health plan company doing business in this state shall annually file with the ~~consumer advisory board created in section 62J.75~~ commissioner of commerce:

(1) a copy of the health plan company's form 990 filed with the federal Internal Revenue Service; or

(2) if the health plan company did not file a form 990 with the federal Internal Revenue Service, a list of the amount and recipients of the health plan company's five highest salaries, including all types of compensation, in excess of \$50,000.

(b) A filing under this section is public data under section 13.03."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Otremba moved to amend H. F. No. 1608, the first engrossment, as amended, as follows:

Page 10, after line 24, insert:

"Sec. 12. [145.9253] [FAMILY PLANNING FUNDS RECIPIENTS RESTRICTED.]

(a) The commissioner of health may not allocate state funds that are appropriated for the provision of family planning services, or for which the provision of family planning services is a permitted use of the funds, to any entity that is an organization or affiliate of an organization which provides abortions, promotes abortions, or directly refers for abortions.

(b) Nondirective counseling relating to a pregnancy does not disqualify an entity from receiving an allocation of funds referenced in paragraph (a) from the commissioner."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Otremba amendment and the roll was called. There were 83 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler	Boudreau	Buesgens	Daggett	Dempsey	Finseth
Anderson, B.	Bradley	Cassell	Davids	Dorman	Fuller
Anderson, I.	Broecker	Clark, J.	Dehler	Erickson	Gerlach

Goodno	Kalis	Milbert	Paulsen	Skoe	Vandever
Gunther	Kielkucki	Molnau	Pawlenty	Smith	Wenzel
Haake	Knoblach	Mulder	Pelowski	Stanek	Westerberg
Haas	Krinkie	Murphy	Peterson	Stang	Westfall
Hackbarth	Kubly	Ness	Reuter	Storm	Westrom
Harder	Kuisle	Nornes	Rifenberg	Swenson	Wilkin
Hasskamp	Larsen, P.	Olson	Rostberg	Sykora	Winter
Holberg	Lenczewski	Opatz	Schumacher	Tingelstad	Wolf
Holsten	Lieder	Osskopp	Seagren	Tuma	Workman
Howes	Lindner	Otremba	Seifert, J.	Tunheim	Spk. Sviggum
Juhnke	Mares	Ozment	Seifert, M.	Van Dellen	

Those who voted in the negative were:

Abrams	Entenza	Hilty	Leighton	Mullery	Solberg
Bakk	Erhardt	Huntley	Leppik	Orfield	Tomassoni
Biernat	Folliard	Jennings	Luther	Osthoff	Trimble
Carlson	Gleason	Johnson	Mahoney	Paymar	Wagenius
Carruthers	Gray	Kahn	Mariani	Pugh	Wejcmán
Chaudhary	Greenfield	Kelliher	Marko	Rhodes	
Dawkins	Greiling	Koskinen	McCollum	Rukavina	
Dorn	Hausman	Larson, D.	McGuire	Skoglund	

The motion prevailed and the amendment was adopted.

H. F. No. 1608, A bill for an act relating to health; imposing lifetime limit on certain medical benefit coverage; changing the expiration date of the consumer advisory board; modifying the Minnesota Health Care Administrative Simplification Act; modifying maternal and child health provisions; modifying provisions for speech-language pathologists, audiologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing instrument dispensers; restricting state funding to family planning services; amending Minnesota Statutes 1998, sections 62E.04, subdivision 4; 62J.51, by adding subdivisions; 62J.52, subdivisions 1, 2, and 5; 62J.60, subdivision 1; 62J.75; 62Q.64; 145.881, subdivision 2; 145.882, subdivision 7, and by adding a subdivision; 145.885, subdivision 2; 148.511; 148.515, subdivision 3; 148.517, by adding a subdivision; 148B.60, subdivision 3; 148B.68, subdivision 1; 148B.69, by adding a subdivision; 148B.71, subdivision 1; 148C.01, subdivisions 2, 7, 9, 10, and by adding a subdivision; 148C.03, subdivision 1; 148C.04, by adding subdivisions; 148C.06, subdivision 1; 148C.09, subdivisions 1 and 1a; 153A.13, subdivision 9, and by adding subdivisions; 153A.14, subdivisions 1, 2a, 2h, 4, 4a, and by adding subdivisions; and 153A.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62J; and 145; repealing Minnesota Statutes 1998, sections 145.882, subdivisions 3 and 4; and 148C.04, subdivision 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 90 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Dorman	Gunther	Holsten	Kubly
Anderson, B.	Cassell	Dorn	Haake	Howes	Kuisle
Anderson, I.	Clark, J.	Erickson	Haas	Juhnke	Larsen, P.
Bakk	Daggett	Finseth	Hackbarth	Kalis	Lenczewski
Boudreau	Davids	Fuller	Harder	Kielkucki	Lieder
Bradley	Dehler	Gerlach	Hasskamp	Knoblach	Lindner
Broecker	Dempsey	Goodno	Holberg	Krinkie	Mares

Marko	Olson	Peterson	Seifert, J.	Swenson	Westerberg
Milbert	Opatz	Pugh	Seifert, M.	Sykora	Westfall
Molnau	Osskopp	Reuter	Skoe	Tingelstad	Westrom
Mulder	Otremba	Rifenberg	Smith	Tuma	Wilkin
Mullery	Ozment	Rostberg	Solberg	Tunheim	Winter
Murphy	Paulsen	Rukavina	Stanek	Van Dellen	Wolf
Ness	Pawlenty	Schumacher	Stang	Vandeverer	Workman
Nornes	Pelowski	Seagren	Storm	Wenzel	Spk. Sviggum

Those who voted in the negative were:

Biernat	Erhardt	Hilty	Larson, D.	McGuire	Trimble
Bishop	Folliard	Huntley	Leighton	Orfield	Wagenius
Carlson	Gleason	Jennings	Leppik	Osthoff	Wejcman
Carruthers	Gray	Johnson	Luther	Paymar	
Chaudhary	Greenfield	Kahn	Mahoney	Rhodes	
Dawkins	Greiling	Kelliher	Mariani	Skoglund	
Entenza	Hausman	Koskinen	McCollum	Tomassoni	

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

Molnau moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 685, A bill for an act relating to telecommunications; deregulating coin-operated or public pay telephones under state law; authorizing the public utilities commission to assess administrative penalties for anticompetitive activities by telecommunication providers; amending Minnesota Statutes 1998, section 237.5799; proposing coding for new law in Minnesota Statutes, chapter 237.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Kelley, S. P.; Novak and Ourada.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wolf moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 685. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1485, A bill for an act relating to professions; modifying provisions of the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design relating to fees and continuing education; increasing penalties; amending Minnesota Statutes 1998, section 326.111, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Rules, part 1800.0500, subpart 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Scheid, Metzen and Oliver.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Seifert, J., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1485. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1636, A bill for an act relating to governmental operations; providing for regulatory relief for local units of government; proposing coding for new law in Minnesota Statutes, chapter 14.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Stumpf, Hottinger and Robertson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Knoblach moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1636. The motion prevailed.

MOTIONS AND RESOLUTIONS

Seifert, M., moved that his name be stricken as an author on H. F. No. 2083. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 14:

Fuller, Westerberg and Entenza.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 709:

Tunheim, Rhodes and Bakk.

ADJOURNMENT

Molnau moved that when the House adjourns today it adjourn until 9:00 a.m., Wednesday, May 12, 1999. The motion prevailed.

Molnau moved that the House adjourn. The motion prevailed, and Speaker pro tempore Boudreau declared the House stands adjourned until 9:00 a.m., Wednesday, May 12, 1999.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

