

## STATE OF MINNESOTA

## EIGHTY-FOURTH SESSION — 2006

## EIGHTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 10, 2006

The House of Representatives convened at 3:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Jonathan Zielske, Hope Lutheran Church, St. Paul, 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	Dempsey	Haws	Krinkie	Nornes	Sieben
Abrams	Dill	Heidgerken	Lanning	Olson	Simon
Anderson, B.	Dittrich	Hilstrom	Larson	Otremba	Simpson
Anderson, I.	Dorman	Hilty	Latz	Paulsen	Slawik
Atkins	Dorn	Holberg	Lenczewski	Paymar	Smith
Beard	Eastlund	Hoppe	Lesch	Pelowski	Soderstrom
Bernardy	Eken	Hornstein	Liebling	Penas	Solberg
Blaine	Ellison	Hortman	Lieder	Peppin	Sykora
Bradley	Emmer	Hosch	Lillie	Peterson, A.	Thao
Brod	Erhardt	Howes	Loeffler	Peterson, N.	Thissen
Buesgens	Erickson	Huntley	Magnus	Peterson, S.	Tingelstad
Carlson	Finstad	Jaros	Mahoney	Poppe	Urdahl
Charron	Fritz	Johnson, J.	Mariani	Powell	Vandevveer
Clark	Garofalo	Johnson, R.	Marquart	Rukavina	Wagenius
Cornish	Gazelka	Johnson, S.	McNamara	Ruth	Walker
Cox	Goodwin	Juhnke	Meslow	Ruud	Wardlow
Cybart	Greiling	Kahn	Moe	Sailer	Welti
Davids	Gunther	Kelliher	Mullery	Samuelson	Westerberg
Davnie	Hackbarth	Klinzing	Murphy	Scalze	Westrom
Dean	Hamilton	Knoblach	Nelson, M.	Seifert	Wilkin
DeLaForest	Hansen	Koenen	Nelson, P.	Sertich	Spk. Sviggum
Demmer	Hausman	Kohls	Newman	Severson	

A quorum was present.

Entenza and Ozment were excused.

Zellers was excused until 5:30 p.m.

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

### REPORTS OF CHIEF CLERK

S. F. No. 1039 and H. F. No. 1466, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

### SUSPENSION OF RULES

Koenen moved that the rules be so far suspended that S. F. No. 1039 be substituted for H. F. No. 1466 and that the House File be indefinitely postponed. The motion prevailed.

### REPORTS OF STANDING COMMITTEES

Smith from the Committee on Public Safety Policy and Finance to which was referred:

H. F. No. 2116, A bill for an act relating to elections; campaign finance; changing certain disclosure requirements; limiting independent expenditures by political party units; regulating electioneering communications; increasing certain expenditure limits; establishing a work group; amending Minnesota Statutes 2004, sections 10A.01, by adding a subdivision; 10A.14, subdivision 1; 10A.20, by adding subdivisions; 10A.25, subdivision 2; 10A.322, subdivisions 2, 4, by adding a subdivision; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Seifert from the Committee on State Government Finance to which was referred:

H. F. No. 2833, A bill for an act relating to state government; requiring state agencies to include the number of full-time equivalent positions for each agency program for the detailed budget; amending Minnesota Statutes 2004, section 16A.11, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### SUPPLEMENTAL STATE GOVERNMENT APPROPRIATIONS

##### Section 1. **SUPPLEMENTAL APPROPRIATIONS.**

The appropriations in this act are added to or, if shown in parentheses, subtracted from the appropriations enacted into law by the legislature in 2005, or other specified law, to the named agencies and for the specified programs or activities. The sums shown are appropriated from the general fund, or another named fund, to be available for the fiscal years indicated; 2006 is the fiscal year ending June 30, 2006, 2007 is the fiscal year ending June 30, 2007, and the biennium is fiscal years 2006 and 2007. Supplementary appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, are effective the day following final enactment.

Sec. 2. **OFFICE OF ENTERPRISE TECHNOLOGY**

\$0

\$1,731,000Summary by Fund

<u>General Fund</u>	<u>0</u>	<u>1,731,000</u>
<u>TOTAL</u>	<u>0</u>	<u>1,731,000</u>

**ENTERPRISE INFORMATION TECHNOLOGY SECURITY MANAGEMENT.** \$1,731,000 in 2007 is to be used to address comprehensive planning, implementation, and administration of enterprise information technology security according to Minnesota Statutes, sections 16E.01 and 16E.03. This is a onetime appropriation.

Sec. 3. **FINANCE**Summary by Fund

<u>General Fund</u>	<u>0</u>	<u>325,000</u>
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\$325,000 in 2007 is to pay for the cost of the state's bankruptcy counsel representing the state in the Northwest Airline's bankruptcy. This appropriation is available until expended.

Sec. 4. Laws 2005, chapter 156, article 1, section 8, is amended to read:

Sec. 8. **INVESTMENT BOARD**

2,167,000

~~2,167,000~~ 151,000

Sec. 5. Laws 2005, chapter 156, article 1, section 11, subdivision 5, is amended to read:

Subd. 5. **Public Broadcasting**

1,855,000

1,855,000

~~\$963,000~~ \$1,153,000 the first year and ~~\$963,000~~ \$1,153,000 the second year are for matching grants for public television. The funding base for this program in fiscal years 2008 and 2009 is \$963,000 per year.

\$398,000 the first year and \$398,000 the second year are for public television equipment grants.

Equipment or matching grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

\$17,000 the first year and \$17,000 the second year are for grants to the Twin Cities regional cable channel.

\$287,000 the first year and \$287,000 the second year are for community service grants to public educational radio stations. The grants must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

~~\$190,000 the first year and \$190,000 the second year are for equipment grants to Minnesota Public Radio, Inc. This appropriation is contingent on Minnesota Public Radio, Inc. making public a list containing the position and salary of each employee and single individual providing personal services under a contract who is paid more than \$100,000 per year by Minnesota Public Radio, Inc. or a related organization as defined in Minnesota Statutes, section 317A.011, subdivision 18.~~

Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

Sec. 6. **APPROPRIATION; LEGISLATURE.**

\$10,000 in fiscal year 2007 is appropriated from the general fund to the Legislative Coordinating Commission for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba, Canada to discuss issues of mutual concern. This is a onetime appropriation.

Sec. 7. **APPROPRIATION; PUBLIC EMPLOYEE INSURANCE PROGRAM.**

Notwithstanding Minnesota Statutes, section 295.581, \$60,000 in fiscal year 2006 and \$2,260,000 in fiscal year 2007 are appropriated from the health care access fund to the commissioner of employee relations for onetime administrative costs for marketing, communication, plan administration, and the development of a data warehouse to support the Public Employee Insurance Program.

ARTICLE 2

GOVERNMENT OPERATIONS

Section 1. **[3.0115] LEGISLATIVE SESSION IN EVEN-NUMBERED YEAR.**

A regular legislative session in an even-numbered year may not begin until the first Monday after the day established in law for conduct of precinct caucuses.

Sec. 2. Minnesota Statutes 2004, section 3.012, is amended to read:

**3.012 LEGISLATIVE DAY.**

A legislative day is a day when either house of the legislature is called to order or when a standing committee of either house of the legislature meets. A legislative day begins at seven o'clock a.m. and continues until seven o'clock a.m. of the following calendar day.

Sec. 3. Minnesota Statutes 2004, section 3.099, subdivision 1, is amended to read:

Subdivision 1. **Pay days; mileage; per diem.** The compensation of each member of the legislature is due on the first day of the regular legislative session of the term and payable in equal parts on January 15, in the first month of each term and on the first day of each following month during the term for which the member was elected. The compensation of each member of the legislature elected at a special election is due on the day the member takes the oath of office and payable within ten days of taking the oath for the remaining part of the month in which the oath was taken, and then in equal parts on the first day of each following month during the term for which the member was elected.

Each member shall receive mileage for necessary travel to the place of meeting and returning to the member's residence in the amount and for trips as authorized by the senate for senate members and by the house of representatives for house members.

Each member shall also receive per diem living expenses during a regular or special session of the legislature in the amounts and for the purposes as determined by the senate for senate members and by the house of representatives for house members, except that members must not receive per diem living expenses for a special session that is called within 60 days of adjournment of a regular session in an odd-numbered year because the legislature failed to pass the primary bill establishing state tax policy and the primary bill making appropriations in each of the following areas: higher education; early childhood through high school education; agriculture and rural development; environment and natural resources; health and human services; state government finance; economic development; public safety; and transportation. A member must not receive per diem living expenses during a special session that is called in an even-numbered year because the legislature failed to pass a bill making appropriations for capital investment during the regular session that year.

On January 15 in the first month of each term and on the first day of each following month, the secretary of the senate and the chief clerk of the house of representatives shall certify to the commissioner of finance, in duplicate, the amount of compensation then payable to each member of their respective houses and its total.

Sec. 4. Minnesota Statutes 2004, section 3.101, is amended to read:

**3.101 LIVING EXPENSES.**

A member of the legislature in addition to the compensation and mileage otherwise provided by law shall be reimbursed for living and other expenses incurred in the performance of duties or engaging in official business during a regular or special session and when the legislature is not in session in the manner and amount prescribed by the senate Committee on Rules and Administration for senators and by the house Committee on Rules and Legislative Administration for house members. A member of the legislature may not be compensated or reimbursed for housing expenses for more than six months in a calendar year.

**EFFECTIVE DATE.** This section is effective July 1, 2006, and applies to calendar year 2006.

Sec. 5. **[3.1941] PUBLIC INFORMATION.**

The house of representatives and the senate must publish a combined schedule of house and senate committee meetings and floor sessions. The combined schedule must be based on the electronic database-driven schedule system developed by the house of representatives.

Any nonpartisan, weekly news magazine providing information to the public about the legislature, the legislative process, or legislative proceedings must be a joint printed publication of the house of representatives and the senate. Editorial control under this section is the responsibility of the house of representatives.

Sec. 6. **[3.224] RULES COMMITTEE APPROVAL OF PURCHASES.**

The house of representatives or the senate may not purchase goods or services valued at more than \$5,000 from a nonlegislative entity unless the purchase is first approved by the house or senate committee with jurisdiction over rules and legislative administration.

Sec. 7. Minnesota Statutes 2005 Supplement, section 3.303, subdivision 7, is amended to read:

Subd. 7. **Economic status of women.** The commission shall study and report to the legislature on all matters relating to the economic status of women in Minnesota, including:

- (1) the contributions of women to the economy;
- (2) economic security of homemakers and women in the labor force;
- (3) opportunities for education and vocational training;
- (4) employment opportunities;
- (5) women's access to benefits and services provided to citizens of this state; and
- (6) laws and business practices constituting barriers to the full participation by women in the economy.

The commission shall also study the adequacy of programs and services relating to families in Minnesota. The commission shall communicate its findings and make recommendations to the legislature on an ongoing basis.

This subdivision expires June 30, 2007.

Sec. 8. **[3.306] MEETING TIMES.**

The house of representatives and the senate must adopt rules that set one time as the regular hour of convening daily sessions in both houses.

Sec. 9. **[3.3061] JOINT STANDING COMMITTEES.**

The house of representatives and the senate are encouraged to adopt rules that:

(1) establish a system of joint standing committees to consider and report on legislation and conduct other legislative business, except that each house may separately establish a committee on rules and administration and a committee on ethics; or

(2) provide that house and senate committees with similar jurisdiction will meet at the same time to facilitate joint meetings.

Sec. 10. Minnesota Statutes 2004, section 3.9223, subdivision 5, is amended to read:

Subd. 5. **Powers.** The council may contract in its own name. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in this section.

The ~~council~~ governor, with advice and consent of the senate shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Chicano/Latino people. The council may delegate to the executive director powers and duties under this section that do not require council approval. The executive director and council staff serve in the unclassified service. The executive director may be removed at any time by ~~a majority vote of the entire council~~ the governor. The executive director shall recommend to the council the appropriate staffing necessary to carry out its duties. The commissioner of administration shall provide the council with necessary administrative services.

Sec. 11. Minnesota Statutes 2004, section 3.9225, subdivision 5, is amended to read:

Subd. 5. **Powers.** The council may contract in its own name, but no money shall be accepted or received as a loan nor indebtedness incurred except as otherwise provided by law. Contracts shall be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in subdivisions 1 to 7.

The ~~council~~ governor, with advice and consent of the senate, shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Black people. The council may delegate to the executive director powers and duties under subdivisions 1 to 7 which do not require council approval. The executive director serves in the unclassified service and may be removed at any time by the ~~council~~ governor. The executive director shall recommend to the council, and the council may appoint the appropriate staff necessary to carry out its duties. Staff members serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services.

Sec. 12. Minnesota Statutes 2004, section 3.9226, subdivision 5, is amended to read:

Subd. 5. **Powers.** (a) The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(b) The ~~council~~ governor, with advice and consent of the senate, shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Asian-Pacific people. The council may delegate to the executive director powers and duties under this section that do not require council approval. The executive director serves in the unclassified service and may be removed at any time by the ~~council~~ governor. The executive director shall appoint the appropriate staff necessary to carry out the duties of the council. All staff members serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services.

Sec. 13. **[6.465] DEFINITIONS.**

Subdivision 1. **Application.** For the purposes of this chapter, the terms defined in this section have the meaning given them.

Subd. 2. **Political subdivision.** "Political subdivision" means a county, home rule charter or statutory city, town, school district, metropolitan or regional agency, public corporation, political subdivision, or special district as defined in subdivision 3. "Political subdivision" does not include a metropolitan or regional agency or a public corporation audited by the legislative auditor.

Subd. 3. **Special district.** "Special district" means a public entity with a special or limited purpose, financed by property tax revenues or other public funds, that is not included in a city, county, or town financial report as a component of that local government, that is created or authorized by law, and that is governed by (1) persons directly elected to the governing board of the district, (2) persons appointed to the governing board of the district by local elected officials, (3) local elected officials who serve on the board by virtue of their elected office, or (4) a combination of these methods of selection. Special district includes special taxing districts listed in section 275.066.

Sec. 14. Minnesota Statutes 2004, section 6.47, is amended to read:

**6.47 ACCOUNTING AND BUDGETING SYSTEMS; INVESTIGATION, FORMS.**

The state auditor shall inquire into the accounting and budgeting systems of all ~~local units of government~~ political subdivisions and shall prescribe suitable systems of accounts and budgeting, and forms, books, and instructions concerning the same. At the request of any ~~local unit of government~~ political subdivision the state auditor may install such systems. ~~The state auditor shall recommend a form for order and warrant checks of all local units of government which shall conform, so far as consistent with statutory and charter requirements, to approved banking practice in order to facilitate handling of such instruments by banks and other depositories.~~

Sec. 15. Minnesota Statutes 2004, section 6.51, is amended to read:

**6.51 SCHOOL DISTRICTS, TOWNS, AND STATUTORY CITIES OTHER POLITICAL SUBDIVISIONS.**

All powers and duties of the state auditor herein imposed and conferred with respect to the supervision, inspection, and examination of books and accounts of cities in section 6.50 are herewith extended to all ~~school districts, towns, and statutory cities~~ political subdivisions of this state. A copy of the report of such examination shall be filed, subject to public inspection, with the clerk or chief administrative officer of the ~~town, statutory city, or school district~~ political subdivision receiving such examination, and an additional copy with the county auditor of the county in which the administrative offices of ~~such town, statutory city, or school district~~ the political subdivision are located. If such report disclose malfeasance, misfeasance, or nonfeasance in office, the state auditor shall file such copy with the county attorney of the county in which the administrative offices of ~~such school district, town, or statutory city~~ the political subdivision are located, and the county attorney shall institute such proceedings as the law and the public interest require.

Sec. 16. Minnesota Statutes 2004, section 6.54, is amended to read:

**6.54 EXAMINATION OF ~~COUNTY AND MUNICIPAL~~ POLITICAL SUBDIVISION RECORDS PURSUANT TO PETITION.**

Subdivision 1. Petition of voters for audit. The registered voters in a ~~county or home rule charter or statutory city~~ political subdivision other than a town or school district or the electors at an annual or special town meeting of a town may petition the state auditor to examine the books, records, accounts, and affairs of the ~~county, home rule charter or statutory city, town~~ political subdivision, or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the examination may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during the examination that the audit period should be extended to permit a full recovery under bonds furnished by public officers or employees, and may if it appears to the auditor in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a ~~county or home rule charter or statutory city~~ political subdivision other than a town or school district, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election.

Subd. 2. School districts. The eligible voters of any school district may petition the state auditor, who shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten eligible voters for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In the case of school districts, the petition shall be signed by at least ten eligible voters.

**Subd. 3. Certifications required.** At the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the ~~county, city, or school district~~ political subdivision as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate ~~city or school district clerk or chief administrative officer of the political subdivision~~ and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or eligible voters as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery of the costs, charges, and expenses of any examination made pursuant to the petition.

Sec. 17. Minnesota Statutes 2004, section 6.55, is amended to read:

#### **6.55 EXAMINATION OF RECORDS PURSUANT TO RESOLUTION OF GOVERNING BODY.**

The governing body of any ~~city, town, county or school district~~ political subdivision, by appropriate resolution may ask the state auditor to examine the books, records, accounts and affairs of their government, or of any organizational unit, activity, project, enterprise, or fund thereof; and the state auditor shall examine the same upon receiving, pursuant to said resolution, a written request signed by a majority of the members of the governing body; and the governing body of any ~~public utility commission, or of any public corporation having a body politic and corporate~~ political subdivision, or of any instrumentality joint or several of any ~~city, town, county, or school district~~ political subdivision, may request an audit of its books, records, accounts and affairs in the same manner; provided that the scope of the examination may be limited by the request, but such examination shall cover, at least, all cash received and disbursed and the transactions relating thereto. Such written request shall be presented to the clerk, ~~or~~ recording officer, ~~or chief administrative officer of such city, town, county, school district, public utility commission, public corporation~~ the political subdivision, or instrumentality, before being presented to the state auditor, who shall determine whether the same is signed by a majority of the members of such governing body and, if found to be so signed, shall certify such fact, and the fact that such resolution was passed, which certificate shall be conclusive evidence thereof in any action or proceedings for the recovery of the costs, charges and expenses of any examination made pursuant to such request. Nothing contained in any of the laws of the state relating to the state auditor, shall be so construed as to prevent any ~~county, city, town, or school district~~ political subdivision from employing a certified public accountant to examine its books, records, accounts, and affairs. For the purposes of this section, the governing body of a town is the town board.

Sec. 18. Minnesota Statutes 2004, section 6.551, is amended to read:

#### **6.551 EXAMINATION OF GRANTEEES AND CONTRACTORS OF LOCAL GOVERNMENTS POLITICAL SUBDIVISIONS.**

The state auditor may examine the books, records, documents, and accounting procedures and practices of a contractor or grantee of a ~~local government~~ political subdivision pursuant to section 16C.05, subdivision 5 ~~and section 16A.86~~. The examination shall be limited to the books, records, documents, and accounting procedures and practices that are relevant to the contract or transaction with the ~~local government~~ political subdivision.

Sec. 19. Minnesota Statutes 2004, section 6.57, is amended to read:

#### **6.57 COST OF EXAMINATION, COLLECTION.**

On July ~~first~~, 1 of each year, the state auditor shall certify all uncollected claims for the examination of any ~~county, city, town, or school district~~ political subdivision ~~which~~ that have remained unpaid for a period of three months from the date of such claim. The auditor shall forthwith notify the clerk, ~~or~~ recording officer, ~~or chief administrative officer of each county, city, town, or school district~~ political subdivision against which the state has a claim that, if the same is not paid, with interest at the rate of six percent per annum from the date of the claim, within 90 days, the full amount thereof will be certified to the county auditor of the county having such examination, or to

the county auditor for the county or counties in which ~~such city, town, or school district~~ the political subdivision is situated, for collection by special tax levy, as herein provided. Such notice shall be served by certified mail and the deposit thereof in the United States mail shall constitute due and legal service thereof upon the ~~county, city, town, or school district~~ political subdivision.

Sec. 20. Minnesota Statutes 2004, section 6.59, is amended to read:

**6.59 CLAIM OF STATE FOR COST OF EXAMINATION, CONTEST.**

On or before September ~~first~~ 1 of each year, following service of the notice, any ~~such county, city, town, or school district~~ political subdivision may serve notice, in writing, upon the attorney general that it desires to contest the legality of the state's claim, and the attorney general shall forthwith file with the court administrator of the district court of the county having such examination, or in which ~~such city, town, or school district~~ the political subdivision, or major part thereof, is situated, a verified statement of the state's claim, duly itemized and serve upon the auditor ~~or clerk, or chief administrative officer~~ of ~~such county, city, town, or school district~~ the political subdivision, by certified mail, a copy of such statement. ~~Such county, city, town, or school district~~ The political subdivision may file with the court administrator of such district court, within ten days after the service of such statement upon it, verified objections to the state's claim, and such district court shall thereupon summarily, in or out of term, hear and determine the amount due the state, if any, for such examination, at a time and place fixed by the court therefor. The court administrator of court shall certify to the county auditor of the county having such examination, or to the county auditor of the county or counties in which ~~such city, town, or school district~~ the political subdivision is situated, the amount so determined by the court to be due to the state, if any.

Sec. 21. Minnesota Statutes 2004, section 6.60, is amended to read:

**6.60 STATE AUDITOR, CERTIFICATION OF AMOUNTS DUE.**

On October ~~first~~ 1 of each year, the state auditor shall certify the respective amounts due the state from the various ~~counties, cities, towns, and school districts~~ political subdivisions, including interest computed to July first, following, to the county auditor of the county having such examination, or to the county auditor of the county in which any ~~such city, town, or school district~~ political subdivision is, in whole or in part, situated. The county auditor, upon receiving a certificate from the state auditor, or a certificate from the court administrator, as provided in section 6.59, shall include the amount of the state's claim, with 25 percent added, in the tax levy for general revenue purposes of the ~~county or municipality~~ political subdivision liable therefor, and such additional levy shall not be within any limitation imposed by law upon the amount of taxes which may be levied for revenue purposes. Upon completion of the June tax settlement following such levy the county treasurer shall deduct from the amount apportioned to the ~~county or municipality~~ political subdivision for general revenue purposes, the amount due the state, including interest, and remit the same to the commissioner of finance.

Sec. 22. Minnesota Statutes 2004, section 6.62, subdivision 2, is amended to read:

Subd. 2. **Cost of postaudit.** The amount of said levy shall be the amount of the claim or claims submitted by the state auditor for such services or the auditor's estimate of the entire cost, and said amount shall be certified by the governing body, after the request or petition for the audit has been filed, to the county auditor, along with amounts requested for other governmental purposes. If such levy has been made in excess of statutory limitations, and if the request or petition is withdrawn after the amount of the levy has been certified but the levy cannot be canceled because it has been spread on the tax lists, the governing body shall cause the proceeds of such levy to be transferred to the general fund and reduce the succeeding year's levy for general purposes accordingly. Provided, however, ~~counties, cities, and other governmental units~~ political subdivisions whose financial affairs are required by statute or charter to be audited at regular intervals may levy annually or biennially in anticipation of the audit expense, without the presentment of such claim or estimate by the state auditor.

Sec. 23. Minnesota Statutes 2004, section 6.63, is amended to read:

**6.63 APPLICATION.**

The units of government set forth in sections 6.465, 6.56, 6.57, 6.59, 6.60, and 6.62 shall be construed, where applicable, to include, in addition to those therein specifically named, public utility commissions, public corporations, and instrumentalities.

Sec. 24. Minnesota Statutes 2004, section 6.64, is amended to read:

**6.64 COOPERATION WITH PUBLIC ACCOUNTANTS; PUBLIC ACCOUNTANT DEFINED.**

There shall be mutual cooperation between the state auditor and public accountants in the performance of auditing, accounting, and other related services for ~~counties, cities, towns, school districts, and other public corporations~~ political subdivisions. For the purposes of sections 6.64 to 6.71 the term public accountant shall have the meaning ascribed to it in section 412.222.

Sec. 25. Minnesota Statutes 2004, section 6.65, is amended to read:

**6.65 MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.**

The state auditor shall prescribe minimum procedures and the audit scope for auditing the books, records, accounts, and affairs of ~~counties and local governments~~ political subdivisions in Minnesota. The minimum scope for audits of all ~~local governments~~ political subdivisions must include financial and legal compliance audits. Audits of all school districts must include a determination of compliance with uniform financial accounting and reporting standards. The state auditor shall promulgate an audit guide for legal compliance audits, in consultation with representatives of the state auditor, the attorney general, towns, cities, counties, school districts, and private sector public accountants.

Sec. 26. Minnesota Statutes 2004, section 6.66, is amended to read:

**6.66 CERTAIN PRACTICES OF PUBLIC ACCOUNTANTS AUTHORIZED.**

Any public accountant may engage in the practice of auditing the books, records, accounts, and affairs of ~~counties, cities, towns, school districts, and other public corporations which~~ political subdivisions that are not otherwise required by law to be audited exclusively by the state auditor.

Sec. 27. Minnesota Statutes 2004, section 6.67, is amended to read:

**6.67 PUBLIC ACCOUNTANTS; REPORT OF EVIDENCE POINTING TO MISCONDUCT.**

Whenever a public accountant in the course of auditing the books and affairs of a ~~county, city, town, school district, or other public corporation~~ political subdivision, shall discover evidence pointing to nonfeasance, misfeasance, or malfeasance, on the part of an officer or employee in the conduct of duties and affairs, the public accountant shall promptly make a report of such discovery to the state auditor and the county attorney of the county in which the ~~governmental unit~~ political subdivision is situated and the public accountant shall also furnish a copy of the report of audit upon completion to said officers. The county attorney shall act on such report in the same manner as required by law for reports made to the county attorney by the state auditor.

Sec. 28. Minnesota Statutes 2004, section 6.68, is amended to read:

#### **6.68 STATE AUDITOR MAY ASSIST PUBLIC ACCOUNTANT IN AUDIT.**

Subdivision 1. **Request to governing body.** If in an audit of a ~~county, city, town, school district, or other public corporation~~ political subdivision, a public accountant has need of the assistance of the state auditor, the accountant may obtain such assistance by requesting the governing body of the ~~governmental unit~~ political subdivision being examined to request the state auditor to perform such auditing or investigative services, or both, as the matter and the public interest require.

Subd. 2. **Auditor's report; payment.** The state auditor shall work in close cooperation with the public accountant in rendering the services so requested and the state auditor shall make such report of findings to the county attorney as is required by law to be made of nonfeasance, misfeasance, and malfeasance discovered by the state auditor. The ~~governmental unit~~ political subdivision shall be liable for the payment of such services so performed by the state auditor in the same manner as if it had requested the services pursuant to section 6.55.

Sec. 29. Minnesota Statutes 2004, section 6.70, is amended to read:

#### **6.70 ACCESS TO REPORTS.**

The state auditor and the public accountants shall have reasonable access to each other's audit reports, working papers, and audit programs concerning audits made by each of ~~counties, cities, towns, school districts, and other public corporations~~ political subdivisions.

Sec. 30. Minnesota Statutes 2004, section 6.71, is amended to read:

#### **6.71 SCOPE OF AUDITOR'S INVESTIGATION.**

Whenever the governing body of a ~~county, city, town, or school district~~ political subdivision shall have requested a public accountant to make an audit of its books and affairs, and such audit is in progress or has been completed, and registered voters or electors petition or the governing body requests or both the state auditor to make an examination covering the same, or part of the same, period, the state auditor may, in the public interest, limit the scope of the examination to less than that specified in section 6.54, but the scope shall cover, at least, an investigation of those complaints which are within the state auditor's powers and duties to investigate.

#### **Sec. 31. [6.756] SPECIAL DISTRICTS; INFORMATION REQUIRED TO BE FILED WITH STATE AUDITOR; AUDITS.**

Subdivision 1. **Governance documents must be filed.** Each special district must file with the state auditor, within 60 days of adoption, any document relating to the governance of the district, including articles of incorporation, bylaws, or agreements, and any amendment to these documents.

Subd. 2. **Audit requirements.** (a) A special district with total annual revenue greater than the amount in paragraph (c) must provide for an annual audit of the district's financial affairs by the state auditor or a public accountant in accordance with minimum auditing procedures prescribed by the state auditor.

(b) A special district with total annual revenue that is equal to or less than the amount in paragraph (c) must provide for an audit of the district's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years. The audit must be for a one-year period to be determined at random by the person conducting the audit. The audited financial statement must be prepared in a form prescribed by the state auditor similar to the reporting requirements for cities under

2,500 in population. For any year in which a special district is not audited, the district must prepare a financial statement in a form prescribed by the state auditor similar to the reporting requirements for cities reporting on a cash basis and file that statement with the state auditor.

(c) For the purposes of paragraphs (a) and (b), the amount in 2007 is \$150,000 and in 2008 and after, \$150,000 adjusted for inflation using the annual implicit price deflator for government expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31 of the previous year.

(d) This subdivision does not apply to a special district subject to financial auditing and reporting requirements under other law.

Subd. 3. **Presentation to governing board; filing with state auditor.** Except as provided by other law, financial statements and audits must be completed, presented to the district's governing board, and filed with the state auditor within 180 days after the end of the district's fiscal year.

Sec. 32. Minnesota Statutes 2004, section 6.76, is amended to read:

#### **6.76 LOCAL GOVERNMENTAL POLITICAL SUBDIVISION EXPENDITURES FOR LOBBYISTS.**

(a) On or before January 31 of each year, all ~~counties, cities, school districts, metropolitan agencies, regional railroad authorities, and the Metropolitan Council~~ political subdivisions shall report to the state auditor, on forms prescribed by the auditor, their estimated expenditures paid for the previous calendar year to a lobbyist as defined in section 10A.01, subdivision 21, except payments to associations of ~~local governments~~ political subdivisions that are reported under paragraph (b), and to any staff person not registered as a lobbyist, over 25 percent of whose time is spent during the legislative session on legislative matters.

(b) Associations of ~~local governments~~ political subdivisions subject to this section shall report annually, on or before January 31, to the state auditor and the association's members the proportionate amount of each member's dues spent for lobbying purposes.

(c) For purposes of this section, "political subdivision" has the meaning given in section 6.465, but also includes a metropolitan or regional agency or a public corporation audited by the legislative auditor.

Sec. 33. Minnesota Statutes 2004, section 8.01, is amended to read:

#### **8.01 APPEARANCE.**

The attorney general shall appear for the state in all causes in the supreme and federal courts wherein the state is directly interested; also in all civil causes of like nature in all other courts of the state whenever, in the attorney general's opinion, the interests of the state require it. Upon request of the county attorney, the attorney general shall appear in court in such criminal cases as the attorney general deems proper. Upon request of a county attorney, the attorney general may assume the duties of the county attorney in sexual psychopathic personality and sexually dangerous person commitment proceedings under section 253B.185. Whenever the governor shall so request, in writing, the attorney general shall prosecute any person charged with an indictable offense, and in all such cases may attend upon the grand jury and exercise the powers of a county attorney. The attorney general may not provide funds or other assistance to a county attorney or other local government prosecutor for purposes related to prosecution or potential prosecution of laws relating to elections or campaign practices.

Sec. 34. Minnesota Statutes 2005 Supplement, section 10.60, subdivision 3, is amended to read:

Subd. 3. **Prohibitions.** (a) A Web site or publication must not include pictures or other materials that tend to attribute the Web site or publication to an individual or group of individuals instead of to a public office, state agency, or political subdivision. A publication must not include the words "with the compliments of" or contain letters of personal greeting that promote an elected or appointed official of a state agency or political subdivision.

(b) A Web site may not contain a link to a Weblog or site maintained by a candidate, a political committee, a political party or party unit, a principal campaign committee, or a state committee. Terms used in this paragraph have the meanings given them in chapter 10A, except that "candidate" also includes a candidate for an elected office of a political subdivision. This paragraph does not apply to a Web site maintained by a public library if the link is provided only for nonpartisan and educational purposes.

**EFFECTIVE DATE.** This section is effective July 1, 2006.

Sec. 35. Minnesota Statutes 2004, section 10A.15, subdivision 5, is amended to read:

Subd. 5. **Registration number on checks.** (a) A contribution made to a candidate by a lobbyist, political committee, political fund, or party unit must show the name of the lobbyist, political committee, political fund, or party unit and the number under which it is registered with the board.

(b) A candidate who receives a contribution that lacks the registration number required by this section is not subject to a fine if the candidate is required to return any such contribution and does so by January 31 of the calendar year after the year in which the contribution was received.

Sec. 36. Minnesota Statutes 2005 Supplement, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund, 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. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,250,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Of this appropriation, \$65,000 each fiscal year must be set aside to pay assessments made by the Office of Administrative Hearings under section 211B.37. Any balance remaining in the first year of the biennium does not cancel and is available for the second year. Amounts remaining at the end of the second year after all assessments have been paid must be canceled to the general account.

Sec. 37. Minnesota Statutes 2005 Supplement, section 11A.04, is amended to read:

#### **11A.04 DUTIES AND POWERS.**

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 if state assets are involved and in accordance with chapter 356A if pension assets are involved.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board must allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board are not subject to the Administrative Procedure Act.

(3) Employ an executive director as provided in section 11A.07.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to section 15.059 to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the commissioner of finance to sell property other than money that has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property must be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. Public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the Constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility. There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs of employing private firms. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

(14) Adopt a compensation plan setting the terms and conditions of employment for unclassified board employees who are not covered by a collective bargaining agreement.

There is annually appropriated to the state board, from the assets of the funds for which the state board provides investment services, sums sufficient to pay the costs of all necessary expenses for the administration of the board. These sums will be deposited in the State Board of Investment operating account, which must be established by the commissioner of finance.

Sec. 38. Minnesota Statutes 2005 Supplement, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Finance;

(3) employ professional and clerical staff as necessary. Employees whose primary responsibility is to invest or manage money or employees who hold positions designated as unclassified under section 43A.08, subdivision 1a, are in the unclassified service of the state. Other employees are in the classified service. Unclassified employees who are not covered by a collective bargaining agreement are employed under the terms and conditions of the compensation plan approved under section 43A.18, subdivision 3b;

~~(3)~~ (4) report to the state board on all operations under the director's control and supervision;

~~(4)~~ (5) maintain accurate and complete records of securities transactions and official activities;

~~(5)~~ (6) establish a policy relating to the purchase and sale of securities on the basis of competitive offerings or bids. The policy is subject to board approval;

~~(6)~~ (7) cause securities acquired to be kept in the custody of the commissioner of finance or other depositories consistent with chapter 356A, as the state board deems appropriate;

~~(7)~~ (8) prepare and file with the director of the Legislative Reference Library, by December 31 of each year, a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year. The report must be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, and brokerage organizations. The report must contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles;

~~(8)~~ (9) require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of its investment activities;

~~(9)~~ (10) receive and expend legislative appropriations; and

~~(10)~~ (11) undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with chapter 356A.

Sec. 39. Minnesota Statutes 2004, section 11A.07, subdivision 5, is amended to read:

Subd. 5. **Apportionment of expenses.** ~~The executive director shall apportion the actual expenses incurred by the board on an accrual basis among the several funds whose assets are invested by the board based on the weighted average assets under management during each quarter. The charge to each fund must be calculated, billed, and paid on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of finance. The amounts necessary to pay these charges are appropriated from the investment earnings of each fund. Receipts must be credited to the general fund as nondedicated receipts. The annual expenses incurred by the State~~

Board of Investment will be apportioned among the state general fund, the retirement funds administered by the Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association, and all other funds as follows:

(1) on a biennial basis, the State Board of Investment, in accordance with biennial budget procedures established by the commissioner of finance, may request a direct appropriation that represents the portion of the State Board of Investment expenses necessary to provide investment services to the state general fund. This appropriation must be deposited in the State Board of Investment operating account;

(2) the executive director shall apportion the actual expenses incurred by the State Board of Investment, less the charge to the state general fund, among the funds whose assets are invested by the State Board of Investment, with the exception of the state general fund, based on the weighted average assets under management during the fiscal year. The amounts necessary to pay these charges are apportioned from the investment earnings of each fund. Receipts must be credited to the State Board of Investment operating account;

(3) the actual expenses apportioned and charged to the funds, with the exception of the state general fund and the retirement funds administered by the Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association, must be calculated, billed, and paid on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of finance; and

(4) the annual estimated expenses to be incurred by the State Board of Investment that will be payable by the retirement funds administered by the Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association must be deposited in the State Board of Investment operating account on the first business day of each fiscal year. A reconciliation of the actual expenses compared to the estimated costs must occur at the end of each fiscal year with any surplus or deficit being credited or debited to each of the respective funds. The State Board of Investment must present a statement of accrued actual expenses to each fund at the end of each quarter during each fiscal year.

Sec. 40. Minnesota Statutes 2005 Supplement, section 14.127, subdivision 1, is amended to read:

Subdivision 1. **Cost thresholds.** An agency must determine if the cost of complying with a proposed rule in the first year after the rule takes effect will exceed ~~\$25,000~~ \$10,000 for: (1) any one business that has less than 50 full-time employees; or (2) any one statutory or home rule charter city that has less than ten full-time employees. For purposes of this section, "business" means a business entity organized for profit or as a nonprofit, and includes an individual, partnership, corporation, joint venture, association, or cooperative.

**EFFECTIVE DATE.** This section is effective July 1, 2006. This section applies to any rule for which the public hearing record has not closed before July 1, 2006, or, if there is no public hearing, for which the agency has not submitted the record to the administrative law judge before that date.

Sec. 41. Minnesota Statutes 2005 Supplement, section 14.127, subdivision 3, is amended to read:

Subd. 3. **Legislative approval required.** If the agency determines that the cost exceeds the threshold in subdivision 1, or if the administrative law judge disapproves the agency's determination that the cost does not exceed the threshold in subdivision 1, any business that has less than 50 full-time employees or any statutory or home rule charter city that has less than ten full-time employees may file a written statement with the agency claiming a temporary exemption from the rules. Upon filing of such a statement with the agency, the rules do not apply to that business or that city until the rules are approved by a law enacted after the agency determination or administrative law judge disapproval.

An agency that receives a statement claiming a temporary exemption must report to the legislature by January 15 after receiving the statement. Each report must list the name of each business or city claiming an exemption and a citation to the rule that is the subject of the exemption. The report must be filed in the manner specified in section 3.195, and a copy must also be sent to the revisor of statutes.

Sec. 42. Minnesota Statutes 2005 Supplement, section 14.127, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the legislature has appropriated money to sufficiently fund the expected cost of the rule upon the business or city proposed to be regulated by the rule.

(b) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the rule has been proposed pursuant to a specific federal statutory or regulatory mandate.

(c) This section does not apply if the rule is adopted under section 14.388 or under another law specifying that the rulemaking procedures of this chapter do not apply.

(d) This section does not apply to a rule adopted by the Public Utilities Commission.

(e) Subdivision 3 does not apply if the governor waives application of subdivision 3. The governor may issue a waiver at any time, either before or after the rule would take effect, but for the requirement of legislative approval. As soon as possible after issuing a waiver under this paragraph, the governor must send notice of the waiver to the speaker of the house of representatives and the president of the senate and must publish notice of this determination in the State Register. Authority for the governor to issue a new waiver under this paragraph expires June 30, 2007.

Sec. 43. **[14.1275] MORATORIUM ON UNFUNDED MANDATES TO BUSINESSES AND LOCAL GOVERNMENTS.**

(a) An agency may not adopt a rule if the cost of complying with the rule will exceed \$10,000 in the first year after the rule takes effect for:

(1) any one business; or

(2) any one statutory or home rule charter city, county, township, or school district.

For purposes of this section, "business" means a business entity organized for profit or as a nonprofit, and includes an individual, partnership, corporation, joint venture, association, or cooperative.

(b) This section does not apply if an administrative law judge approves an agency's determination that:

(1) the legislature has appropriated money to sufficiently fund the expected cost of the rule upon the business or government entity proposed to be regulated by the rule; or

(2) the rule has been proposed pursuant to a federal statutory or regulatory mandate. This section expires January 1, 2009.

**EFFECTIVE DATE.** This section is effective July 1, 2006. This section applies to any rule for which the hearing record has not closed before July 1, 2006, or, if there is no public hearing, for which the agency has not submitted the record to the administrative law judge before that date.

Sec. 44. **[14.1276] LEGISLATIVE APPROVAL REQUIRED.**

The governor must determine if the cost to be paid from the state general fund for administering, complying with, or making payments under a proposed rule in the first year after the rule takes effect will exceed \$10,000. The governor must make this determination during the period in which the governor is authorized to veto a proposed rule under section 14.05, subdivision 6. If the governor determines that the cost exceeds \$10,000, the rule does not become effective until approved by a law enacted after the governor's determination. This section does not apply to a rule that the governor determines is proposed pursuant to a specific federal mandate. If the governor determines that part of a proposed rule exceeds the threshold in this section, but that a severable portion of the proposed rule does not exceed the threshold, the governor may certify that portion of the rule that will take effect without legislative approval. If the governor determines under this section that all or part of a proposed rule will not take effect until authorized by subsequent law, the governor must publish notice of this in the State Register and must notify the chairs of the legislative committees having jurisdiction over the agency whose rule is affected.

**EFFECTIVE DATE.** This section is effective July 1, 2006, and applies to a rule that is submitted to the governor under Minnesota Statutes, section 14.05, subdivision 6, on or after that date.

Sec. 45. Minnesota Statutes 2004, section 15.0575, subdivision 3, is amended to read:

Subd. 3. **Compensation.** (a) Members of the boards may be compensated at the rate of \$55 a day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. If the amount of time spent on a board activity, including time spent traveling to and from the member's home, is more than eight hours per day, the member may be compensated at the rate of up to \$66 for that day. Members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization.

(b) Members who are state employees or employees of the political subdivisions of the state must not receive the daily payment for activities that occur during working hours for which they are compensated by the state or political subdivision. However, a state or political subdivision employee may receive the daily payment if the employee uses vacation time or compensatory time accumulated in accordance with a collective bargaining agreement or compensation plan for board activities. Members who are state employees or employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their working hours.

(c) Each board must adopt internal standards prescribing what constitutes a day spent on board activities and how to document days on which a person spends more than eight hours on board activities for purposes of making daily payments under this subdivision.

Sec. 46. **[15.0585] GROUPS ABOLISHED FOR FAILURE TO MEET.**

This section applies to every state executive branch advisory council, committee, and task force, and also applies to councils created in sections 3.922, 3.9223, 3.9225, and 3.9226. If a group covered by this section fails to achieve a quorum necessary to conduct business at three consecutive regularly scheduled meetings, the group is abolished immediately.

Sec. 47. Minnesota Statutes 2004, section 15.059, subdivision 3, is amended to read:

Subd. 3. **Compensation.** (a) Members of the advisory councils and committees may be compensated at the rate of \$55 a day spent on council or committee activities, when authorized by the council or committee, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. If the amount of time spent on a council or committee activity, including time spent traveling to and from the member's home, is more than eight hours per day, the member may be compensated at the rate of up to \$66 for that day. Members who, as a result of time spent attending council or committee meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon council or committee authorization.

(b) Members who are state employees or employees of political subdivisions must not receive the daily compensation for activities that occur during working hours for which they are compensated by the state or political subdivision. However, a state or political subdivision employee may receive the daily payment if the employee uses vacation time or compensatory time accumulated in accordance with a collective bargaining agreement or compensation plan for council or committee activity. Members who are state employees or employees of the political subdivisions of the state may receive the expenses provided for in this section unless the expenses are reimbursed by another source. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their working hours.

(c) Each council and committee must adopt internal standards prescribing what constitutes a day spent on council or committee activities and how to document days on which a person spends more than eight hours on council or committee activities for purposes of making daily payments under this subdivision.

Sec. 48. Minnesota Statutes 2004, section 15.059, subdivision 5, is amended to read:

Subd. 5. **Expiration date.** (a) Unless a different date is specified by law, the existence of each advisory council and committee expires on the date specified in the law establishing the group or on June 30, 2003, ~~whichever is sooner~~ 2007. This subdivision applies whether or not the law establishing the group provides that the group is governed by this section.

(b) An advisory council or committee does not expire in accordance with paragraph (a) if it:

- (1) is an occupational licensure advisory group to a licensing board or agency;
- (2) administers and awards grants; or
- (3) is required by federal law or regulation.

Sec. 49. Minnesota Statutes 2004, section 15.066, subdivision 2, is amended to read:

Subd. 2. **Procedure.** In all appointments to state agencies which require the advice and consent of the senate, the following procedure shall apply:

(a) the appointing authority shall provide to the president of the senate a letter of appointment which shall include the position title to which the appointment is being made; the name, street address, city and county of the appointee; and the term of the appointment;

(b) for those positions for which a statement of economic interest is required to be filed by section 10A.09, the appointing authority shall give the notice to the Campaign Finance and Public Disclosure Board required by section 10A.09, subdivision 2, at the time the letter of appointment is directed to the president of the senate;

(c) if the appointment is subject to the open appointments program provided by section 15.0597, the appointing authority shall provide the senate with a copy of the application provided by section 15.0597, at the time the letter of appointment is directed to the president of the senate; ~~and~~

(d) the appointment shall be effective and the appointee may commence to exercise the duties of the office upon the receipt of the letter of appointment by the president of the senate; and

(e) if the senate neither confirms nor rejects the appointment before the senate adjourns the annual regular session to which the appointment was submitted, the senate may not thereafter act on the appointment, except that if an appointment is submitted within 20 days before the adjournment of a regular session, the senate may act on the appointment within 20 days after the beginning of the next regular annual session.

Sec. 50. **[15.165] OCCUPATIONAL LICENSING TESTS.**

An executive branch state agency requiring an applicant for an occupational license to appear in person to take a test must offer the test in at least three sites outside of the seven-county metropolitan area. Agencies issuing occupational licenses are encouraged to develop tests that can be administered online, to the extent practical.

Sec. 51. **[15.445] NOTIFICATION OF CERTAIN CHANGES TO PROFESSIONAL LICENSURE LAWS AND RULES.**

An executive agency under section 16A.011, subdivision 12, that issues a professional license must notify all current license holders of any changes made to laws or rules administered by the agency under which a fine or other sanction may be imposed on a noncompliant license holder. The agency must notify all current license holders of the law or rule changes by mail at their last known addresses on or before the effective date of the changes.

Sec. 52. **[15.84] USE OF VOLUNTEERS.**

Notwithstanding any law to the contrary, the state, a higher education institution, a statutory or home rule charter city, county, town, school district, or other governmental unit may use volunteers to provide services. A governmental unit may not enter into a collective bargaining agreement or other agreement that restricts the ability of the governmental unit to use volunteers.

Sec. 53. **[15.845] LIMIT ON ELECTED OFFICIAL PER DIEM.**

(a) A legislator, constitutional officer, or an elected local government official may not receive more than one per diem payment from all state or local government sources for any one day. The amount of a per diem payment paid by a local government unit may not exceed the amount of the per diem payment authorized for members of the house of representatives or members of the senate, whichever is lower.

(b) For purposes of this section:

(1) a per diem payment is a payment in addition to salary paid on a daily basis for work done on the activities of a public body; and

(2) an elected local government official is an elected member of the governing body of a county, statutory or home rule charter city, town, school district, or other political subdivision.

Sec. 54. **[15.995] HISTORIC PUBLICLY OWNED BUILDINGS.**

A political subdivision of the state must not sell a building it owns that is listed on the National Register of Historic Places, unless the political subdivision first:

(1) notifies the Minnesota Historical Society and waits at least two years, during which the political subdivision must request of and receive from the Historical Society a study of the best use of the property in order to ascertain and preserve the historical value of the property and ensure public use; and

(2) requests of and receives from the Department of Administration an inventory and appraisal of the affected real and personal property to determine its value.

The Department of Administration and the Minnesota Historical Society must jointly report their findings to the chairs and ranking minority members of legislative committees with jurisdiction over state government finance. The requesting political subdivision must pay the Minnesota Historical Society and the Department of Administration for services provided under this section.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 55. **[15A.23] SALARY FORFEITURE.**

Subdivision 1. **Other law superseded.** Notwithstanding any law to the contrary, members of the legislature and the governor forfeit salary under the circumstances described in this section.

Subd. 2. **Failure to enact budget in odd-numbered year.** (a) In an odd-numbered year:

(1) members of the legislature and the governor forfeit their salary for the month of June if the house of representatives and the senate have not passed all of the major appropriation and revenue bills before midnight of the first Monday following the third Saturday in May;

(2) members of the legislature and the governor forfeit their salary for the months of July and August if the house of representatives and the senate have not passed all of the major appropriation and revenue bills before midnight on June 30; and

(3) after August, members of the legislature and the governor forfeit their salary for the next month if the house of representatives and the senate have not passed all of the major appropriation bills by the end of the preceding month.

(b) Members of the legislature may not receive per diem payments during any period under this section in which members forfeit their salary.

(c) If the governor forfeits salary under this section and the state pay periods do not exactly coincide with the calendar month of forfeiture, the governor forfeits salary for the two, two-week pay periods beginning after the first day of that month.

(d) For purposes of this section, "major appropriation and revenue bills" mean one or more bills establishing the taxes anticipated to be needed to provide funding for state appropriations, and bills making appropriations for the following areas: higher education; K-12 education; agriculture, environment, and natural resources; health and human services; state government; jobs and economic development; transportation; and public safety. This section does not require bills to be organized in the manner specified in this paragraph, provided that appropriations are enacted covering all of the topics listed in this paragraph.

Subd. 3. **Failure to enact budget decisions in even-numbered year.** (a) If the legislature meets in regular session in an even-numbered year, members of the legislature and the governor forfeit their salary for the month beginning immediately following adjournment of the regular session if:

(1) the most recent forecast of general fund revenues and expenditures under section 16A.103 before adjournment of the regular session shows that anticipated general fund expenditures for the remainder of the biennium exceed anticipated revenues for the remainder of the biennium; and

(2) the house of representatives and the senate do not pass legislation necessary to correct the budget imbalance predicted by the forecast.

(b) This subdivision does not apply if the amount by which general fund expenditures are forecast to exceed revenues is ten percent or less of the amount in the budget reserve account established in section 16A.152.

Sec. 56. **[15B.055] PARKING SPACES.**

To provide the public with greater access to legislative proceedings, all parking spaces on Aurora Avenue in front of the Capitol building must be reserved for the public.

Sec. 57. Minnesota Statutes 2004, section 16A.065, is amended to read:

**16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES DOCUMENTS.**

Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an agency to make advance deposits or payments for software or software maintenance services for state-owned or leased electronic data processing equipment, for sole source maintenance agreements where it is not cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required by the renter to guarantee the availability of space, for registration fees where advance payment is required or advance payment discount is provided, and for newspaper, magazine, and other subscription fees customarily paid for in advance. The commissioner may also allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.

Sec. 58. **[16A.104] ADJUSTING PROGRAMS TO MEET AVAILABLE RESOURCES.**

(a) As part of each forecast required by section 16A.103, the commissioner of finance must estimate the amount of state general funds to be spent during the biennium for each program:

(1) that is supported by an open appropriation of state general funds; or

(2) for which a state law or rule potentially can be construed to require the state to pay more than the amount of a direct general fund appropriation.

(b) The head of an agency that administers a program subject to an estimate in paragraph (a) must notify the commissioner of finance if the amount of state general funds required to pay for the program during the biennium in which a forecast is issued is five percent or more greater than the amount of general fund expenditures for the program projected in the most recent forecast. If a law or rule changing a program is enacted or adopted after a forecast is issued, the comparison required under this paragraph must be based on the fund balance projections issued by the commissioner of finance after the changes are enacted or adopted, until the next forecast is issued under section 16A.103.

(c) If paragraph (b) applies to a program, the head of the agency administering the program may take any action that agency head determines is appropriate to ensure that the actual state general fund expenditures do not exceed the forecasted or projected state general fund expenditures for the remainder of the biennium by more than five percent. These actions may include, but are not limited to:

(1) establishing a waiting list to receive benefits under the program;

(2) establishing eligibility requirements for the program more restrictive than those established in statute, rule, or policy; or

(3) prorating funds for the program among eligible recipients.

(d) An agency head acting under paragraph (c) must report actions taken as soon as possible to the chairs and ranking minority members of the legislative committees with jurisdiction over funding and policy for the affected programs.

(e) This section supersedes any contrary law, rule, or policy.

Sec. 59. Minnesota Statutes 2004, section 16A.11, subdivision 3, is amended to read:

Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the governor's budget arranged in tabular form.

(b) Tables listing expenditures for the next biennium must show the appropriation base for each year. The appropriation base is the amount appropriated for the second year of the current biennium. The tables must separately show any adjustments to the base required by current law or policies of the commissioner of finance. For forecasted programs, the tables must also show the amount of the forecast adjustments, based on the most recent forecast prepared by the commissioner of finance under section 16A.103. For all programs, the tables must show the amount of appropriation changes recommended by the governor, after adjustments to the base and forecast adjustments, and the total recommendation of the governor for that year.

(c) The detailed estimates must include a separate line listing the total cost of professional and technical service contracts for the prior biennium and the projected costs of those contracts for the current and upcoming biennium. They must also include a summary of the personnel employed by the agency, reflected as full-time equivalent number of full-time equivalent positions in each agency program for the current biennium and the projected number of full-time equivalent positions in each agency program for the upcoming biennium.

(d) The detailed estimates for internal service funds must include the number of full-time equivalents by program; detail on any loans from the general fund, including dollar amounts by program; proposed investments in technology or equipment of \$100,000 or more; an explanation of any operating losses or increases in retained earnings; and a history of the rates that have been charged, with an explanation of any rate changes and the impact of the rate changes on affected agencies.

Sec. 60. **[16A.111] PROGRAM COMPARISON REPORT.**

(a) By the date on which the governor's detailed operating budget is submitted to the legislature, the governor must submit to the legislature a report comparing major spending programs in Minnesota to similar programs in neighboring states. The report must compare Minnesota program benefits, eligibility requirements, and spending with those in each of the neighboring states.

(b) For purposes of this section:

(1) a "major spending program" means a program for which the governor recommends general fund spending of more than \$10,000,000 during the upcoming biennium; and

(2) a "neighboring state" means Illinois, Indiana, Iowa, North Dakota, South Dakota, and Wisconsin for all major spending programs and, for any particular program, includes any additional states that the governor believes are important to the comparison for that program.

(c) Notwithstanding section 3.195, a copy of the report required by this section must be given to every legislator and also to the commissioner of every state agency.

Sec. 61. Minnesota Statutes 2004, section 16A.1283, is amended to read:

**16A.1283 LEGISLATIVE APPROVAL REQUIRED.**

(a) Notwithstanding any law to the contrary, an executive branch state agency may not: (1) impose a new fee or increase an existing fee unless the new fee or increase is approved by law; or (2) propose a law that would impose a new fee or increase an existing fee that would take effect in the second fiscal year of the state biennium. For purposes of this section, a fee is any charge for goods, services, regulation, or licensure, and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for use of public facilities owned by the state.

(b) This section does not apply to:

(1) charges billed within or between state agencies, or billed to federal agencies;

(2) the Minnesota State Colleges and Universities system;

(3) charges for goods and services provided for the direct and primary use of a private individual, business, or other entity;

(4) charges that authorize use of state-owned lands and minerals administered by the commissioner of natural resources by the issuance of leases, easements, cooperative farming agreements, and land and water crossing licenses and charges for sales of state-owned lands administered by the commissioner of natural resources; or

(5) state park fees and charges established by commissioner's order.

(c) An executive branch agency may reduce a fee that was set by rule before July 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under this paragraph.

Sec. 62. **16A.1284 NO NEW FEES CHARGED TO SCHOOLS.**

(a) Notwithstanding any law to the contrary, a state agency may not charge a fee to a school, unless the fee was in effect on July 1, 2006.

(b) For purposes of this section, "school" means:

(1) a public school, as defined in section 120A.05, subdivisions 9, 11, 13, and 17;

(2) a nonpublic school that is accredited by an accrediting agency recognized according to section 123B.445 or recognized by the commissioner; and

(3) a charter school created under section 124D.10.

Sec. 63. **[16A.156] LIMIT ON ADMINISTRATIVE COSTS.**

As a condition of receiving a grant from an appropriation of state funds, the person or entity receiving the grant must agree that no more than ten percent of the grant funds will be spent for administrative purposes. This limit does not apply if the commissioner of finance determines, after consulting with the chairs of appropriate legislative budget committees, that this limit is impracticable because the legislative intent in appropriating money for the grant is that more than ten percent of the grant is administrative in nature.

Sec. 64. **[16A.37] GRANT RECIPIENTS; EMPLOYEE COMPENSATION.**

As a condition of receiving a direct appropriation of state funds or a grant of state funds, the recipient must agree to provide the commissioner of finance a list of the position and salary of each of the recipient's employees whose salary is more than the salary of the governor. The commissioner must post all information reported under this section on the commissioner's Web site during the fiscal year in which the appropriation or grant is received. Within 30 days of receiving information from a recipient under this section, the commissioner must send the information to the chairs and ranking minority members of the house and senate committees with jurisdiction over state government finance issues.

Sec. 65. Minnesota Statutes 2004, section 16A.86, is amended by adding a subdivision to read:

Subd. 5. **Grant administration.** The commissioner may administer capital grants if requested by another executive agency. The commissioner will work in collaboration with the agency that made the request to ensure that program needs of the grant are addressed.

Sec. 66. **[16A.89] GRANTS MANAGEMENT.**

Subdivision 1. **Grant.** (a) A grant is a written instrument or electronic document defining a legal relationship between a sponsor and a recipient when the principal purpose of the relationship is to transfer cash or a thing of value to the recipient to support a public purpose authorized by law instead of acquiring, by professional/technical contract, purchase, lease, or barter, property or services for the direct benefit or use of the sponsor.

(b) This division does not apply to capital project grants to political subdivisions, as defined by section 16A.86.

Subd. 2. **Ethical practices and conflict of interest.** An employee of the executive branch involved directly or indirectly in grants processes, at any level, is subject to the code of ethics in section 43A.38.

Subd. 3. **Conflict of interest policy development.** (a) The commissioner must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees involved in the award and administration of grants. The policies must apply to employees who are directly or indirectly involved in developing requests for proposals, evaluating proposals, awarding grants, drafting and entering into grant agreements, amending or revising grants, evaluating performance under these grants, and authorizing payments under the grant.

(b) The policies must include:

(1) a process for making employees aware of policy and laws relating to conflict of interest, and training for employees on how to avoid and address potential conflicts;

(2) a process under which an employee who has a conflict of interest or a potential conflict of interest must disclose the matter; and

(3) a process under which work on the grant may be assigned to another employee if possible.

Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation of laws or rules governing grants is encouraged to report the violation or suspected violation to the employee's supervisor, the commissioner, the director, or the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. The auditor's report to the Legislative Audit Commission under this section must disclose only the number and type of violations alleged. An employee making a good faith report under this section has the protections provided for under section 181.932, prohibiting the employer from discriminating against the employee.

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is not fully executed and the state is not bound by the grant unless:

(1) the grant has been executed by the head of the agency or a delegate who is a party to the grant; and

(2) the accounting system shows an encumbrance for the amount of the grant.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of every grant agreement, amendments to the grant, and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 7, paragraph (a).

(d) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into.

Subd. 7. **Audit.** (a) A grant agreement made by an executive agency or any unit of local government must include, expressed or implied, an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party, that are relevant to the grant or transaction, are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of four years from the grant agreement end date or receipt and approval of all final reports, whichever is later.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

Subd. 8. **Authority of attorney general.** The attorney general may pursue remedies available by law to avoid the obligation of an agency to pay under a grant or to recover payments made if activities under the grant are so unsatisfactory, incomplete, or inconsistent that payment would involve unjust enrichment. The contrary opinion of the granting agency does not affect the power of the attorney general under this subdivision.

Subd. 9. **Grants with Indian tribes and bands.** Notwithstanding any other law, an agency may not require an Indian tribe or band to deny its sovereignty as a requirement or condition of a grant with an agency.

Sec. 67. **[16B.242] RENT FOR HISTORIC BUILDINGS.**

Subdivision 1. **Inventory.** The commissioner of administration must maintain an inventory of state-owned buildings that the commissioner determines have historic significance. A state-owned building must be included on this inventory if the building is listed on the National Register of Historic Places, is determined eligible for listing on the National Register, is designated by a municipal heritage preservation commission, or if the commissioner otherwise determines that the building has historic or architectural significance.

Subd. 2. **Rent on historic buildings.** Notwithstanding any law to the contrary, appropriations made from the bond proceeds fund after the effective date of this section for renovation of historic buildings in the Capitol area must not be recovered through rent charged to tenants of the building. For purposes of this subdivision:

(1) a "historic building" is a building on the inventory maintained under subdivision 1; and

(2) "Capitol area" has the meaning defined in section 15B.02.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 68. **[16B.614] CODE FOR REHABILITATION OF HISTORIC STRUCTURES.**

The commissioner must adopt rules establishing a building code for the renovation and rehabilitation of historic structures, including properties listed on the National Register of Historic Places and properties designated by either a certified local government or a heritage preservation commission created under the National Preservation Act of 1966 and whose designation is approved by the state historic preservation officer. The commissioner may adopt a model code by reference with necessary modifications for Minnesota conditions.

Sec. 69. **[16C.011] APPLICABILITY.**

Nothing in this chapter shall be construed to apply to grants under section 16A.86.

Sec. 70. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision to read:

Subd. 3a. **Best and final offer.** "Best and final offer" means an optional step in the solicitation process in which responders are requested to improve their response by methods including, but not limited to, the reduction of cost, clarification or modification of the response, or the provision of additional information.

Sec. 71. Minnesota Statutes 2004, section 16C.02, subdivision 4, is amended to read:

Subd. 4. **Best value.** "Best value" describes a result intended in the acquisition of all goods and services. Price must be one of the evaluation criteria when acquiring goods and services. Other evaluation criteria may include, but are not limited to, environmental considerations, quality, and vendor performance. In achieving "best value" strategic sourcing tools, including, but not limited to, best and final offers, negotiations, contract consolidation, product standardization, and mandatory-use enterprise contracts shall be used at the commissioner's discretion.

Sec. 72. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision to read:

Subd. 6a. **Enterprise procurement.** "Enterprise procurement" means the process undertaken by the commissioner to leverage economies of scale of multiple end users to achieve cost savings and other favorable terms in contracts for goods and services.

Sec. 73. Minnesota Statutes 2004, section 16C.02, subdivision 12, is amended to read:

Subd. 12. **Request for proposal or RFP.** "Request for proposal" or "RFP" means a solicitation in which it is not advantageous to set forth all the actual, detailed requirements at the time of solicitation and responses are ~~subject to negotiation~~ negotiated to achieve best value for the state.

Sec. 74. Minnesota Statutes 2004, section 16C.02, subdivision 14, is amended to read:

Subd. 14. **Response.** "Response" means the offer received from a vendor in response to a solicitation. A response includes submissions commonly referred to as "offers," "best and final offers," "bids," "quotes," or "proposals."

Sec. 75. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision to read:

Subd. 20. **Strategic sourcing.** "Strategic sourcing" means methods used to analyze and reduce spending on goods and services including, but not limited to, spend analysis, product standardization, contract consolidation, multiple jurisdiction purchasing alliances, reverse auctions, life-cycle costing, and other techniques.

Sec. 76. Minnesota Statutes 2004, section 16C.03, subdivision 3, is amended to read:

Subd. 3. **Acquisition authority.** The commissioner shall acquire all goods, services, and utilities needed by agencies. The commissioner shall acquire goods, services, and utilities by requests for bids, requests for proposals, reverse auctions as provided in section 16C.10, subdivision 7, or other methods provided by law, unless a section of law requires a particular method of acquisition to be used. The commissioner shall make all decisions regarding acquisition activities. The determination of the acquisition method and all decisions involved in the acquisition process, unless otherwise provided for by law, shall be based on best value which includes an evaluation of price and may include other considerations including, but not limited to, environmental considerations, quality, and vendor performance. In achieving best value, methods including best and final offers, negotiations, contract consolidation, product standardization, mandatory-use contracts, total cost of ownership assessments, and other strategic sourcing techniques shall be employed at the commissioner's discretion. The commissioner shall engage in enterprise procurements to the extent practicable. A best value determination must be based on the evaluation criteria detailed in the solicitation document. If criteria other than price are used, the solicitation document must state the relative importance of price and other factors. Contract awards for all systems integration projects in excess of \$500,000 shall be based on the proposal that provides best value to the state's requirements, as determined by the evaluation criteria contained in the solicitation document. Evaluation criteria for the acquisition of such information technology services shall provide for the selection of the contractor on an objective basis not limited to cost alone. Unless it is determined by the commissioner that an alternative solicitation method provided by law should be used to determine best value, a request for bid must be used to solicit formal responses for all building and construction contracts. Any or all responses may be rejected. When using the request for bid process, the bid must be awarded to the lowest responsive and responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract or purchase is intended, the status and capability of the vendor, and other considerations imposed in the request for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life-cycle costing, where appropriate, in determining the lowest overall bid. The duties set forth in this subdivision are subject to delegation pursuant to this section.

Sec. 77. Minnesota Statutes 2004, section 16C.03, subdivision 4, is amended to read:

Subd. 4. **Contracting authority.** The commissioner shall conduct all contracting by, for, and between agencies and perform all contract management and review functions for contracts, except those functions specifically delegated to be performed by the contracting agency, the attorney general, or otherwise provided for by law. The commissioner must involve agency staff and agency staff must participate in the development of enterprise procurements including the development of product standards, specifications, and other requirements.

Sec. 78. Minnesota Statutes 2004, section 16C.03, subdivision 8, is amended to read:

Subd. 8. **Policy and procedures.** The commissioner is authorized to issue policies, procedures, and standards applicable to all acquisition activities by and for agencies. Consistent with the authority specified in this chapter, the commissioner shall develop and implement policies, procedures, and standards ensuring the optimal use of strategic sourcing techniques.

Sec. 79. Minnesota Statutes 2004, section 16C.03, subdivision 13, is amended to read:

Subd. 13. **Central stores.** The commissioner is authorized to provide agencies with supplies and equipment and operate all central stores and supply rooms serving more than one agency. The commissioner is authorized to require agency use of this service if consistent with "best value."

Sec. 80. Minnesota Statutes 2004, section 16C.03, subdivision 16, is amended to read:

Subd. 16. **Delegation of duties.** The commissioner may delegate duties imposed by this chapter to the head of an agency and to any subordinate of the agency head. Delegated duties shall be exercised in the name of the commissioner and under the commissioner's direct supervision and control. A delegation of duties may include, but is not limited to, allowing individuals within agencies to acquire goods, services, and utilities within dollar limitations and for designated types of acquisitions. Delegation of contract management and review functions must be filed with the secretary of state and may not, except with respect to delegations within the Department of Administration, exceed two years in duration. The commissioner may withdraw any delegation at the commissioner's sole discretion. The commissioner may require an agency head or subordinate to accept delegated responsibility to procure goods or services intended for the exclusive use of the agency receiving the delegation.

Sec. 81. Minnesota Statutes 2004, section 16C.04, subdivision 1, is amended to read:

Subdivision 1. **Duty.** An employee of the executive branch involved directly or indirectly in the acquisition ~~or~~ grants process, at any level, is subject to the code of ethics in section 43A.38.

Sec. 82. Minnesota Statutes 2004, section 16C.04, subdivision 2, is amended to read:

Subd. 2. **Conflict of interest policy development.** (a) The commissioner must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees involved in the acquisition of goods, services, and utilities ~~or the award and administration of grant contracts.~~ The policies must apply to employees who are directly or indirectly involved in the acquisition of goods, services, and utilities, developing requests for proposals, evaluating bids or proposals, awarding the contract, selecting the final vendor, drafting and entering into contracts, evaluating performance under these contracts, and authorizing payments under the contract.

(b) The policies must contain a process for making employees aware of policy and laws relating to conflict of interest, and for training employees on how to avoid and deal with potential conflicts.

(c) The policies must contain a process under which an employee who has a conflict of interest or a potential conflict of interest must disclose the matter, and a process under which work on the contract may be assigned to another employee if possible.

Sec. 83. **[16C.046] INELIGIBILITY.**

A person is not eligible to be awarded a contract, or sell any goods or services to an agency if the person has been convicted of a crime for knowingly employing illegal aliens in the United States. The person remains ineligible for five years from the date of the conviction. This section applies to the Minnesota State Colleges and

Universities. For purposes of this section, "person" means a natural person or a business. A business is ineligible under this section if a natural person who owns more than one-half of the business is convicted of a crime specified in this section. The commissioner may waive application of this section if the commissioner determines that waiver is in the best interests of the state.

**EFFECTIVE DATE.** This section is effective July 1, 2006, and applies to solicitations sent and contracts entered into on and after that date.

Sec. 84. Minnesota Statutes 2004, section 16C.05, subdivision 1, is amended to read:

Subdivision 1. **Agency cooperation.** Agencies shall fully cooperate with the commissioner in the management and review of state contracts and in the development and implementation of strategic sourcing techniques.

Sec. 85. Minnesota Statutes 2004, section 16C.05, subdivision 2, is amended to read:

Subd. 2. **Creation and validity of contracts.** (a) A contract is not valid and the state is not bound by it and no agency, without the prior written approval of the commissioner granted pursuant to subdivision 2a, may authorize work to begin on it unless:

(1) it has first been executed by the head of the agency or a delegate who is a party to the contract;

(2) it has been approved by the commissioner; and

(3) the accounting system shows an encumbrance for the amount of the contract liability except as allowed by policy approved by the commissioner and the commissioner of finance for routine, low-dollar procurements.

(b) The combined contract and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless otherwise provided for by law. The term of the original contract must not exceed two years unless the commissioner determines that a longer duration is in the best interest of the state.

(c) ~~Grants~~, Interagency agreements, purchase orders, work orders, and annual plans need not, in the discretion of the commissioner and attorney general, require the signature of the commissioner and/or the attorney general. A signature is not required for work orders and amendments to work orders related to Department of Transportation contracts. Bond purchase agreements by the Minnesota Public Facilities Authority do not require the approval of the commissioner.

(d) Amendments to contracts must entail tasks that are substantially similar to those in the original contract or involve tasks that are so closely related to the original contract that it would be impracticable for a different contractor to perform the work. The commissioner or an agency official to whom the commissioner has delegated contracting authority under section 16C.03, subdivision 16, must determine that an amendment would serve the interest of the state better than a new contract and would cost no more.

(e) A fully executed copy of every contract, amendments to the contract, and performance evaluations relating to the contract must be kept on file at the contracting agency for a time equal to that specified for contract vendors and other parties in subdivision 5.

(f) The attorney general must periodically review and evaluate a sample of state agency contracts to ensure compliance with laws.

Sec. 86. Minnesota Statutes 2004, section 16C.05, subdivision 5, is amended to read:

Subd. 5. **Subject to audit.** A contract or any pass-through disbursement of public funds to a vendor of goods or services ~~or a grantee~~ made by or under the supervision of the commissioner or any county or unit of local government must include, expressed or implied, an audit clause that provides that the books, records, documents, and accounting procedures and practices of the vendor or other party, that are relevant to the contract or transaction, are subject to examination by the contracting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years. If the contracting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the vendor or other party pursuant to this subdivision, the contracting agency shall be liable for the cost of the examination. If the contracting agency is a local unit of government, and the ~~grantee, vendor,~~ or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the contract, the grantee, vendor, or other party that requested the examination shall be liable for the cost of the examination. An agency contract made for purchase, lease, or license of software and data from the state is not required to contain this audit clause.

Sec. 87. **[16C.051] CONSIDERATION OF UNITED STATES PURCHASES.**

The commissioner and an agency must always consider the purchase of goods made in the United States and services that will be performed in the United States, and must attempt to purchase these goods and services when this would be in the best interests of the state.

Sec. 88. **[16C.061] USED GOODS.**

When acquiring goods, the commissioner or the agency making the acquisition must consider purchasing used goods if used goods may result in the best value for the purchasing entity.

Sec. 89. Minnesota Statutes 2005 Supplement, section 16C.064, is amended to read:

**16C.064 COST-BENEFIT ANALYSIS.**

(a) The commissioner or an agency official to whom the commissioner has delegated duties under section 16C.03, subdivision 16, may not approve a contract or purchase of goods or services in an amount greater than \$50,000,000 unless a cost-benefit analysis has been completed and shows a positive benefit to the public. The Management Analysis Division must perform or direct the performance of the analysis. Money appropriated for the contract or purchase must be used to pay for the analysis. A cost-benefit analysis must be performed for a project if an aggregation of contracts or purchases for a project exceeds \$50,000,000.

(b) All cost-benefit analysis documents under this section, including preliminary drafts and notes, are public data.

(c) If a cost-benefit analysis does not show a positive benefit to the public, the governor may approve a contract or purchase of goods or services if a cost-effectiveness study had been done that shows the proposed project is the most effective way to provide a necessary public good.

(d) This section applies to contracts for goods or services that are expected to have a useful life of more than three years. This section does not apply for purchase of goods or services for response to a natural disaster if an emergency has been declared by the governor. This section does not apply to contracts involving the Minnesota state colleges and universities, state buildings, or state highways.

~~(e) This section is repealed effective July 1, 2008.~~

Sec. 90. Minnesota Statutes 2004, section 16C.08, is amended by adding a subdivision to read:

Subd. 1a. **Enterprise procurement process.** Notwithstanding section 15.061 or any other law, the commissioner shall, to the fullest extent practicable, conduct enterprise procurements that result in the establishment of professional or technical contracts for use by multiple state agencies. The commissioner is authorized to mandate use of any contract entered into as a result of an enterprise procurement process. Agencies shall fully cooperate in the development and use of contracts entered into under this section.

Sec. 91. Minnesota Statutes 2004, section 16C.08, subdivision 2, is amended to read:

Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval of a professional or technical services contract valued in excess of \$5,000, it must provide the following:

(1) a description of how the proposed contract or amendment is necessary and reasonable to advance the statutory mission of the agency;

(2) a description of the agency's plan to notify firms or individuals who may be available to perform the services called for in the solicitation; ~~and~~

(3) a description of the performance measures or other tools that will be used to monitor and evaluate contract performance; and

(4) an explanation detailing, if applicable, why this procurement is being pursued unilaterally by the agency and not as an enterprise procurement.

(b) In addition to paragraph (a), the agency must certify that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) reasonable efforts will be made to publicize the availability of the contract to the public;

(4) the agency will develop and implement a written plan providing for the assignment of specific agency personnel to manage the contract, including a monitoring and liaison function, the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services;

(5) the agency will not allow the contractor to begin work before the contract is fully executed unless an exception under section 16C.05, subdivision 2a, has been granted by the commissioner and funds are fully encumbered;

(6) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract; and

(7) in the event the results of the contract work will be carried out or continued by state employees upon completion of the contract, the contractor is required to include state employees in development and training, to the extent necessary to ensure that after completion of the contract, state employees can perform any ongoing work related to the same function.

(c) A contract establishes an employment relationship for purposes of paragraph (b), clause (6), if, under federal laws governing the distinction between an employee and an independent contractor, a person would be considered an employee.

Sec. 92. Minnesota Statutes 2004, section 16C.08, is amended by adding a subdivision to read:

Subd. 8. **Volunteers.** This section does not apply to contracts that provide for the services of volunteers.

Sec. 93. Minnesota Statutes 2005 Supplement, section 16C.09, is amended to read:

**16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

(a) Before entering into or approving a service contract valued in excess of \$5,000, the commissioner must determine, at least, that:

- (1) no current state employee is able and available to perform the services called for by the contract;
- (2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities and there is statutory authority to enter into the contract;
- (3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;
- (4) the contractor and agents are not employees of the state;
- (5) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; and
- (6) the combined contract and amendments will not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless otherwise provided for by law. The term of the original contract must not exceed two years, unless the commissioner determines that a longer duration is in the best interest of the state.

(b) For purposes of paragraph (a), clause (1), employees are available if qualified and:

- (1) are already doing the work in question; or
- (2) are on layoff status in classes that can do the work in question.

An employee is not available if the employee is doing other work, is retired, or has decided not to do the work in question.

(c) This section does not apply to an agency's use of inmates pursuant to sections 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

- (1) community service; or
- (2) conservation or maintenance services on lands under the jurisdiction and control of the state.

(d) This section does not apply to an agency's use of volunteers.

Sec. 94. Minnesota Statutes 2005 Supplement, section 16C.10, subdivision 7, is amended to read:

Subd. 7. **Reverse auction.** (a) For the purpose of this subdivision, "reverse auction" means a purchasing process in which vendors compete to provide goods or ~~computer~~ services at the lowest selling price in an open and interactive environment. A reverse auction process may not be used to acquire construction, architectural, or engineering services.

(b) The provisions of sections 13.591, subdivision 3, and 16C.06, subdivision 2, do not apply when the commissioner determines that a reverse auction is the appropriate purchasing process.

Sec. 95. Minnesota Statutes 2004, section 16C.16, is amended by adding a subdivision to read:

Subd. 7a. **Vehicle purchases.** For purposes of state purchasing, the commissioner may award a bid preference to motor vehicles manufactured in Minnesota. The amount of the preference must be the same as the amount of the preference awarded to businesses located in an economically disadvantaged area.

Sec. 96. **[16E.21] ACCOUNT.**

Subdivision 1. The information and telecommunications technology systems and services account is created in the special revenue fund. Funds deposited in the account are appropriated to the office of enterprise technology for the purposes of defraying the costs of personnel and technology for activities that create government efficiencies in accordance with provisions set forth in this chapter. All expenditures from this account are subject to the review of the Commissioner's Technology Advisory Board.

Subd. 2. Upon agreement of the participating agency, a charge may be collected by the Office of Enterprise Technology on purchases of information and telecommunications technology systems and services by state agencies and other governmental entities through state contracts for purposes described in subdivision 1. Such fees will be deposited in the information and telecommunications technology systems and services account.

Sec. 97. Minnesota Statutes 2004, section 43A.17, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) The commissioner may without regard to subdivision 1 establish special salary rates and plans of compensation designed to attract and retain exceptionally qualified doctors of medicine and doctors of dental surgery. These rates and plans shall be included in the commissioner's plan. In establishing salary rates and eligibility for nomination for payment at special rates, the commissioner shall consider the standards of eligibility established by national medical specialty boards where appropriate. The incumbents assigned to these special ranges shall be excluded from the collective bargaining process.

(b) The commissioner may without regard to subdivision 1, but subject to collective bargaining agreements or compensation plans, establish special salary rates designed to attract and retain exceptionally qualified employees in the following positions:

- (1) information systems staff;
- (2) actuaries in the Departments of Health, Human Services, and Commerce; and
- (3) epidemiologists in the Department of Health.

Sec. 98. Minnesota Statutes 2004, section 43A.316, subdivision 1, is amended to read:

Subdivision 1. **Intent.** The legislature finds that the creation of a statewide program using best purchasing practices and innovative benefit design and administration to provide public employees, school districts employees, and other eligible persons with life insurance and hospital, medical, and dental benefit coverage through provider organizations would result in a ~~greater utilization~~ more efficient use of government resources and would advance the health and welfare of the citizens of the state.

Sec. 99. Minnesota Statutes 2004, section 43A.316, subdivision 3, is amended to read:

Subd. 3. **Public employee insurance program.** The commissioner shall be the administrator of the public employee insurance program and may determine its funding arrangements. The commissioner shall model the program after the plan established in section 43A.18, subdivision 2, but may ~~modify~~ adopt variations from that plan, in consultation with the Labor-Management Committee. The variations may include different deductibles, coinsurance, co-pays, or other enrollee cost-sharing provisions. The commissioner, or the commissioner's designated representatives, shall be consulted in discussions or studies by state agencies related to improving statewide health care quality, outcomes, and costs. The commissioner may:

(1) develop and administer separately or jointly rated programs within the public employee insurance program, including a separately or jointly rated and administered program for employees of public school districts. Separate programs within the public employee insurance program may be pilot or demonstration programs, or permanent programs;

(2) develop, implement, and administer demonstration or pilot programs to help explore methods for improving the effectiveness and value of the public employee insurance program;

(3) conduct evaluations and studies to determine the effectiveness and impact of pilot, demonstration, or other programs as part of the public employee insurance program;

(4) develop, adopt, modify, and implement strategies to control health care costs and to improve health care outcomes including, but not limited to, health care cost and quality measurement and reporting strategies, pay-for-performance strategies, value-based purchasing strategies, use of complementary and alternative care, and other demonstrated or emerging best practices in health care purchasing;

(5) in consultation with the labor management committee in subdivision 4, develop, adopt, modify, and administer innovative health benefit designs, including possible tiered arrangements, high deductible plans with health care savings accounts, special provider networks, flexible benefit plans, incentive programs for healthy behaviors and health improvement, and other health benefit designs;

(6) temporarily suspend or limit new entrant groups into the public employee insurance program if necessary to maintain the quality, effectiveness, and viability of the program;

(7) participate as part of broader community, regional, or national alliances or initiatives, including joint public-private sector efforts to improve health care purchasing, health care costs, quality, and outcomes; and

(8) develop, implement, and administer a Web site and related capabilities to provide members and the public with information and a means to make inquiries to the public employee insurance program. The Web site may include information on the program's goals and its performance in reaching the goals.

Sec. 100. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision to read:

Subd. 3a. **Health improvement programs.** The commissioner is authorized to plan, develop, purchase, administer, and evaluate disease management and other programs, strategies, and incentives to improve the health and health outcomes of members.

Sec. 101. Minnesota Statutes 2004, section 43A.316, subdivision 4, is amended to read:

Subd. 4. **Labor-Management Committee.** The Labor-Management Committee consists of ten members appointed by the ~~commissioner~~ governor. The Labor-Management Committee must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner shall consult with the labor-management committee in major decisions that affect the program. The committee shall study issues and make recommendations relating to the insurance program including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency. The committee continues to exist while the program remains in operation.

Sec. 102. Minnesota Statutes 2004, section 43A.316, subdivision 5, is amended to read:

Subd. 5. **Public employee participation.** (a) Participation in the program is subject to the conditions in this subdivision.

(b) Each exclusive representative for an eligible employer determines whether the employees it represents will participate in the program. The exclusive representative shall give the employer notice of intent to participate at least ~~30~~ 60 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the program. Either all or none of the employees represented by an exclusive representative who participate in the employer's plan must participate in the program. ~~The exclusive representative and the~~ eligible employer shall give notice to the commissioner of the determination to participate in the program at least ~~30~~ 60 days before entry into the program. Entry into the program is governed by a schedule established by the commissioner.

(c) Employees not represented by exclusive representatives may become members of the program upon a determination of an eligible employer to include these employees in the program. Either all or none of the employer's unrepresented employees who participate in the employer's plan must participate in the program. The eligible employer shall give at least ~~30~~ 60 days' notice to the commissioner before entering the program. Entry into the program is governed by a schedule established by the commissioner.

(d) Initial participation in the program is for a ~~two-year~~ three-year term. Participation is automatically renewed for an additional two-year term unless ~~the exclusive representative, or the employer for unrepresented employees,~~ gives the commissioner notice of withdrawal at least ~~30~~ 60 days before expiration of the participation period. A group that withdraws must wait two years before rejoining, except with the approval of the commissioner. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase ~~50 percent~~ by more than 35 percent in excess of the consumer price index for all urban consumers or more from one insurance year to the next. The commissioner may modify the participation requirement as part of a demonstration or pilot effort. Any modifications must be clearly communicated to all employers who are members of the public buyers group program, and incorporated into any information about the program, at least 90 days prior to the change becoming effective. The modifications must apply on an equal basis to all current and prospective employers enrolled in the program.

(e) To improve the stability and effectiveness of the public buyers group program, the commissioner, in consultation with the Labor-Management Committee and other experts, may explore mutual gain-sharing arrangements, discounts, incentives, or penalties for public employers based on the length of their continuous membership in the public buyers group program and other factors. Any incentives for long-term membership in the program must be: (1) consistent with the program's goals of maintaining the overall integrity and viability of the program; (2) consistent with other applicable laws, rules, and policies; and (3) available to all groups on equal terms. The terms of any incentives for long-term participation in the program must be clearly communicated to all employers who are members of the public buyers group program and incorporated into any information about the program. Any administration of the incentives or changes must be communicated at least 90 days prior to each employer's renewal date before the change may become effective. The commissioner, in consultation with the Labor-Management Committee, shall report to the legislature and the governor by January 15, 2008, and annually thereafter, on the adequacy of the participation requirement and any special incentives based on the length of participation in helping maintain the stability and effectiveness of the public buyers group program.

(f) ~~The exclusive representative shall give the employer~~ shall give notice of intent to withdraw to the commissioner at least ~~30~~ 60 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires.

~~(f)~~ (g) Each participating eligible employer shall notify the commissioner of the names of individuals who will be participating within two weeks ~~of~~ after the commissioner ~~receiving~~ receives notice of the parties' intent to participate. The employer shall also submit other information as required by the commissioner for administration of the program.

Sec. 103. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision to read:

Subd. 5a. **Participating employer rights to data.** Employers participating in the public employee insurance program and employers considering participation in the public employee insurance program shall not be refused or impeded by the program in their efforts to obtain the utilization or claims data needed by the employer to seek alternative bids for insurance coverage. The ability of participating employers to secure their data for the purposes of seeking alternative bids for coverage exists regardless of any other program participation requirements or incentives for long-term participation in the program. Participating employers must not be charged for the report generated to satisfy this subdivision.

Sec. 104. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision to read:

Subd. 5b. **School district's bids.** School districts eligible for the public employee insurance program must request bids for insurance coverage through the public employee insurance program at least once every four years. This subdivision does not require school districts eligible for the program to purchase coverage through the program. Other public employers are encouraged to seek bids from the public employee insurance program at least once every four years.

Sec. 105. Minnesota Statutes 2004, section 43A.316, subdivision 6, is amended to read:

Subd. 6. **Coverage.** (a) ~~By January 1, 1989,~~ The commissioner shall announce the benefits of the program. The program shall include employee hospital, medical, dental, and life insurance for employees and ~~hospital and medical benefits for~~ dependents. Health maintenance organization options and other delivery system options may be provided if they are available, cost-effective, and capable of servicing the number of people covered in the program. Participation in optional coverages may be provided by collective bargaining agreements. For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the program.

(b) The commissioner, with the assistance of the Labor-Management Committee, shall periodically assess whether it is financially feasible for the program to offer or to continue an individual retiree program that has competitive premium rates and benefits. If the commissioner determines it to be feasible to offer an individual retiree program, the commissioner shall announce the applicable benefits, premium rates, and terms of participation. Eligibility to participate in the individual retiree program is governed by subdivision 8, but applies to retirees of eligible employers that do not participate in the program and to those retirees' dependents and surviving spouses.

Sec. 106. Minnesota Statutes 2004, section 43A.316, subdivision 7, is amended to read:

Subd. 7. **Premiums.** The proportion of premium paid by the employer and employee is subject to collective bargaining or personnel policies. If, at the beginning of the coverage period, no collective bargaining agreement has been finalized, the increased dollar costs, if any, from the previous year is the sole responsibility of the individual participant until a collective bargaining agreement states otherwise. Premiums, including an administration fee, shall be established by the commissioner. The commissioner may rate specific employers separately for premium purposes, if the commissioner determines that doing so is in the best interests of the program. Each employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 8 to the commissioner no later than the dates established by the commissioner. If an employer fails to make the payments as required, the commissioner may cancel program benefits and pursue other civil remedies.

Sec. 107. Minnesota Statutes 2004, section 43A.316, subdivision 8, is amended to read:

Subd. 8. **Continuation of coverage.** (a) A former employee of an employer participating in the program who is receiving a public pension disability benefit or an annuity or has met the age and service requirements necessary to receive an annuity under chapter 353, 353C, 354, 354A, 356, 422A, 423, 423A, or 424, and the former employee's dependents, are eligible to participate in the program. This participation is at the person's expense unless a collective bargaining agreement or personnel policy provides otherwise. Premiums for these participants must be established by the commissioner.

The commissioner may provide policy exclusions for preexisting conditions only when there is a break in coverage between a participant's coverage under the employment-based group insurance program and the participant's coverage under this section. An employer shall notify an employee of the option to participate under this paragraph no later than the effective date of retirement. The retired employee or the employer of a participating group on behalf of a current or retired employee shall notify the commissioner within 30 days of the effective date of retirement of intent to participate in the program according to the rules established by the commissioner.

(b) The spouse of a deceased employee or former employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the employee's or former employee's coverage under this section at the time of the death. The spouse remains eligible to participate in the program as long as the ~~group that included the deceased employee or former employee participates in the program~~ spouse chooses to do so. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The program benefits must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) A participant under this subdivision who discontinues coverage may not reenroll, except with the permission of the commissioner.

(e) ~~Persons participating under these paragraphs~~ Persons participating under this subdivision shall make appropriate premium payments in the time and manner established by the commissioner.

Sec. 108. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision to read:

Subd. 9a. **Report.** The commissioner shall report biennially to the governor and legislature on March 1 of each odd-numbered year. The report must include information on membership, finances, operations, effectiveness, and impact of the public employee insurance program. The report may include discussion of changes and innovations, particularly with respect to improving health care costs, quality, and outcomes, and any issues or challenges faced by the program and how they might be addressed. The report must be posted on a Web site maintained by or for the public employee insurance program, and must be available to the public.

Sec. 109. Minnesota Statutes 2004, section 43A.316, subdivision 10, is amended to read:

Subd. 10. **Exemption.** The public employee insurance program and, where applicable, the employers participating in it are exempt from chapters 60A, 62A, 62C, 62D, 62E, and 62H, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161. Nothing in this statute or other statutes shall limit the commissioner's ability to develop and test innovative health insurance benefit designs for the public employee insurance program.

Sec. 110. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. **Reinsurance.** The commissioner may, on behalf of the program, participate in an insured or self-insured reinsurance pool.

Sec. 111. Minnesota Statutes 2004, section 103D.355, is amended to read:

#### **103D.355 ANNUAL AUDIT.**

Subdivision 1. **Requirement.** The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a private certified public accountant or by the state auditor. The annual audit must be made by a certified public accountant or the state auditor at least once every five years, or when cumulative district revenues or expenditures exceed an amount established by the board in consultation with the state auditor.

Subd. 2. **Audit by state auditor.** (a) ~~If the annual An audit is to be made by the state auditor, the audit must~~ may be initiated by a petition of the resident owners of the watershed district or resolution of the managers of the watershed district. The petition must request an annual audit pursuant to the authority granted municipalities under sections 6.54 and 6.55. The state auditor may conduct such examinations of accounts and records as the state auditor may deem the public interest demands.

(b) If the audit or examination is made by the state auditor, the watershed district receiving the examination must pay the state the total cost and expenses of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The general fund must be credited with all collections made for examinations under this subdivision.

Subd. 3. **Reports for state auditor.** The managers must make and submit reports demanded by the state auditor.

Sec. 112. Minnesota Statutes 2005 Supplement, section 123B.02, subdivision 23, is amended to read:

Subd. 23. **Credit cards.** A board may authorize the use of a credit card by any officer or employee otherwise authorized to make a purchase on behalf of the district. If a district officer or employee makes or directs a purchase by credit card that is not approved by the school board, the officer or employee is personally liable for the amount of

the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or district policy applicable to school district purchases. If the board authorizes use of a credit card to pay for a meal, the card may be used only to pay for a meal by the one person that the board authorizes to use the credit card.

Sec. 113. **[138.912] POET LAUREATE.**

The governor may appoint a state poet laureate. The Minnesota Humanities Commission may solicit nominations and make recommendations to the governor for the poet laureate appointment. The person appointed as poet laureate continues to serve in this position until the governor appoints another person. Any expenses associated with the poet laureate must be paid from nonstate sources.

Sec. 114. Minnesota Statutes 2005 Supplement, section 157.16, subdivision 3a, is amended to read:

Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that operates a licensed boarding establishment, food and beverage service establishment, seasonal temporary or permanent food stand, ~~special event food stand~~, mobile food unit, food cart, resort, hotel, motel, or lodging establishment in Minnesota must submit to the commissioner a \$35 annual statewide hospitality fee for each licensed activity. The fee for establishments licensed by the Department of Health is required at the same time the licensure fee is due. For establishments licensed by local governments, the fee is due by July 1 of each year. This fee does not apply to:

(1) a public school, as defined in section 120A.05, subdivisions 9, 11, 13, and 17;

(2) a nonpublic school that is accredited by an accrediting agency recognized according to section 123B.445 or recognized by the commissioner; and

(3) a charter school created under section 124D.10.

Sec. 115. **[240A.14] COST FOR RENTING SPACE.**

A state agency or political subdivision that rents out space in a building constructed with public funds must determine the incremental cost for renting space in the building, and may not charge an agency of state or local government or a nonprofit organization a higher rental rate for use of the facility than the incremental cost.

Sec. 116. Minnesota Statutes 2004, section 270B.14, is amended by adding a subdivision to read:

Subd. 19. **Disclosure to Department of Finance.** The commissioner may disclose to the commissioner of finance returns or return information necessary in order to prepare a revenue forecast under section 16A.103.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 117. **[270C.065] TOLL-FREE ASSISTANCE.**

The commissioner must maintain toll-free telephone access for taxpayer assistance from the department for calls from within the state.

Sec. 118. **[290.433] PAY MORE TAXES OPTION.**

(a) An individual, estate, trust, or corporation that files a return under this chapter may designate on the original return that \$5 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual, estate, trust, or corporation. Each tax form must include wording substantially as follows: "If you would like to pay more taxes, please add this amount to line ....."

(b) All amounts designated by taxpayers under paragraph (a) must be deposited in the state treasury and credited to the general fund.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2005.

Sec. 119. **[345.495] LOCAL GOVERNMENT CLAIM.**

If the commissioner determines that the department has custody of property that belongs to a Minnesota local government unit, the commissioner must pay or transfer the abandoned property to the local government unit within 20 days of receiving the property and determining that it belongs to the local government unit.

Sec. 120. Minnesota Statutes 2005 Supplement, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions.** Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership. Provided that no more than 70 percent of the gross profit less the tax imposed under section 297E.02, subdivision 1, from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling. For licenses issued after June 30, 2006, compliance with this subdivision will be measured on a biennial basis that is concurrent with the term of the license. Compliance with this subdivision is a condition for the renewal of any license beginning on July 1, 2008. For licenses renewed with an effective date between July 1, 2006, and June 30, 2008, an organization shall carry forward an amount equal to 15 percent of any positive allowable expense carryover amount. This balance must be used to offset any future negative expense balance at the time of license renewal.

Sec. 121. Minnesota Statutes 2005 Supplement, section 349.17, subdivision 7, is amended to read:

Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the following restrictions:

(1) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;

(2) the bingo is conducted using only bingo paper sheets purchased from a licensed distributor; and

(3) no rent may be paid for a bar bingo occasion; ~~and~~

~~(4) linked bingo games may not be conducted at a bar bingo occasion.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 122. **[349.1721] CONDUCT OF PULL-TABS.**

Subdivision 1. **Cumulative or carryover games.** The board shall by rule permit pull-tab games with multiple seals. The board shall also adopt rules for pull-tab games with cumulative or carryover prizes.

Subd. 2. **Event games.** The board shall by rule permit pull-tab games in which certain winners are determined by the random selection of one or more bingo numbers or by another method approved by the board.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 123. Minnesota Statutes 2004, section 349.211, subdivision 2a, is amended to read:

Subd. 2a. **Pull-tab prizes.** The maximum prize which may be awarded for any single pull-tab is \$599, not including any cumulative or carryover prizes. Cumulative or carryover prizes in a pull-tab game shall not exceed \$2,500. An organization may not sell any pull-tab for more than \$2.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 124. **[353.95] ACCOUNTS FOR POSTEMPLOYMENT BENEFITS.**

Subdivision 1. **Establishment.** The Public Employees Retirement Association must establish two funds that political subdivisions may use to hold money to pay for postemployment benefits owed to officers and employees after termination of service. One of the funds must provide that each account within the fund is irrevocable, and that money may be withdrawn only as permitted in this section. The other fund must provide that a political subdivision may revoke its account within the fund and withdraw some or all of the money in its account for any reason. All money in the two funds is appropriated to the Public Employees Retirement Association for purposes of this section.

Subd. 2. **Definitions.** For purposes of this section:

(1) "political subdivision" means any entity authorized by section 471.61 to provide benefits to its retired officers and employees;

(2) "postemployment benefit" means a benefit giving rise to a liability under Statement 45 of the Government Accounting Standards Board, thereby excluding benefits to be paid by a Minnesota public pension plan listed in section 356.20, subdivision 2, or 356.30, subdivision 3, and benefits provided on a defined contribution, individual account basis; and

(3) "plan administrator" means a third-party agent or administrator handling the payment benefits on behalf of the political subdivision consistent with the requirements of the Government Accounting Standards Board.

Subd. 3. **Exclusivity.** After the effective date of this section, except as authorized in this section, a political subdivision may not establish a trust or equivalent arrangement to pay for postemployment benefits owed to officers and employees after termination of service. This section shall not affect an employer's ability to contribute to individual medical savings or reimbursement accounts that are given preferential tax treatment under the Internal Revenue Code, and established for the benefit of current or former employees or officers.

Subd. 4. **Account maintenance and investment.** (a) A political subdivision may establish an account in one or both of the funds created in this section. The Public Employees Retirement Association shall maintain a separate account within each fund for each participating political subdivision. The Public Employees Retirement Association may charge participating political subdivisions fees for reasonable administrative costs, and the amount of those fees is appropriated to the association from the accounts. The Public Employees Retirement Association may establish other terms and conditions for participation in the funds.

(b) The Public Employees Retirement Association must certify all money in the funds to the State Board of Investment for investment in the combined investment funds established in section 11A.14. Investment earnings must be credited to the account of each individual political subdivision.

Subd. 5. **Limit on deposit in revocable account.** A political subdivision may not deposit money in a revocable account if the deposit would cause the total amount in the political subdivision's revocable and irrevocable accounts to exceed the political subdivision's actuarially determined liabilities for postretirement benefits due to officers and employees, as determined under standards of the Government Accounting Standards Board.

**Subd. 6. Withdrawal of funds and termination of account.** (a) For a revocable account, a political subdivision may withdraw some or all of its money or terminate the account for any reason. Money withdrawn from a revocable account must be deposited in a fund separate and distinct from any other funds of the political subdivision, and the money, with accrued investment earnings, must be used only to pay postemployment benefits to former officers and employees.

(b) For an irrevocable account:

(1) the plan administrator may withdraw money only as needed to pay postemployment benefits owed to former officers and employees of the political subdivision; or

(2) the political subdivision may withdraw money only to the extent the political subdivision's actuarial liability is satisfied or otherwise defeased.

(c) A plan administrator or political subdivision requesting withdrawal of money from an account created under this section must do so at a time and in the manner required by the executive director of the Public Employees Retirement Association. The executive director must ensure that withdrawals comply with the requirements of this section.

**Subd. 7. Status of irrevocable fund.** (a) All money in the irrevocable fund created in this section are held in trust for the exclusive benefit of former officers and employees of the participating political subdivisions and are not subject to claims by creditors of the state, the participating political subdivisions, or the current and former officers and employees of those political subdivisions.

(b) The irrevocable fund created in this section shall be deemed an arrangement equivalent to a trust for all legal purposes.

Sec. 125. Minnesota Statutes 2004, section 375.171, is amended to read:

### **375.171 CREDIT CARDS.**

A county board may authorize the use of a credit card by any county officer or employee otherwise authorized to make a purchase on behalf of the county. If a county officer or employee makes a purchase by credit card that is not approved by the county board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or county policy applicable to county purchases. If the board authorizes use of a credit card to pay for a meal, the card may be used only to pay for a meal eaten by the one person that the board authorizes to use the credit card.

Sec. 126. Minnesota Statutes 2004, section 469.177, subdivision 11, is amended to read:

**Subd. 11. Deduction for enforcement costs; appropriation.** (a) The county treasurer shall deduct an amount equal to 0.25 percent of any increment distributed to an authority or municipality. The county treasurer shall pay the amount deducted to the commissioner of finance for deposit in the state general fund.

(b) The amounts deducted and paid under paragraph (a) are appropriated to the state auditor for the cost of (1) the financial reporting of tax increment financing information ~~and~~, (2) the cost of examining and auditing of authorities' use of tax increment financing as provided under section 469.1771, subdivision 1, (3) the compliance reporting of job opportunity business zone information, and (4) the cost of examining and auditing of job opportunity building zones and business subsidy agreements as required under section 469.3201. Notwithstanding section 16A.28 or any other law to the contrary, this appropriation does not cancel and remains available until spent.

(c) For taxes payable in 2002 and thereafter, the commissioner of revenue shall increase the percent in paragraph (a) to a percent equal to the product of the percent in paragraph (a) and the amount that the statewide tax increment levy for taxes payable in 2002 would have been without the class rate changes in this act and the elimination of the general education levy in this act divided by the statewide tax increment levy for taxes payable in 2002.

Sec. 127. Minnesota Statutes 2004, section 471.345, subdivision 16, is amended to read:

Subd. 16. **Reverse auction.** Notwithstanding any other procedural requirements of this section, a municipality may contract to purchase supplies, materials, and equipment using an electronic purchasing process in which vendors compete to provide the supplies, materials, or equipment at the lowest selling price in an open and interactive environment. A municipality may not use this process to contract for engineering, architectural, or construction services, as defined by section 16C.02, subdivision 17, or a service contract, as defined by section 16C.02, subdivision 16. Nothing in this subdivision must be construed to prohibit a municipality from adopting a resolution, rule, regulation, or ordinance relating to minimum labor standards under subdivision 7, or procurement from economically disadvantaged persons under subdivision 8.

Sec. 128. Minnesota Statutes 2004, section 471.345, is amended by adding a subdivision to read:

Subd. 19. **Town road construction and maintenance.** Notwithstanding any other procedural requirements of this section, a town may contract for the construction or maintenance of a town road by agreeing to the terms of an existing contract between a vendor and a county for road construction or maintenance on an adjoining road if the existing county contract was made in conformance with all applicable procedural requirements.

Sec. 129. Minnesota Statutes 2004, section 471.345, is amended by adding a subdivision to read:

Subd. 20. **Ineligibility.** A person is not eligible to receive a solicitation, be awarded a contract, or sell any goods or services to a municipality if the person has been convicted of a crime for knowingly employing illegal aliens in the United States. The person remains ineligible for five years from the date of the conviction. For purposes of this section, "person" means a natural person or a business. A business is ineligible under this section if a natural person who owns more than one-half of the business is convicted of a crime specified in this section.

**EFFECTIVE DATE.** This section is effective July 1, 2006, and applies to solicitations sent and contracts entered into on and after that date.

Sec. 130. Minnesota Statutes 2004, section 471.345, is amended by adding a subdivision to read:

Subd. 21. **Used supplies, materials, and equipment.** When acquiring supplies, materials, or equipment, a municipality must consider purchasing used goods if used goods may result in the best value for the municipality.

Sec. 131. Minnesota Statutes 2004, section 471.382, is amended to read:

#### **471.382 CREDIT CARDS.**

A city council or town board may authorize the use of a credit card by any city or town officer or employee otherwise authorized to make a purchase on behalf of the city or town. If a city or town officer or employee makes or directs a purchase by credit card that is not approved by the city council or town board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or city or town policy applicable to city or town purchases. If the council or board authorizes use of a credit card to pay for a meal, the card may be used only to pay for a meal eaten by the one person that the council or board authorizes to use the credit card.

Sec. 132. Minnesota Statutes 2005 Supplement, section 471.661, is amended to read:

**471.661 OUT-OF-STATE TRAVEL.**

(a) By January 1, 2006, the governing body of each statutory or home rule charter city, county, school district, regional agency, or other political subdivision, except a town, must develop a policy that controls travel outside the state of Minnesota for the applicable elected officials of the relevant unit of government. The policy must be approved by a recorded vote and specify:

- (1) when travel outside the state is appropriate;
- (2) applicable expense limits; and
- (3) procedures for approval of the travel.

(b) A policy adopted under this section must provide that travel outside of the state of Minnesota may be disapproved by a majority of the members of the governing body voting on the issue.

(c) The policy must be made available for public inspection upon request and reviewed annually. Subsequent changes to the policy must be approved by a recorded vote.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 133. **[471.685] LIMIT ON POSTSECONDARY INSTITUTION FEES.**

A statutory or home rule charter city, county, or town may not impose a fee, assessment, or similar charge:

- (1) on a person, based on the person's status as a student enrolled in a postsecondary educational institution; or
- (2) on a postsecondary educational institution, based on the number of students attending the postsecondary institution.

Sec. 134. **SALE OF STATE LAND.**

Subdivision 1. State land sales. The commissioner of administration shall coordinate with the head of each department or agency having control of state-owned land to identify and sell at least \$2,000,000 of state-owned land. This amount is in addition to land sales required in Laws 2005, chapter 156, article 2, section 45. Sales should be completed according to law and as provided in this section as soon as practicable but no later than June 30, 2007. Notwithstanding Minnesota Statutes, sections 16B.281, 16B.282, 94.09, and 94.10, or any other law to the contrary, the commissioner may offer land for public sale by only providing notice of lands or an offer of sale of lands to state departments or agencies, the University of Minnesota, cities, counties, towns, school districts, or other public entities.

Subd. 2. Anticipated savings. Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or other law to the contrary, the amount of the proceeds from the sale of land under this section that exceeds the actual expenses of selling the land must be deposited in the general fund, except as otherwise provided by the commissioner of finance. Notwithstanding Minnesota Statutes, section 94.11 or 16B.283, the commissioner of finance may establish the timing of payments for land purchased under this section. If the total of all money deposited into the general fund from the proceeds of the sale of land under this section is anticipated to be less than \$2,000,000, the governor must allocate the amount of the difference as reductions to general fund operating expenditures for other executive agencies for the biennium ending June 30, 2007.

Subd. 3. **Sale of state lands revolving loan fund.** \$90,000 is appropriated from the general fund in fiscal year 2007 to the commissioner of administration for purposes of paying the actual expenses of selling state-owned lands to achieve the anticipated savings required in this section. From the gross proceeds of land sales under this section, the commissioner of administration must cancel the amount of the appropriation in this subdivision to the general fund by June 30, 2007.

Subd. 4. **Additional sale.** Notwithstanding any law to the contrary, the commissioner of administration must sell the parcel of land, consisting of approximately 16 acres, that is currently undeveloped and is located in the center of the National Sports Center campus on the north frontage of 105th Avenue NE in Blaine. The commissioner must deposit proceeds of the sale in the general fund. The sale documents must include covenants requested by the Minnesota Amateur Sports Commission.

Sec. 135. **CONVEYANCE OF SURPLUS STATE LAND AT BRAINERD REGIONAL TREATMENT CENTER.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, or any other law, administrative rule, or commissioner's order to the contrary, the commissioner of administration may convey to a local unit of government for no consideration all or part of the real property at the Brainerd Regional Treatment Center for public purposes consistent with the master plan and reuse study. The conveyance must be in a form approved by the attorney general and subject to Minnesota Statutes, section 16A.695.

(b) The commissioner may require the local unit of government to reimburse the state for all or part of any campus redevelopment funded and completed by the state.

(c) Notwithstanding Minnesota Statutes, section 16C.23, the commissioner of administration may convey to one or more local units of government for no consideration all or part of the personal property determined by the commissioner of human services to be no longer needed for human services operations.

(d) If a local unit of government sells any property conveyed under this section to a private entity, the sale must be at fair market value.

Sec. 136. **REAL ESTATE MANAGEMENT.**

By October 1, 2006, the commissioner of administration must issue a request for proposal, seeking a private entity to assume, at no cost to the state, some or all of the commissioner's responsibilities for providing real estate management services to state agencies, including leasing state-owned space under custodial control of the Department of Administration to state agencies, arranging for leases of non-state-owned space on behalf of state agencies, relocation of state agencies, and sale and rental of state-owned property to others. Notwithstanding any law to the contrary, the commissioner may enter into a contract with a private entity to provide these services, beginning no later than July 1, 2007.

Sec. 137. **INCOME TAX FORM.**

In revising the individual income tax form M-1 to include the statement in section 118, the commissioner of finance must transfer the least used additions and subtractions from form M-1 to form M-1M as necessary so that form M-1 does not exceed two pages in length.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2005.

Sec. 138. **RULEMAKING REQUIRED.**

(a) This section applies to a state agency, as defined in Minnesota Statutes, section 14.02:

(1) that was required to adopt rules by a law enacted during or since the 2003 legislative session; and

(2) that did not publish a notice of intent to adopt rules or a notice of hearing within the time limit prescribed by Minnesota Statutes, section 14.125, and that therefore lost the authority to adopt the mandated rules.

(b) Notwithstanding the time limit in Minnesota Statutes, section 14.125, an agency subject to this section must adopt the rules it was mandated to adopt. The agency must publish a notice of intent to adopt rules or a notice of hearing for rules subject to this section before January 1, 2007.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 139. **PENSION PLAN DESIGN REPORT.**

The commissioner of employee relations, in consultation with the commissioner of finance and the state auditor, must report to the legislature by January 15, 2007, on the implications of converting Minnesota public pension plans from defined benefit to defined contribution plans for the public workforce and for the state budget.

The Legislative Commission on Pensions and Retirement must report to the legislature by January 15, 2007, on converting Minnesota public pension plans from defined benefit to defined contributions plans. This report must include a comparison of the current defined benefit plans and potential defined contribution plans with respect to:

(1) retirement benefits provided to various classes of employees, including long-term employees and short-term employees;

(2) disability benefits;

(3) effect on public budgets, unfunded liabilities, and required tax payer subsidies; and

(4) investment of contributions and investment results.

The report must also analyze issues that may arise in a transition from defined benefit to defined contribution plans.

Sec. 140. **LABOR AGREEMENTS AND COMPENSATION PLANS.**

Subdivision 1. **American Federation of State, County and Municipal Employees.** The labor agreement between the state of Minnesota and the American Federation of State, County and Municipal Employees, Council 5, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on September 14, 2005, is ratified.

Subd. 2. **Minnesota Association of Professional Employees.** The labor agreement between the state of Minnesota and the Minnesota Association of Professional Employees, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on September 14, 2005, is ratified.

Subd. 3. **Middle Management Association.** The labor agreement between the state of Minnesota and the Middle Management Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 4. **Minnesota state college faculty.** The labor agreement between the state of Minnesota and the Minnesota state college faculty, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 5. **American Federation of State, County and Municipal Employees.** The labor agreement between the state of Minnesota and the American Federation of State, County and Municipal Employees, Council 5, Unit 8, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 6. **Managerial plan.** The managerial plan, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 7. **Commissioner's plan.** The commissioner of employee relations' plan for unrepresented employees, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 8. **Minnesota Government Engineers Council.** The labor agreement between the state of Minnesota and the Minnesota Government Engineers Council, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 9. **State Residential Schools Education Association.** The labor agreement between the state of Minnesota and the State Residential Schools Education Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 10. **Interfaculty Organization.** The labor agreement between the state of Minnesota and the Interfaculty Organization, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 11. **Minnesota State University Association of Administrative and Service Faculty.** The labor agreement between the state of Minnesota and the Minnesota State University Association of Administrative and Service Faculty, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 12. **Office of Higher Education.** The compensation plan for unrepresented employees of the Office of Higher Education, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 13. **MnSCU Administrators.** The personnel plan for Minnesota State Colleges and Universities administrators, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 14. **State Board of Investment.** The salary administration plan for the Minnesota State Board of Investment, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 1, 2006, is ratified.

Subd. 15. **Managerial plan amendment.** The amendment to the managerial plan, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 1, 2006, is ratified.

Subd. 16. **Commissioner's plan amendment.** The amendment to the commissioner's plan, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 1, 2006, is ratified.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 141. **MORATORIUM ON STATE FEES.**

Notwithstanding any law to the contrary, during the biennium ending June 30, 2007, an executive branch state agency, including a constitutional office, may not impose a new fee or increase an existing fee. For purposes of this section, "fee" has the meaning given in Minnesota Statutes, section 16A.1283. This section does not apply to fees listed in Minnesota Statutes, section 16A.1283, paragraph (b).

**EFFECTIVE DATE.** This section is effective the day following final enactment, and applies to any new fee or fee increase to be initially imposed after that date, even if the new fee or fee increase was authorized by a law enacted before that date.

Sec. 142. **RESTORATION TASK FORCE ESTABLISHED.**

Subdivision 1. **Implementation.** An implementation and steering task force is established to develop strategies around the master plan for restoration of Victory Memorial Drive Historic District, as designated in Minnesota Statutes, section 138.73, subdivision 26, including, but not limited to, efforts to secure National Register designation and other efforts to provide funding to preserve and restore the district's significant historical components and natural features.

Subd. 2. **Membership.** The implementation and steering task force shall consist of 13 members including:

(1) the director of the Minnesota Historical Society or a designee;

(2) the Minneapolis City Council member representing the area;

(3) the Robbinsdale City Council member representing the area;

(4) the chair of the Hennepin County Board of Commissioners or the chair's designee;

(5) the president of the Minneapolis Park and Recreation Board or the president's designee;

(6) two members from the house of representatives representing the area;

(7) two members of the senate representing the area;

(8) two citizen representatives appointed by the chair; and

(9) two representatives from local veterans organizations appointed by the chair.

Subd. 3. **Report.** The implementation and steering task force shall report its actions to the appropriate policy committees of the legislature once each biennium.

Subd. 4. **Staff support.** The State Historic Preservation Office of the Minnesota Historical Society; the Minneapolis Heritage Preservation Commission; the Minneapolis Department of Public Works; the Minneapolis Department of Grants and Planning; the Minneapolis Park Board; and the city of Robbinsdale shall provide staff support to the Victory Memorial Drive Implementation and Steering Task Force.

Subd. 5. **Compensation.** Task force members may be compensated for expenses according to section 15.0575, subdivision 3.

Subd. 6. **Sunset.** The implementation and steering task force expires on December 31, 2009.

**Sec. 143. LOCATION OF AGENCIES.**

The commissioner of administration must examine current office space lease arrangements for state councils of color with offices in the metropolitan agency. As soon as possible, but no later than January 1, 2008, the commissioner must colocate these councils in one building. In implementing this section, the commissioner must ensure that the office space will maximize the councils' abilities to share common space and administrative services, so the councils are able to devote resources, to the greatest extent possible, to their programmatic duties. In selecting a location for the council offices, the commissioner must ensure that members of the communities served by the councils will have convenient access to the councils' offices. After colocation, the councils must share administrative staff.

**Sec. 144. SPORTS-THEMED TIPBOARDS.**

Subdivision 1. **Pilot project.** (a) The Gambling Control Board shall conduct a pilot program involving the conduct of sports-themed tipboards. For purposes of this section, a "sports-themed tipboard" means a board or placard that is not required to contain a seal, but for which the winning numbers are determined based upon the last number of the scores at specified intervals of a professional sporting event. The board is responsible for administrative costs associated with establishing the pilot project.

(b) In conducting the pilot project, the board shall provide for operation procedures, internal control standards, posted information, records, and reports. The board must also provide for the award of prizes, method of payout, wagers, determination of winners, and the specifications of sports-themed tipboards. Cash or merchandise prizes may be awarded, however, the maximum prize that may be awarded for a sports-themed tipboard is \$500. A chance for a sports-themed tipboard may not be sold for more than \$10.

(c) Sales of sports-themed tipboards are limited to organizations that are currently licensed to conduct lawful gambling under Minnesota Statutes, chapter 349. The board shall select ten sites for the conduct of sports-themed tipboards. In selecting sites, the board shall maintain geographic balance.

(d) The Gambling Control Board and the attorney general may not spend state funds to defend a lawsuit challenging the legality of the pilot projects. A charitable organization may not use net proceeds of charitable gambling to defend a lawsuit challenging the legality of the pilot projects.

Subd. 2. **Report.** The board shall prepare a report to the governor and the legislature on the results of the pilot project by February 15, 2007. The report must identify additional costs of the sports-themed tipboards, if any, that would be incurred by other state government agencies.

Subd. 3. **Sunset.** This section expires January 15, 2007.

**Sec. 145. REPORTING REQUIREMENTS; STUDY.**

The commissioner of revenue and the executive director of the Gambling Control Board shall conduct a feasibility study pertaining to consolidation and automation of reporting requirements for lawful gambling activities and shall submit a report with findings and recommendations to the legislature and the governor by January 31, 2007.

**Sec. 146. REPORT.**

By January 15, 2007, the commissioner of administration shall consult with organizations listed in Minnesota Statutes, section 16B.33, subdivision 2, and report to the legislature on the advantages and disadvantages of alternative procedures under which the state could select a designer for state building projects.

Sec. 147. **TELEVISION COVERAGE.**

The house of representatives and the senate strongly encourage Twin Cities Public Television to distribute complete, live gavel-to-gavel television coverage on TPT 17 of all floor sessions of the house of representatives and the senate.

Sec. 148. **REPEALER.**

Minnesota Statutes 2004, section 6.56, subdivision 1, is repealed.

ARTICLE 3

ELECTIONS AND CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **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 principal campaign committee for any of the following purposes:

- (1) payment for accounting and legal services;
- (2) return of a contribution to the source;
- (3) repayment of a loan made to the principal campaign committee by that committee;
- (4) return of a public subsidy;
- (5) payment for food, beverages, entertainment, and facility rental for a fund-raising event;
- (6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, including the costs of preparing and distributing a suggestion or idea solicitation to constituents, 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;
- (7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;
- (8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;
- (9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;
- (10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses; permitted uses include payment of costs of travel, lodging, and food in connection with attending a conference, seminar, or convention related to service in public office;
- (11) costs of child care for the candidate's children when campaigning;

- (12) fees paid to attend a campaign school;
- (13) 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;
- (14) interest on loans paid by a principal campaign committee on outstanding loans;
- (15) filing fees;
- (16) post-general election thank-you notes or advertisements in the news media;
- (17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;
- (18) contributions to a party unit;
- (19) payments for funeral gifts or memorials; ~~and~~
- (20) the cost of a magnet less than six inches in diameter containing legislator contact information and distributed to constituents; and
- (21) 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 must 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.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2004, section 10A.15, subdivision 5, is amended to read:

Subd. 5. **Registration number on checks.** (a) A contribution made to a candidate by a lobbyist, political committee, political fund, or party unit must show the name of the lobbyist, political committee, political fund, or party unit and the number under which it is registered with the board.

(b) A candidate who receives a contribution that lacks the registration number required by this section is not subject to a fine if the candidate is required to return any such contribution and does so by January 31 of the calendar year after the year in which the contribution was received.

Sec. 3. Minnesota Statutes 2004, section 10A.25, subdivision 2, is amended to read:

Subd. 2. **Amounts.** (a) In a year in which an election is held for an office sought by a candidate, the principal campaign committee of the candidate must not make campaign expenditures nor permit approved expenditures to be made on behalf of the candidate that result in aggregate expenditures in excess of the following:

- (1) for governor and lieutenant governor, running together, ~~\$2,188,090~~ \$2,900,000;
- (2) for attorney general, ~~\$364,690~~ \$480,000;

(3) for secretary of state and state auditor, separately, ~~\$182,350~~ \$240,000;

(4) for state senator, \$54,740;

(5) for state representative, \$28,400.

(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.

(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.

Sec. 4. Minnesota Statutes 2004, section 10A.25, subdivision 10, is amended to read:

Subd. 10. **Effect of opponent's conduct.** (a) After the deadline for filing a spending limit agreement under section 10A.322, 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 may choose to be released from the expenditure limits but remain eligible to receive a public subsidy if the candidate has an opponent who has not agreed to be bound by the limits and has received contributions or made or become obligated to make expenditures during that election cycle in excess of the following limits:

(1) up to the close of the reporting period 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 the close of the reporting period 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.

Before the primary election, a candidate's "opponents" are only those who will appear on the ballot of the same party in the primary election.

(b) A candidate who has not agreed to be bound by expenditure limits, or the candidate's principal campaign committee, must 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). 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).

(c) Upon receipt of the notice, a candidate who had agreed to be bound by the limits may file with the board a notice that the candidate chooses to be no longer bound by the expenditure limits. A notice of a candidate's choice not to be bound by the expenditure limits that is based on the conduct of an opponent in the state primary election may not be filed more than one day after the State Canvassing Board has declared the results of the state primary.

(d) A candidate who has agreed to be bound by the expenditure limits imposed by this section and whose opponent in the general election has chosen, as provided in paragraph (c), not to be bound by the expenditure limits because of the conduct of an opponent in the primary election is no longer bound by the limits but remains eligible to receive a public subsidy and also receives, or shares equally with any other candidate who agrees to be bound by limits, the opponent's share of the general account public subsidy under section 10A.31.

Sec. 5. **[10A.261] CANDIDATES WHO DECLINE CERTAIN CONTRIBUTIONS.**

A candidate who does not accept contributions from political committees or political funds or from lobbyists may submit to the board a signed statement indicating kinds of contributors from which the candidate does not accept contributions. The board must prominently display on its Web site the names of candidates who have filed a statement indicating that they do not accept contributions from political committees or political funds. The board must separately prominently display on its Web site the names of candidates who do not accept contributions from lobbyists.

**EFFECTIVE DATE.** This section is effective June 1, 2006.

Sec. 6. Minnesota Statutes 2004, section 10A.27, subdivision 2, is amended to read:

Subd. 2. **Political party and dissolving principal campaign committee limit.** (a) A candidate must not permit the candidate's principal campaign committee to accept contributions from any ~~political party units~~ or dissolving principal campaign committees in aggregate in excess of ten times the amount that may be contributed to that candidate as set forth in subdivision 1.

The limitation in this ~~subdivision~~ paragraph does not apply to a contribution from a dissolving principal campaign committee of a candidate for the legislature to another principal campaign committee or committee for federal office of the same candidate.

(b) A candidate must not permit the candidate's principal campaign committee to accept contributions from any political party units in aggregate in excess of the following:

(1) to candidates for governor and lieutenant governor running together, \$50,000 in an election year for the office sought and \$500 in other years;

(2) to a candidate for attorney general, \$20,000 in an election year for the office sought and \$200 in other years;

(3) to a candidate for secretary of state or state auditor, \$20,000 in an election year for the office sought and \$100 in other years; and

(4) to a candidate for state senator or state representative, \$6,000 in an election year for the office sought and \$2,000 in other years.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2004, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or dissolving principal campaign committee, or from a party unit established by the party organization within a house of the legislature, during a regular or special session of the legislature.

(b) A registered lobbyist, political committee, political fund, or dissolving principal campaign committee, or a party unit established by the party organization within a house of the legislature, must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular or special session of the legislature.

Sec. 8. Minnesota Statutes 2004, section 10A.273, subdivision 2, is amended to read:

Subd. 2. **Party unit solicitations.** A political party unit must 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, political fund, or party unit during a regular or special session of the legislature.

Sec. 9. Minnesota Statutes 2004, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. **Agreement by candidate.** (a) As a condition of receiving a public subsidy, a candidate must 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; 10A.31, subdivision 7, paragraph (c); and 10A.324.

(b) Before the first day of filing for office, the board must forward agreement forms to all filing officers. The board must also provide agreement forms to candidates on request at any time. The candidate must file the agreement with the board by ~~September 1~~ preceding seven days after the close of filings for 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 must notify the commissioner of revenue of any agreement signed under this subdivision.

(d) Notwithstanding paragraph (b), 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 not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office.

Sec. 10. Minnesota Statutes 2004, section 10A.322, subdivision 4, is amended to read:

Subd. 4. **Refund receipt forms; penalty.** The board must 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. A political party organization within a house of the legislature that accepts aggregate contributions in excess of \$25,000 from one individual loses eligibility to participate in the refund receipt program upon doing so and must immediately stop issuing refund receipt forms for the remainder of the calendar year.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 11. **[123B.022] PROHIBITING SCHOOL EMPLOYEES FROM USING PUBLIC RESOURCES FOR ADVOCACY; ENDORSING TIMELY AND CURRENT FACTUAL INFORMATION.**

(a) A school board must adopt and implement a districtwide policy that prohibits district employees from using district funds or other publicly funded district resources, including time, materials, equipment, facilities, and communication technologies, among other resources, to advocate for electing or defeating a candidate, passing or defeating a ballot question, or passing or defeating pending legislation. The policy must apply when the employee performs the duties assigned to the employee under the employee's employment contract with the district, and includes the periods when the employee represents the district in an official capacity, among other duties. The policy must not apply when an employee disseminates factual information consistent with the employee's contractual duties.

(b) The school board must provide the district's electorate with timely factual and unbiased information about a pending ballot question.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 12. Minnesota Statutes 2005 Supplement, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to ~~15~~ five proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application and the information on the oath must be recorded on the records of both the voter registering on election day and the voter who is vouching for the person's residence, and entered into the statewide voter registration system by the county auditor when the voter registration application is entered into that system.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of

the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe with a reservation located in whole or in part in Minnesota and recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe with a reservation located in whole or in part in Minnesota and recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 13. Minnesota Statutes 2004, section 204B.14, subdivision 5, is amended to read:

Subd. 5. **Precinct boundaries; description; maps.** ~~When~~If a precinct boundary has been changed, ~~or an annexation has occurred affecting a precinct boundary,~~ the municipal clerk shall immediately notify the county auditor and secretary of state. The municipal clerk shall file a corrected base map with the secretary of state and county auditor within 30 days after the boundary change was made or, in the case of an annexation, the later of: (1) 30 days after the approval of the annexation order; or (2) the effective date of the annexation order. Upon request, ~~the secretary of state~~ county auditor shall provide a base map and precinct finder to the municipal clerk. ~~The secretary of state shall update the precinct boundary database, prepare a corrected precinct map, and provide the corrected precinct map to the county auditor and the municipal clerk who shall make them available for public inspection.~~ The municipal clerk shall prepare a corrected precinct map and provide the corrected map to the county auditor, who shall correct the precinct finder in the statewide voter registration system and make the corrected map and precinct finder available for public inspection, and to the secretary of state, who shall update the precinct boundary database. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories in the same manner as provided for precincts in municipalities. For every election held in the municipality the election judges shall be furnished precinct maps as provided in section 201.061, subdivision 6. If a municipality changes the boundary of an election precinct, or if an annexation affecting a precinct boundary occurs, the county auditor shall notify each school district with territory affected by the boundary change at least 30 days before the effective date of the change.

Sec. 14. Minnesota Statutes 2005 Supplement, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. This designation may be made no more frequently than once in any 12-month period for each precinct, subject to the provisions of subdivision 3, except that a town may designate a different polling place for town elections held in March from the polling place used for a state or federal primary or general election. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in

a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 15. Minnesota Statutes 2004, section 204B.16, subdivision 3, is amended to read:

Subd. 3. **Designation effective until changed.** The designation of a polling place pursuant to this section shall remain effective until a different polling place is designated for that precinct. No designation of a new or different polling place:

(a) shall be made more frequently than once in any 12-month period;

(b) shall become effective less than 90 days prior to an election, including school district elections or referenda, and no polling place changes may; and

(c) shall occur during the period between the state primary and the state general election, except that a new polling place may be designated to replace a polling place that has become unavailable for use.

Sec. 16. Minnesota Statutes 2004, section 204B.19, subdivision 4, is amended to read:

Subd. 4. **Additional qualifications permitted; examination; certification.** The appointing authority may establish additional qualifications which are not inconsistent with the provisions of this section and which relate to the ability of an individual to perform the duties of an election judge. The appointing authority may examine any individual who seeks appointment as an election judge to determine whether the individual meets any qualification established under this section. For election judges appointed for an election, a municipal clerk must, no later than two weeks before the election:

(a) enter into the statewide voter registration system election judge module the following information for each election judge appointed by the municipality:

(1) name;

(2) address;

(3) other contact information including telephone number and e-mail address supplied by the election judge;

(4) political party affiliation, which shall be classified as private data on individuals as defined in section 13.02, subdivision 12;

(5) description of election judge training received; and

(b) certify to the secretary of state that election judges in that municipality for that election have been appointed pursuant to the provisions of Minnesota Statutes, section 204B.19, and have received the training required by law.

Sec. 17. Minnesota Statutes 2004, section 204B.40, is amended to read:

**204B.40 BALLOTS; ELECTION RECORDS AND OTHER MATERIALS; DISPOSITION; INSPECTION OF BALLOTS.**

The county auditors, municipal clerks, and school district clerks shall retain all election materials returned to them after any election for at least 22 months from the date of that election. All election materials involved in a contested election must be retained for 22 months or until the contest has been finally determined, whichever is later. Abstracts filed by canvassing boards shall be retained permanently by any officer with whom those abstracts are filed. Election materials no longer required to be retained pursuant to this section shall be disposed of in accordance with sections 138.163 to 138.21. Sealed envelopes containing voted ballots must be retained unopened, except as provided in this section, in a secure location. The county auditor, municipal clerk, or school district clerk shall not permit any voted ballots to be tampered with or defaced.

After the time for filing a notice of contest for an election has passed, the secretary of state may, for the purpose of monitoring and evaluating election procedures: (1) open the sealed ballot envelopes and inspect the ballots for that election maintained by the county auditors, municipal clerks, or school district clerks for the purpose of monitoring and evaluating election procedures; (2) inspect the polling place rosters and completed voter registration applications; or (3) examine other forms required in the Minnesota election laws for use in the polling place. No inspected ballot or document may be marked or identified in any manner. After inspection, all ballots must be returned to the ballot envelope and the ballot envelope must be securely resealed. Any other election materials inspected or examined must be secured or resealed. No polling place roster may be inspected until the voting history for that precinct has been posted. No voter registration application may be inspected until the information on it has been entered into the statewide registration system.

Sec. 18. **[204C.035] DECEPTIVE PRACTICES IN ELECTIONS.**

Subdivision 1. **Criminal penalty.** No person shall knowingly deceive another person regarding the time, place, or manner of conducting an election or the qualifications for or restrictions on voter eligibility for an election, with the intent to prevent the individual from voting in the election. A violation of this subdivision is a gross misdemeanor.

Subd. 2. **Civil action.** No person shall knowingly deceive another person regarding the time, place, or manner of conducting an election or the qualifications for or restrictions on voter eligibility for an election. A person aggrieved by a violation of this subdivision may bring an action for injunctive or other appropriate relief.

Subd. 3. **Reporting false election information.** (a) Any person may report to the county attorney or attorney general an act of deception regarding the time, place, or manner of conducting an election or the qualifications for or restrictions on voter eligibility for an election. Not later than 48 hours after receiving a report under this subdivision, the office receiving the report shall investigate it and:

(1) provide accurate information to voters affected by the deception; and

(2) if appropriate, proceed under subdivision 1 or 2.

(b) If a report is received under this subdivision during the 72 hours immediately before an election, the county attorney or attorney general shall investigate immediately and provide timely accurate information to voters affected by the deception, and if appropriate, may subsequently proceed under subdivision 1 or 2.

**EFFECTIVE DATE.** This section is effective August 1, 2006, and applies to offenses committed on or after that date.

Sec. 19. Minnesota Statutes 2005 Supplement, section 204C.08, subdivision 1a, is amended to read:

Subd. 1a. **Minnesota Voter's Bill of Rights**. The county auditor shall prepare and provide to each polling place sufficient copies of a poster setting forth the Minnesota Voter's Bill of Rights as set forth in this section. Before the hours of voting are scheduled to begin, the election judges shall post it in a conspicuous location or locations in the polling place. The Minnesota Voter's Bill of Rights is as follows:

"MINNESOTA VOTER'S BILL OF RIGHTS

For all persons residing in this state who meet federal voting eligibility requirements:

(a) Access.

- (1) You have the right for the polling place to open on time.
- (2) You have the right to vote in peace and security and not be harassed.
- (3) You have the right not to have campaigners ask for your name when you are entering or leaving the polling place.
- ~~(4)~~ (4) You have the right to be absent from work for the purpose of voting during the morning of election day.
- ~~(2)~~ (5) If you are in line at your polling place any time between 7:00 a.m. and 8:00 p.m., you have the right to vote.
- ~~(3)~~ (6) If you can provide the required proof of residence, you have the right to register to vote and to vote on election day.
- ~~(4)~~ (7) If you are unable to sign your name, you have the right to orally confirm your identity with an election judge and to direct another person to sign your name for you.
- ~~(5)~~ (8) You have the right to request special assistance when voting.
- ~~(6)~~ (9) If you need assistance, you may be accompanied into the voting booth by a person of your choice, except by an agent of your employer or union or a candidate.
- ~~(7)~~ (10) You have the right to bring your minor children into the polling place and into the voting booth with you.
- ~~(8)~~ (11) If you have been convicted of a felony but your felony sentence has expired (been completed) or you have been discharged from your sentence, you have the right to vote.
- ~~(9)~~ (12) If you are under a guardianship, you have the right to vote, unless the court order revokes your right to vote.
- ~~(10)~~ (13) You have the right to vote without anyone in the polling place trying to influence your vote.
- ~~(11) If you make a mistake or spoil your ballot before it is submitted, you have the right to receive a replacement ballot and vote.~~

~~(12) You have the right to file a written complaint at your polling place if you are dissatisfied with the way an election is being run.~~

~~(13) You have the right to take a sample ballot into the voting booth with you.~~

(14) You have the right to take a sample ballot into the voting booth with you as long as you do not show the ballot to other voters in the polling place.

(b) Privacy.

(1) You have the right to a private voting booth.

(2) You have the right for your ballot to be placed in a secured and locked container.

(3) You have the right for private information on your Voter Registration Application to be private and not to be used or disclosed unlawfully.

(c) Integrity.

(1) You have the right to a paper ballot.

(2) You have the right for your name to be on the voting roster if you are timely registered.

(3) You have the right to know how, when, where, and with whom to file an election complaint.

(4) You have the right to have your voter registration that was collected by door-to-door solicitors or in other voter registration drives delivered to election officials in a proper and timely manner.

(5) You have the right to have your voter registration processed in a timely manner.

(6) If you make a mistake or spoil your ballot at the polling place before it is submitted, you have the right to receive a replacement ballot and vote.

(7) You have the right to file a written complaint at your polling place if you are dissatisfied with the way an election is being conducted.

(d) Accuracy.

(1) You have the right to an accurate ballot.

(2) You have the right to see the votes counted.

(3) You have the right to have the vote results announced and posted immediately after they are counted.

(4) You have the right to take a copy of this Minnesota Voter's Bill of Rights into the voting booth with you."

Sec. 20. **[204D.035] LIMITS ON HOLDING ELECTIONS.**

An election may be held only on the first Tuesday after the first Monday of any month, provided that day is not a holiday as defined in section 645.44, subdivision 5, except as follows:

(1) an election in March shall be on the second Tuesday as provided by section 205.075;

(2) another statute specifies another date for a particular election; or

(3) an election to fill a vacancy in a legislative or congressional office is held on another date to comply with section 204D.19.

Sec. 21. Minnesota Statutes 2004, section 205A.11, subdivision 2, is amended to read:

Subd. 2. **Combined polling place.** When no other election is being held in two or more precincts on the day of a school district election, the school board may designate one or more combined polling places at which the voters in those precincts may vote in the school district election. The polling place used in a primary election for an office must be the same location used throughout the calendar year for the general election for that office. In no case may the location of a polling place be changed between the primary election and the general election for an office, except that a new polling place may be designated to replace a polling place that has become unavailable for use.

Sec. 22. Minnesota Statutes 2005 Supplement, section 206.56, subdivision 1b, is amended to read:

Subd. 1b. **Audio ballot reader.** "Audio ballot reader" means an audio representation of a ballot that can be used with other assistive voting technology to permit a voter to mark votes on a nonelectronic ballot ~~or to securely transmit a ballot electronically to automatic tabulating equipment in the polling place.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 23. Minnesota Statutes 2005 Supplement, section 206.56, subdivision 3, is amended to read:

Subd. 3. **Ballot.** "Ballot" includes paper ballots, ballot cards, and the paper ballot marked by an electronic marking device, ~~and an electronic record of each vote cast by a voter at an election and securely transmitted electronically to automatic tabulating equipment in the polling place.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 24. Minnesota Statutes 2005 Supplement, section 206.56, subdivision 7a, is amended to read:

Subd. 7a. **Electronic ballot display.** "Electronic ballot display" means a graphic representation of a ballot on a computer monitor or screen on which a voter may make vote choices for candidates and questions for the purpose of marking a nonelectronic ballot ~~or securely transmitting an electronic ballot to automatic tabulating equipment in the polling place.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 25. Minnesota Statutes 2005 Supplement, section 206.56, subdivision 7b, is amended to read:

Subd. 7b. **Electronic ballot marker.** "Electronic ballot marker" means equipment that is part of an electronic voting system that uses an electronic ballot display or audio ballot reader to:

~~(1) mark a nonelectronic ballot with votes selected by a voter; or~~

~~(2) securely transmit a ballot electronically to automatic tabulating equipment in the polling place.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 26. Minnesota Statutes 2005 Supplement, section 206.56, subdivision 8, is amended to read:

Subd. 8. **Electronic voting system.** "Electronic voting system" means a system in which the voter records votes by means of marking ~~or transmitting~~ a ballot, so that votes may be counted by automatic tabulating equipment in the polling place where the ballot is cast or at a counting center.

An electronic voting system includes automatic tabulating equipment; nonelectronic ballot markers; electronic ballot markers, including electronic ballot display, audio ballot reader, and devices by which the voter will register the voter's voting intent; software used to program automatic tabulators and layout ballots; computer programs used to accumulate precinct results; ballots; secrecy folders; system documentation; and system testing results.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 27. Minnesota Statutes 2005 Supplement, section 206.57, subdivision 5, is amended to read:

Subd. 5. **Voting system for disabled voters.** (a) In federal and state elections held after December 31, 2005; and in county, municipal city, and school district elections held after December 31, 2007; and in town elections after December 31, 2007, except as provided in this subdivision; the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters. The requirements of this subdivision do not apply to town elections held in March if no other election is held concurrently with the town election.

(b) Notwithstanding any contrary provision in this subdivision, if a resident of a township files a written request with the county auditor that a voting system as described in this subdivision be available at a town election held in March or in November of odd-numbered years, the town must make such a voting system available. A request under this paragraph must be submitted by the close of filings for the election.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 28. Minnesota Statutes 2005 Supplement, section 206.61, subdivision 5, is amended to read:

Subd. 5. **Alternation.** The provisions of the election laws requiring the alternation of names of candidates must be observed as far as practicable by changing the order of the names on an electronic voting system in the various precincts so that each name appears on the machines or marking devices used in a municipality substantially an equal number of times in the first, last, and in each intermediate place in the list or group in which they belong. However, the arrangement of candidates' names must be the same on all voting systems used in the same precinct. If the number of names to be alternated exceeds the number of precincts, the election official responsible for providing the ballots, in accordance with subdivision 1, shall determine by lot the alternation of names.

If an electronic ballot marker is used with a paper ballot that is not an optical scan ballot card, the manner of alternation of candidate names on the paper ballot must be as prescribed for optical scan ballots in this subdivision. ~~If a machine is used to securely transmit a ballot electronically to automatic tabulating equipment in the polling place, the manner of alternation of candidate names on the transmitting machine must be as prescribed for optical scan ballots in this subdivision.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 29. Minnesota Statutes 2005 Supplement, section 206.80, is amended to read:

**206.80 ELECTRONIC VOTING SYSTEMS.**

(a) An electronic voting system may not be employed unless it:

- (1) permits every voter to vote in secret;
- (2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;
- (3) provides for write-in voting when authorized;
- (4) automatically rejects, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;
- (5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote;
- (6) automatically rejects all votes cast in a primary election by a voter when the voter votes for candidates of more than one party; and
- (7) provides every voter an opportunity to verify votes recorded on the permanent paper ballot ~~or paper record~~, either visually or using assistive voting technology, and to change votes or correct any error before the voter's ballot is cast and counted, produces an individual, discrete, permanent, paper ballot ~~or paper record of the ballot~~ cast by the voter, and preserves the paper ballot ~~or paper record~~ as an official record available for use in any recount.

(b) An electronic voting system purchased on or after June 4, 2005, may not be employed unless it:

- (1) accepts and tabulates, in the polling place or at a counting center, a marked optical scan ballot; or
- (2) creates a marked optical scan ballot that can be tabulated in the polling place or at a counting center by automatic tabulating equipment certified for use in this state; ~~or~~
- ~~(3) securely transmits a ballot electronically to automatic tabulating equipment in the polling place while creating an individual, discrete, permanent paper record of each vote on the ballot.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 30. Minnesota Statutes 2005 Supplement, section 206.805, subdivision 1, is amended to read:

Subdivision 1. **Contracts required.** (a) The secretary of state, with the assistance of the commissioner of administration, shall establish one or more state voting systems contracts. The contracts should, if practical, include provisions for maintenance of the equipment purchased. The voting systems contracts must address precinct-based optical scan voting equipment, and ballot marking equipment for persons with disabilities and other voters, ~~and assistive voting machines that combine voting methods used for persons with disabilities with precinct-based optical scan voting machines.~~ The contracts must give the state a perpetual license to use and modify the software. The contracts must include provisions to escrow the software source code, as provided in subdivision 2. Bids for voting systems and related election services must be solicited from each vendor selling or leasing voting systems that have been certified for use by the secretary of state. The contracts must be renewed from time to time.

(b) The secretary of state shall appoint an advisory committee, including representatives of the state chief information officer, county auditors, municipal clerks who have had operational experience with the use of electronic voting systems, and members of the disabilities community to advise the secretary of state in reviewing and evaluating the merits of proposals submitted from voting equipment vendors for the state contracts.

(c) Counties and municipalities may purchase or lease voting systems and obtain related election services from the state contracts.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 31. Minnesota Statutes 2005 Supplement, section 206.82, subdivision 2, is amended to read:

Subd. 2. **Plan.** (a) Subject to paragraph (b), the municipal clerk in a municipality where an electronic voting system is used and the county auditor of a county in which an electronic voting system is used in more than one municipality and the county auditor of a county in which a counting center serving more than one municipality is located shall prepare a plan which indicates acquisition of sufficient facilities, computer time, and professional services and which describes the proposed manner of complying with section 206.80. The plan must be signed, notarized, and submitted to the secretary of state more than 60 days before the first election at which the municipality uses an electronic voting system. Prior to July 1 of each subsequent general election year, the clerk or auditor shall submit to the secretary of state notification of any changes to the plan on file with the secretary of state. The secretary of state shall review each plan for its sufficiency and may request technical assistance from the Department of Administration or other agency which may be operating as the central computer authority. The secretary of state shall notify each reporting authority of the sufficiency or insufficiency of its plan within 20 days of receipt of the plan. The attorney general, upon request of the secretary of state, may seek a district court order requiring an election official to fulfill duties imposed by this subdivision or by rules promulgated pursuant to this section.

(b) Systems implemented by counties and municipalities in calendar year 2006 are exempt from paragraph (a) and section 206.58, subdivision 4, if:

(1) the municipality has fewer than 10,000 residents; and

(2) a valid county plan was filed by the county auditor of the county in which the municipality is located.

Sec. 32. Minnesota Statutes 2005 Supplement, section 206.83, is amended to read:

#### **206.83 TESTING OF VOTING SYSTEMS.**

Within 14 days before election day, the official in charge of elections shall have the voting system tested to ascertain that the system will correctly mark ~~or securely transmit to automatic tabulating equipment in the polling place~~ ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in

order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes; and (2) processing an additional test deck of ballots marked using the electronic ballot marker for the precinct, including ballots marked ~~or ballots securely transmitted electronically to automatic tabulating equipment in the polling place~~ using the electronic ballot display, audio ballot reader, and any assistive voting technology used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 33. **[206.89] POSTELECTION REVIEW OF VOTING SYSTEMS.**

Subdivision 1. **Selection for review; notice.** At the canvass of the state primary, the county canvassing board in each county must set the date, time, and place for the postelection review of the state general election to be held under this section. The review must be conducted at the location where the voted ballots have been securely stored after the state general election or at another location chosen by the county canvassing board. The review must be completed no later than two days before the meeting of the state canvassing board to certify the results of the state general election.

At the canvass of the state general election, the county canvassing boards must select the precincts to be reviewed. The county canvassing board of a county with fewer than 50,000 registered voters must select at least two precincts for postelection review. The county canvassing board of a county with between 50,000 and 100,000 registered voters must select at least three precincts for review. The county canvassing board of a county with over 100,000 registered voters must select at least four precincts. The precincts must be selected by lot at a public meeting. At least one precinct selected in each county must have had more than 150 votes cast at the general election.

Each county auditor must notify the secretary of state of the precincts that have been chosen for review and the time and place the postelection review for that county will be conducted, as soon as the decisions are made. The secretary of state must post this information on the office Web site.

Subd. 2. **Scope and conduct of review.** Postelection review must be conducted of the votes cast for President or governor; United States Senator; and United States Representative. The recount officials may conduct postelection review of the votes cast for additional offices.

The postelection review must be conducted in public. The recount official for the precincts selected must conduct the postelection review and may be assisted by election judges designated by the recount official for this purpose. The party balance requirement of section 204B.19 applies to election judges designated for the review. The postelection review must consist of a manual count of the ballots used in the precincts selected and must be performed in the manner provided by section 204C.21. The postelection review must be conducted in the manner provided for recounts under section 204C.361 to the extent practicable.

Upon completion of the postelection review, the recount official must immediately report the results to the county auditor. The county auditor must then immediately submit the results of the postelection review electronically or in writing to the secretary of state no later than two days before the State Canvassing Board meets to canvass the state general election. The secretary of state shall report the results of the preelection review at the meeting of the State Canvassing Board to canvass the state general election.

**Subd. 3. Standard of acceptable performance by voting system.** (a) Each comparison of the results compiled by the voting system with the postelection review described in this section must be accurate to within one-half of one percent variation from the manual count of the offices reviewed. Valid votes that have been marked by the voter outside the vote targets or using a manual marking device that cannot be read by the voting system must not be included in making the determination whether the voting system has met the standard of acceptable performance for any precinct.

(b) If the postelection review reveals a difference greater than one-half of one percent, the recount official must, within two days, conduct an additional review of at least three precincts in the same jurisdiction where the discrepancy was discovered. If all precincts in that jurisdiction have been reviewed, the county auditor must immediately publicly select by lot at least three additional precincts for review. The recount official must complete the additional review within two days after the precincts are selected and report the results immediately to the county auditor. If the second review also indicates a difference in the voting totals compiled by the voting system that is greater than one-half of one percent from the result indicated by the postelection review, the county auditor must conduct a review of the ballots from all the remaining precincts in the county. This review must be completed no later than six weeks after the state general election.

(c) If the results from the countywide reviews from one or more counties comprising in the aggregate more than ten percent of the total number of persons voting in the election clearly indicate that an error in vote counting has occurred, the recount official must conduct a manual recount of all the ballots in the district for the affected office. The recount must be completed and the results reported to the appropriate canvassing board no later than ten weeks after the state general election.

**Subd. 4. Update of vote totals.** If the postelection review under this section results in a change in the number of votes counted for any candidate, the revised vote totals must be incorporated in the official result from those precincts.

**Subd. 5. Effect on voting systems.** If a voting system is found to have failed to record votes accurately and in the manner provided by the Minnesota election law, the voting system must not be used at another election until it has been examined and recertified by the secretary of state. If the voting system failure is attributable to either its design or to actions of the vendor, the vendor must forfeit the vendor bond required by section 206.57 and the performance bond required by section 206.66.

**Subd. 6. Costs of review.** The costs of the postelection review required by this section must be allocated as follows:

(1) the governing body responsible for each precinct selected for review must pay the costs incurred for the review conducted under subdivision 2 or 3, paragraph (b);

(2) the vendor of the voting system must pay any costs incurred by the secretary of state to examine and recertify the voting system; and

(3) the secretary of state must reimburse local units of government for the costs of any recount required under subdivision 3, paragraph (c).

**Subd. 7. Time for filing election contest.** The time for notice of a contest of election does not begin to run until all reviews under this section have been completed.

Sec. 34. **[206.895] SECRETARY OF STATE MONITOR.**

The secretary of state must monitor and evaluate election procedures in precincts subject to the audit provided for in section 206.89 in at least four precincts in each congressional district. The precincts must be chosen by lot by the State Canvassing Board at its meeting to canvass the state general election.

Sec. 35. Minnesota Statutes 2005 Supplement, section 206.90, subdivision 8, is amended to read:

Subd. 8. **Duties of election officials.** The official in charge of elections in each municipality where an optical scan voting system is used shall have the electronic ballot marker that examines and marks votes on ballot cards ~~or the machine that securely transmits a ballot electronically to automatic tabulating equipment in the polling place~~ and the automatic tabulating equipment that examines and counts votes as ballot cards are deposited into ballot boxes put in order, set, adjusted, and made ready for voting when delivered to the election precincts.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 36. **[206.91] VOTING MACHINES OPTIONS WORKING GROUP.**

(a) A working group is hereby established to investigate and recommend to the legislature requirements for additional options for voting equipment that complies with the requirements of section 301 of the Help America Vote Act, Public Law 107-252, to provide private and independent voting for individuals with disabilities.

The working group must be cochaired by representatives of the Minnesota Disability Law Center and Citizens for Election Integrity - Minnesota.

(b) The working group must convene its first meeting by June 2006 and must report to the legislature by February 15, 2007.

(c) The working group must include, but is not limited to:

(1) the disability community;

(2) the secretary of state;

(3) county and local election officials;

(4) major and minor political parties;

(5)(i) one member of the senate majority caucus and one member of the senate minority caucus appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(ii) one member of the house majority caucus and one member of the house minority caucus appointed by the speaker;

(6) nonpartisan organizations;

(7) at least one individual with computer security expertise and knowledge of elections; and

(8) members of the public, other than vendors of election equipment, selected by consensus of the other members, including representatives of language and other minorities.

(d) Members of the working group will be selected by:

(1) a representative of the Office of the Secretary of State;

(2) a representative of the county election officials;

(3) the cochairs; and

(4) two legislators representing each party.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 37. **[206A.01] ADMINISTRATION OF STATEWIDE REGISTRATION SYSTEM.**

The secretary of state shall develop and operate a centralized database of all registered voters in the state of Minnesota. The database must be available to each county in the state through a statewide registration system provided by the secretary of state. The registration system must allow the secretary of state and the county auditors to add or modify information from the system in order to maintain an accurate database of registrants. The system must provide all county auditors and the secretary of state and, within a reasonable time after the system is initially implemented, municipal and school district clerks, with a method to view and search registration information.

A county auditor must use the statewide registration system to execute the duties of chief registrar of voters and chief custodian of registration records in the auditor's county.

Sec. 38. **[206A.02] TREATMENT OF VOTER REGISTRATION APPLICATIONS.**

Subdivision 1. **Transmission of voter registration applications.** A completed voter registration application may be submitted to any state agency or county auditor. The secretary of state shall provide training to state agencies on the proper forwarding of voter registration applications. Voter registration applications submitted to the secretary of state must be forwarded to the appropriate county auditor for entry into the statewide registration system. With the approval of the appropriate county auditor, the secretary of state shall enter the registration applications into the statewide registration system for that county.

The secretary of state may electronically transmit the information on the voter registration applications to the appropriate county auditor. The county auditor shall promptly enter the information into the statewide registration system. The original applications submitted to the secretary of state must be maintained either by the secretary of state or by the appropriate county auditor. Voter registration applications must be stored in either paper, microfilm, or electronic format.

The secretary of state shall have full access to all functions of the statewide registration system.

Subd. 2. **Verification; defined; notification.** (a) Verification means:

(1) that the information provided by the applicant on the voter registration application for all of the following categories matches the information in the same categories of the database maintained by the Department of Public Safety or in the database of the Social Security Administration if the applicant has no driver's license or identification card:

(i) name;

(ii) date of birth;

(iii) Minnesota driver's license or Minnesota state identification card number; or

(iv) last four digits of Social Security number, if the applicant has not been issued a Minnesota driver's license or Minnesota state identification card.

If a voter has not been issued a Minnesota driver's license, a Minnesota state identification card, or a Social Security number, and the voter has so indicated on the voter's voter registration application, items (iii) and (iv) are inapplicable and the registration is verified; or

(2) that if after matching the information listed in clause (1), even though the information may not be an exact match, the county auditor is able to still reasonably conclude that the information in the database of the Department of Public Safety, or in the database of the Social Security Administration if the applicant has no driver's license or identification card, and the information provided by the applicant on the voter registration application, relate to the same person, in which case the county auditor shall note in the statewide registration system the basis for the conclusion.

(b) The secretary of state must attempt to verify information entered into the voter registration system as a result of new voter registration applications by comparing the information stored by the voter registration system with information contained in the database maintained by the Department of Public Safety. The secretary of state must provide reports on attempted verifications that show the information of record in each database and that list:

(1) voter registration applications that match the information in the Department of Public Safety database or, in the case of an applicant who does not have a Minnesota driver's license or Minnesota identification card in the database of the Social Security Administration, and that are therefore verified;

(2) voter registration applications that cannot be verified with certainty against the information in the Department of Public Safety database or, in the case of an applicant who does not have a Minnesota driver's license or Minnesota identification card, in the database of the Social Security Administration. The report must match and contrast the information contained in the several databases; and

(3) voter registration applications with Minnesota drivers' license numbers, Minnesota identification card numbers, or if the applicant has no driver's license or identification card, the last four digits of the applicant's Social Security number that do not match the numbers of record in the Department of Public Safety database or, in the case of an applicant who does not have a Minnesota driver's license or Minnesota identification card, in the database of the Social Security Administration.

The reports prepared by the secretary of state must include a separate list of potential matches for incomplete mail-in registrations described in section 201.061, subdivision 1a.

(c) The county auditor must review the reports provided by the secretary of state of records that have not been verified with certainty within ten days after the reports become available in the statewide voter registration system. The auditor must attempt to match the information on the voter registration application with the information in the database maintained by the Department of Public Safety or, in the case of an applicant who does not have a Minnesota driver's license or Minnesota identification card, in the database of the Social Security Administration, to permit the auditor to verify the information supplied on the voter registration application. The auditor shall attempt to obtain from the applicant any needed information by mail or, if a telephone number or an e-mail address was provided by the applicant, by telephone or e-mail. The auditor must record on the voter record in the statewide voter registration system each registration verified in this manner.

(d) If the auditor cannot verify information for a registration, the auditor must record that the information supplied on the voter registration application could not be verified and is incomplete pursuant to section 201.121, subdivision 1.

Subd. 3. **Correction.** If a Minnesota driver's license number or Minnesota state identification card number supplied by the applicant cannot be verified because it does not exist in the Department of Public Safety database, the secretary of state or the county auditor shall correct the voter record to indicate that the number must not be used as the verification number on the voter record. In the case of an applicant who does not have a Minnesota driver's license, Minnesota identification card, or Social Security number that can be verified by comparison with the Department of Public Safety database, or in the database of the Social Security Administration, if the applicant has no Minnesota driver's license or Minnesota identification card, the unique voter record number generated by the statewide voter registration system must be used as the verification number for the record.

Subd. 4. **Omission of required information.** If the applicant did not supply a Minnesota driver's license, Minnesota identification card, or Social Security number, and the auditor concludes that a number exists for that applicant after comparing the voter registration application with the information in the Department of Public Safety database or, in the case of an applicant who does not have a Minnesota driver's license or Minnesota identification card, in the database of the Social Security Administration, the auditor must attempt to contact the applicant and request that the applicant provide the number. If the applicant does not provide the number, the county auditor must notify the applicant that the application is deficient and cannot be accepted and processed and that the applicant must provide the appropriate number to the county auditor 20 days prior to the election or register on election day.

Subd. 5. **Updates.** A voter with an active voter registration may change the information on record by submitting a voter registration application meeting all the requirements for a new voter registration application.

If, after matching the updated information with the information contained in the Department of Public Safety database or, in the case of an applicant who does not have a Minnesota driver's license or Minnesota identification card, in the database of the Social Security Administration, the accuracy of the updated information cannot be verified, the county auditor must send a notice to the voter whose information cannot be verified and request that the voter provide the information or contact the registration office.

If the discrepancy cannot be resolved, the county auditor must challenge the voter in the statewide voter registration system and may refer the matter to the county attorney. If during the verification process the Department of Public Safety provides information that indicates that the voter is ineligible to vote, the county auditor must challenge the voter in the statewide voter registration system and refer the matter to the county attorney.

**Sec. 39. [206A.03] PROCEDURE FOR ENTERING DATA INTO STATEWIDE VOTER REGISTRATION SYSTEM.**

(a) When entering information from a voter registration application into the statewide registration system, the secretary of state or county auditor shall:

(1) conduct a statewide search of the registration database to determine if the applicant has previously registered in Minnesota;

(2) assign the applicant to the proper voting precinct for the address provided on the application;

(3) determine all election districts in which the applicant will be eligible to vote;

(4) notify the appropriate county auditor if the applicant has moved from another county in the state in which the registrant was previously registered;

(5) assign the registration record a unique identification number, and date the record as to when the registration was entered into the registration database;

(6) maintain a record of voting history of the registrant for at least the previous six calendar years and a record of previous registrations and changes to voter status in the state for at least two years; and

(7) provide information on prior registrations in other states. At periodic intervals, the secretary of state shall notify the chief election officials of other states of persons who have registered to vote in Minnesota and who indicated a prior registration in their state.

(b) The secretary of state shall establish a precinct finder that must be maintained by each county auditor. The precinct finder must identify the voting precinct that will be assigned to the applicant. For the purposes of redistricting, the secretary of state shall include geographical data from the United States Census Bureau in the precinct finder.

Sec. 40. **[206A.04] INTERACTION WITH DEPARTMENT OF PUBLIC SAFETY.**

The secretary of state, in cooperation with the commissioner of public safety, shall develop a single unified application for use by the Department of Public Safety to permit eligible voters who have indicated they wish to register to vote to simultaneously register to vote and apply for a driver's license or state identification card. The secretary of state and the commissioner of public safety may access a common database of information entered from this application.

The information from the unified application for voter registration and a driver's license or state identification card must be transferred electronically from the commissioner of public safety to the secretary of state. The secretary of state shall make available to each county auditor the data necessary to add or update a voter record on the statewide registration system. The county auditor shall process the data in the manner provided in section 206A.03.

Sec. 41. **[206A.05] SECURITY FOR STATEWIDE REGISTRATION SYSTEM.**

All authorized users of the statewide registration system must be identified uniquely in the manner provided by the secretary of state. No access to the statewide registration system will be allowed to any person not identified as an authorized user of the system.

To ensure that information obtained from the statewide registration system is being used in the manner provided by law, the secretary of state shall insert verification records into the statewide registration system. The verification records must not be included on any master list or polling place roster. If the secretary of state has reason to believe that information obtained from the statewide registration system was used in a manner inconsistent with section 201.091, a report must be immediately transmitted to the appropriate county attorney.

Sec. 42. Minnesota Statutes 2004, section 211B.04, is amended to read:

**211B.04 CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.**

(a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05, subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the ..... committee, .....(address)" for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the ..... committee, .....(address), in support of .....(insert name of candidate or ballot question)" for material prepared and paid for by a person or committee other than a principal campaign committee.

(c) In the case of broadcast media, the required form of disclaimer is: "Paid for by the ..... committee."

(d) Campaign material that is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that it is "in opposition to .....(insert name of candidate or ballot question.....)"; or that "this publication is not circulated on behalf of any candidate or ballot question."

(e) This section does not apply to objects stating only the candidate's name and the office sought, fund-raising tickets, or personal letters that are clearly being sent by the candidate.

(f) This section does not apply to a magnet, sticker, or button less than six inches in diameter.

(g) This section does not apply to an individual or association who acts independently of any candidate, candidate's committee, political committee, or political fund and spends only from the individual's or association's own resources a sum that is less than \$500 in the aggregate to produce or distribute campaign material that is distributed at least seven days before the election to which the campaign material relates.

~~(g)~~ (h) This section does not modify or repeal section 211B.06.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 43. Minnesota Statutes 2004, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** ~~A person may not display campaign material, post signs, ask, solicit, or in any manner try to induce or persuade a voter within a polling place or within 100 feet of the building in which a polling place is situated, or anywhere on the public property on which a polling place is situated, on primary or election day to vote for or refrain from voting for a candidate or ballot question.~~

(a) On primary or election day, a person may not:

(1) display campaign material or post signs within 300 feet of the building in which a polling place is situated, or anywhere on the public property on which a polling place is situated; or

(2) ask, solicit, or in any manner try to induce or persuade a voter, within 1,000 feet of the building in which a polling place is situated, or anywhere on public property on which a polling place is situated, to vote for or refrain from voting for a candidate or ballot question.

(b) A person may not keep a record of individuals arriving at or departing from the polling place or, within 100 feet of the polling place, ask whether an individual has voted in the election.

(c) A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day.

(d) This section applies to areas established by the county auditor or municipal clerk for absentee voting as provided in chapter 203B.

(e) The secretary of state, county auditor, municipal clerk, or school district clerk may provide stickers which contain the words "I VOTED" and nothing more. Election judges may offer a sticker of this type to each voter who has signed the polling place roster.

Sec. 44. Minnesota Statutes 2005 Supplement, section 211B.13, subdivision 1, is amended to read:

Subdivision 1. **Bribery, advancing money, and treating prohibited.** A person who willfully, directly or indirectly, advances, pays, gives, promises, or lends any money, food, liquor, clothing, entertainment, or other thing of monetary value, or who offers, promises, or endeavors to obtain any money, position, appointment, employment, or other valuable consideration, to or for a person, in order to induce a voter to refrain from voting, or to vote in a particular way, at an election, is guilty of a felony. This section does not prevent a candidate from stating publicly preference for or support of another candidate to be voted for at the same primary or election. Refreshments of food or nonalcoholic beverages having a value up to \$5 ~~consumed and provided only for consumption~~ on the premises at a private gathering or public meeting are not prohibited under this section.

Sec. 45. **REPEALER.**

(a) Minnesota Statutes 2004, sections 10A.257, subdivision 1; 10A.273, subdivision 3; and 204C.50, subdivisions 3, 4, 5, and 6, are repealed.

(b) Laws 2005, chapter 162, section 34, subdivision 7, is repealed.

(c) Minnesota Statutes 2005 Supplement, section 204C.50, subdivisions 1 and 2, are repealed.

#### ARTICLE 4

#### CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2004, section 123B.63, subdivision 3, is amended to read:

Subd. 3. **Capital project levy referendum.** A district may levy the local tax rate approved by a majority of the electors voting on the question to provide funds for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date ~~set by the board~~ that complies with section 204D.035. A referendum for a project not receiving a positive review and comment by the commissioner under section 123B.71 must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the capital project levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner, state the maximum amount of the capital project levy as a percentage of net tax capacity, state the amount that will be raised by that local tax rate in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the capital project levy proposed by the board of ..... School District No. .... be approved?"

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified may be certified for the number of years approved.

In the event a conjunctive question proposes to authorize both the capital project levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question.

The district must notify the commissioner of the results of the referendum.

Sec. 2. Minnesota Statutes 2004, section 126C.17, subdivision 11, is amended to read:

Subd. 11. **Referendum date.** (a) Except for a referendum held under paragraph (b), any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b), must be prepared and delivered by first-class mail at least 20 days before the referendum.

(b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt. A referendum must be held on a date that complies with section 204D.035.

(c) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 3. Minnesota Statutes 2004, section 205.10, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** ~~No~~ A special election authorized under subdivision 1 may be held within 40 days after the state general election only on a date that complies with section 204D.035.

Sec. 4. Minnesota Statutes 2004, section 205A.05, subdivision 1, is amended to read:

Subdivision 1. **Questions.** Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion call a special election to vote on any matter requiring approval of the voters of a district. Upon petition of 50 or more voters of the school district or five percent of the number of voters voting at the preceding regular school district election, the school board shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. A special election may not be held during the 30 days before and the 30 days after the state primary, during the 30 days before and the 40 days after the state general election. In addition, a special election may not be held on a date that conflicts with section 204D.035; or during the 20 days before and the 20 days after any regularly scheduled election of a municipality wholly or partially within the school district. Notwithstanding any other law to the contrary, the time period in which a special election must be conducted under any other law may be extended by the school board to conform with the requirements of this subdivision.

Sec. 5. Minnesota Statutes 2004, section 373.40, subdivision 2, is amended to read:

Subd. 2. **Application of election requirement.** (a) Bonds issued by a county to finance capital improvements under an approved capital improvement plan are not subject to the election requirements of section 375.18 or 475.58. The bonds must be approved by vote of at least three-fifths of the members of the county board. In the case of a metropolitan county, the bonds must be approved by vote of at least two-thirds of the members of the county board.

(b) Before issuance of bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least 14, but not more than 28, days before the date of the hearing.

(c) A county may issue the bonds only upon obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the county in the last general election and is filed with the county auditor within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election. The election may be held only on a date that complies with section 204D.035.

Sec. 6. Minnesota Statutes 2004, section 375.20, is amended to read:

### **375.20 BALLOT QUESTIONS.**

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry it into effect. In the election the form of the ballot shall be: "In favor of (here state the substance of the resolution to be submitted), Yes ..... No.....," with a square opposite each of the words "yes" and "no," in one of which the voter shall mark an "X" to indicate a choice. The county board may call a special county election upon a question to be held ~~within 60 days~~ on a date that complies with section 204D.035, after a resolution to that effect is adopted by the county board. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

Sec. 7. Minnesota Statutes 2004, section 412.02, subdivision 2a, is amended to read:

Subd. 2a. **Vacancy.** Except as otherwise provided in subdivision 2b, a vacancy in an office shall be filled by council appointment until an election is held as provided in this subdivision. In case of a tie vote in the council, the mayor shall make the appointment. If the vacancy occurs before the first day to file affidavits of candidacy for the next regular city election and more than two years remain in the unexpired term, a special election shall be held at or before the next regular city election and the appointed person shall serve until the qualification of a successor elected at a special election to fill the unexpired portion of the term. A special election under this subdivision must be held on a date that complies with section 204D.035. If the vacancy occurs on or after the first day to file affidavits of candidacy for the regular city election or when less than two years remain in the unexpired term, there need not be a special election to fill the vacancy and the appointed person shall serve until the qualification of a successor. The council must specify by ordinance under what circumstances it will hold a special election to fill a vacancy other than a special election held at the same time as the regular city election.

Sec. 8. Minnesota Statutes 2004, section 458.40, is amended to read:

**458.40 MUST VOTE TO ISSUE BONDS IF CHARTER SAYS SO.**

If a charter adopted under the Minnesota Constitution, article IV, section 36, article XI, section 4, or article XII, section 5, has a provision that requires the question of the issuance of bonds to be submitted to the electors, the provision prevails over sections 458.36 to 458.40. The question must be submitted to the voters on a date that complies with section 204D.035, notwithstanding any contrary provision in the charter regarding the date of submission.

Sec. 9. Minnesota Statutes 2004, section 465.82, subdivision 2, is amended to read:

Subd. 2. **Contents of plan.** The plan must state:

- (1) the specific cooperative activities the units will engage in during the first two years of the venture;
- (2) the steps to be taken to effect the merger of the governmental units, with completion no later than four years after the process begins;
- (3) the steps by which a single governing body will be created or, when the entire territory of a unit will be apportioned between or among two or more units contiguous to the unit that is to be apportioned, the steps to be taken by the governing bodies of the remaining units to provide for representation of the residents of the apportioned unit;
- (4) changes in services provided, facilities used, and administrative operations and staffing required to effect the preliminary cooperative activities and the final merger, and a two-, five-, and ten-year projection of expenditures for each unit if it combined and if it remained separate;
- (5) treatment of employees of the merging governmental units, specifically including provisions for reassigning employees, dealing with exclusive representatives, and providing financial incentives to encourage early retirements;
- (6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging units;
- (7) one- and two-year impact analyses, prepared by the granting state agency at the request of the local government unit, of major state aid revenues received for each unit if it combined and if it remained separate, including an impact analysis, prepared by the Department of Revenue, of any property tax revenue implications associated with tax increment financing districts and fiscal disparities under chapter 276A or 473F resulting from the merger;
- (8) procedures for a referendum to be held on a date that complies with section 204D.035, before the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination is needed to pass the referendum; and
- (9) a time schedule for implementation.

Notwithstanding clause (3) or any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 465.81 to 465.86 may serve on the initial governing body of the combined unit until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached.

Sec. 10. Minnesota Statutes 2004, section 465.84, is amended to read:

**465.84 REFERENDUM.**

During the first or second year of cooperation, a referendum on the question of combination must be conducted. The referendum must be on a date that complies with section 204D.035, and must be called by the governing bodies of the units that propose to combine. The referendum must be conducted according to the Minnesota Election Law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

Sec. 11. Minnesota Statutes 2004, section 469.053, subdivision 5, is amended to read:

Subd. 5. **Reverse referendum.** A city may increase its levy for port authority purposes under subdivision 4 only as provided in this subdivision. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or, if none exists, in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or, if none exists, in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. The resolution is effective if approved by a majority of those voting on the question. The commissioner of revenue shall prepare a suggested form of referendum question. The referendum must be held at a special or general election ~~before October 1 of~~ on a date that complies with section 204D.035 in the year for which the levy increase is proposed.

Sec. 12. Minnesota Statutes 2004, section 469.0724, is amended to read:

**469.0724 GENERAL OBLIGATION BONDS.**

The port authority of Cannon Falls or Redwood Falls must not proceed with the sale of general obligation tax supported bonds until the city council by resolution approves the proposed issuance. The resolution must be published in the official newspaper. If, within 30 days after the publication, a petition signed by voters equal in number to ten percent of the number of voters at the last regular city election is filed with the city clerk, the city and port authority must not issue the general obligation tax supported bonds until the proposition has been approved by a majority of the votes cast on the question at a regular or special election held on a date that complies with section 204D.035.

Sec. 13. Minnesota Statutes 2004, section 469.190, subdivision 5, is amended to read:

Subd. 5. **Reverse referendum.** If the county board passes a resolution under subdivision 4 to impose the tax, the resolution must be published for two successive weeks in a newspaper of general circulation within the unorganized territory, together with a notice fixing a date for a public hearing on the proposed tax.

The hearing must be held not less than two weeks nor more than four weeks after the first publication of the notice. After the public hearing, the county board may determine to take no further action, or may adopt a resolution authorizing the tax as originally proposed or approving a lesser rate of tax. The resolution must be published in a newspaper of general circulation within the unorganized territory. The voters of the unorganized territory may request a referendum on the proposed tax by filing a petition with the county auditor within 30 days after the resolution is published. The petition must be signed by voters who reside in the unorganized territory. The number

of signatures must equal at least five percent of the number of persons voting in the unorganized territory in the last general election. If such a petition is timely filed, the resolution is not effective until it has been submitted to the voters residing in the unorganized territory at a general or special election held on a date that complies with section 204D.035, and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum.

Sec. 14. Minnesota Statutes 2005 Supplement, section 475.521, subdivision 2, is amended to read:

Subd. 2. **Election requirement.** (a) Bonds issued by a municipality to finance capital improvements under an approved capital improvements plan are not subject to the election requirements of section 475.58. The bonds must be approved by an affirmative vote of three-fifths of the members of a five-member governing body. In the case of a governing body having more or less than five members, the bonds must be approved by a vote of at least two-thirds of the members of the governing body.

(b) Before the issuance of bonds qualifying under this section, the municipality must publish a notice of its intention to issue the bonds and the date and time of the hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the municipality or in a newspaper of general circulation in the municipality. Additionally, the notice may be posted on the official Web site, if any, of the municipality. The notice must be published at least 14 but not more than 28 days before the date of the hearing.

(c) A municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the municipality in the last general election and is filed with the clerk within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election. The election must be held on a date that complies with section 204D.035.

Sec. 15. Minnesota Statutes 2004, section 475.58, subdivision 1, is amended to read:

Subdivision 1. **Approval by electors; exceptions.** Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting at a special or general election held on a date that complies with section 204D.035 on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from such taxes within the district;

(4) payable wholly from the income of revenue producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;

- (6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;
- (7) to fund pension or retirement fund liabilities pursuant to section 475.52, subdivision 6;
- (8) under a capital improvement plan under section 373.40; and
- (9) under sections 469.1813 to 469.1815 (property tax abatement authority bonds), if the proceeds of the bonds are not used for a purpose prohibited under section 469.176, subdivision 4g, paragraph (b).

Sec. 16. Minnesota Statutes 2004, section 475.58, subdivision 1a, is amended to read:

Subd. 1a. **Resubmission limitation.** If the electors do not approve the issuing of obligations at an election required by subdivision 1, the question of authorizing the obligations for the same purpose and in the same amount may not be submitted to the electors ~~within a period of~~ until a special or general election held on a date that complies with section 204D.035, and not sooner than 180 days from the date the election was held. If the question of authorizing the obligations for the same purpose and in the same amount is not approved a second time it may not be submitted to the electors within a period of one year after the second election.

Sec. 17. Minnesota Statutes 2004, section 475.59, is amended to read:

#### **475.59 MANNER OF SUBMISSION; NOTICE.**

When the governing body of a municipality resolves to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election held on a date that complies with section 204D.035, or at a town or school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the purpose of the proposed issue. In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses. In any city, town, or county, the governing body may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance, stated conjunctively or in the alternative, for the acquisition, construction, or improvement of any facilities at one or more locations.

### ARTICLE 5

#### MILITARY VETERANS

Section 1. Minnesota Statutes 2005 Supplement, section 43A.183, is amended to read:

#### **43A.183 PAYMENT OF SALARY DIFFERENTIAL FOR TO RESERVE FORCES WHO REPORTED REPORT FOR ACTIVE SERVICE.**

Subdivision 1. Payment required. ~~(a)~~ Each agency head shall pay to each eligible member ~~of the National Guard or other reserve component of the United States armed forces~~ an amount equal to the person's salary differential for each month or portion of month that the person is ordered to serve in active ~~military~~ service. ~~The person's salary differential is calculated as~~

This payment may be made only to a person for whom the amount in subdivision 2, paragraph (b), clause (1), is greater than the amount in subdivision 2, paragraph (b), clause (2). Payments must be made at the intervals at which the member received pay as a state employee, except that any back pay due under this section may be paid as a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve. An eligible member may apply for the salary differential benefits authorized under this section prior to, during, or following the person's active service on or after May 29, 2003.

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Salary differential" means the difference between:

(1) the person's monthly total gross earnings as an active state employee, excluding any overtime pay received but including all other earnings, averaged over the last three full months of the person's active state employment prior to reporting to active ~~military~~ service, and including any additional salary or earnings adjustments that the person would have received at any time during the person's ~~military~~ authorized leave from state employment had the person been serving as an active state employee during that time; and

(2) the person's monthly base pay in active ~~military~~ service.

~~This payment may be made only to a person for whom the amount in clause (1) is greater than the amount in clause (2). Payments must be made at the intervals at which the member received pay as a state employee, except that any back pay due under this section may be paid as a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve. An eligible member of the National Guard or other reserve component of the United States armed forces may apply for the pay differential benefits authorized under this section prior to, during, or following the person's active military service on or after May 29, 2003.~~

~~(b) An eligible member of the reserve components~~ (c) "Eligible member" means:

~~(1) any member of the National Guard or other reserve component of the United States armed forces is a reservist or National Guard member who was an employee of the state of Minnesota at the time the member took military leave under section 192.261 to report for active military service; and~~

~~(2) any member of any other nonmilitary reserve component of the uniformed services of the United States who was an employee of Minnesota at the time the member took properly authorized leave from state employment under substantially comparable federal or state authority ordering the person to report for federal or state active service.~~

~~(c) For purposes of this section, an employee of the state is~~ (d) "State employee" means an employee of the executive, judicial, or legislative branch of state government or an employee of the Minnesota State Retirement System, the Public Employee Retirement Association, or the Teachers Retirement Association.

~~(d) For purposes of this section, the term~~ (e) "Active service" has the meaning given in section 190.05, subdivision 5, for military members, and includes substantially comparable service for reserve members of other nonmilitary components of the uniformed services of the United States, but excludes service performed exclusively for purposes of:

(1) basic ~~combat~~ training, advanced individual training, annual training, and periodic inactive duty training;

(2) special training periodically made available to reserve members;

(3) service performed in accordance with section 190.08, subdivision 3; and

(4) service performed as part of the active guard/reserve program pursuant to United States Code, title 32, section 502(f), or other applicable authority, as well as substantially comparable service by members of other nonmilitary components of the uniformed services of the United States.

**Subd. 3. Health and dental coverage.** (e) The agency head must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee reports for active ~~military~~ service. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, the agency head must offer the employee the option to continue the dependent coverage at the employee's own expense. The agency head must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose. An employee who has opted to continue a permitted benefit may cancel that continuation at any time during the person's ~~military~~ military authorized leave from state employment by written notification from the employee, or from the employee's designated attorney-in-fact under a power of attorney, to the agency head or the commissioner of employee relations.

**Subd. 4. Notice.** (f) The agency head must periodically inform in writing all agency personnel who are or may be members of the reserve component of the United States armed forces or any other nonmilitary reserve component of the uniformed services of the United States of the benefits provided under this section and of the procedures relevant to securing those benefits, including, but not limited to, any procedures regarding the continuation and discontinuation of any optional deductions. It will suffice to meet this requirement if the agency head posts the information on the agency Web site in a highly recognizable manner that can be easily found and understood by the employees to whom it might apply.

Upon being ordered to active ~~duty~~ service, the employee must notify the agency head of that order in a timely manner and must provide to the agency head the name of and contact information for the employee's designated attorney-in-fact under a power of attorney. Prior to the commencement of the employee's ~~military~~ military authorized leave from state employment, the agency head must ensure the agency's receipt of that information and immediately convey that information to the commissioners of finance and employee relations, including any subsequent change in that designation by the employee. When communicating with the employee during the person's ~~military~~ leave, the agency head and the commissioners of finance and employee relations must immediately provide a copy of the communication to the employee's designated attorney-in-fact. Those officials must also honor requests for information or other appropriate directives from that designee on behalf of the employee during the employee's ~~military~~ leave.

**Subd. 5. Procedures.** (g) The commissioners of employee relations and finance shall adopt procedures required to implement this section. The procedures are exempt from chapter 14.

**Subd. 6. Exclusion.** (h) This section does not apply to a judge, legislator, or constitutional officer of the executive branch.

**EFFECTIVE DATE.** This section is effective for Minnesota state employees serving in active service on or after July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 85.053, is amended by adding a subdivision to read:

**Subd. 8. Military personnel on leave; exemption.** (a) The provisions of this section requiring a state park permit and regulating its display do not apply to a motor vehicle being used by a person who is serving in active military service in any branch or unit of the United States armed forces and who is stationed outside Minnesota, during the period of active service and for 90 days immediately thereafter, if the person notifies the park attendant

on duty or other designee of the commissioner of the person's military status at the time of usage. It is sufficient notice for the eligible person to temporarily affix to the inside of the windshield of the vehicle in a visible manner the person's current military orders and carries in the person's possession current military identification attesting to the person's active or recent military status.

(b) For purposes of this section, "active service" has the meaning given under section 190.05, subdivision 5c, when performed outside Minnesota.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2004, section 147.02, is amended by adding a subdivision to read:

Subd. 1a. **Examination extension; active military service.** Notwithstanding subdivision 1, paragraph (c), clause (2), an applicant who is mobilized into active military service, as defined in section 197.447, during the process of taking the United States Medical Licensing Examination, but before passage of all steps, must have passed steps one, two, and three within a ten-year period. This ten-year period begins when the applicant first passes either step one or two, as applicable. Proof of active military service must be submitted to the board on the forms and according to the timelines of the board.

**EFFECTIVE DATE.** This section is effective retroactively from December 1, 2005.

Sec. 4. **[181.948] LEAVE TO ATTEND MILITARY CEREMONIES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meaning given to them in this subdivision.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Employee" means a person who performs services for compensation, in whatever form, for an employer. Employee does not include an independent contractor.

(d) "Employer" means a person or entity located or doing business in this state and having one or more employees, and includes the state and all political or other governmental subdivisions of the state.

(e) "Immediate family member" means a person's grandparent, parent, legal guardian, sibling, child, grandchild, spouse, fiancée, or fiancée.

Subd. 2. **Unpaid leave required.** Unless the leave would unduly disrupt the operations of the employer, an employer shall grant a leave of absence without pay to an employee whose immediate family member, as a member of the United States armed forces, has been ordered into active service in support of a war or other national emergency. The employer may limit the amount of leave provided under this subdivision to the actual time necessary for the employee to attend a send-off or homecoming ceremony for the mobilized service member, not to exceed one day's duration in any calendar year.

Sec. 5. **[190.001] POLICY STATEMENT.**

In recognition of the necessity of maintaining a strong military force for the protection and survival of this state and nation and of free and democratic allied societies throughout the world, and of the numerous and varied sacrifices required of military personnel and their families both in peacetime and war, and of the exemplary character, courage, leadership, and training of United States armed forces personnel of all generations, it is the policy of the state of Minnesota to promulgate, implement, and maintain laws, policies, rules, and procedures,

insofar as is practicable and beneficial to the people of this state and within available resources as may exist at any time, that encourage, recognize, and reward honorable military service to this state and nation, whether in regular active service or in the National Guard or other reserve component service, during both peacetime and war. This includes, but is not limited to, policies supportive of the physical and mental health needs of returning veterans.

Sec. 6. Minnesota Statutes 2004, section 190.055, is amended to read:

**190.055 PROTECTIONS.**

(a) A person called or ordered to active service, as defined in section 190.05, subdivision 5a or 5b, has all the protections afforded to persons in the military service of the United States under:

(1) the ~~Soldiers and Sailors Civil Relief Act of 1940~~ Service Members Civil Relief Act, United States Code, Appendix 50, sections 501 to 548, and 560 to 591, as amended; at any time; and

(2) the Uniformed Services Employment and Reemployment Rights Act, United States Code, title 38, sections 4301 to 4333, as amended at any time.

(b) The acts referenced in paragraph (a), clauses (1) and (2), may be cited as the "SCRA" and "USERRA," respectively.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding a subdivision to read:

Subd. 3. **Unpaid leave to attend military ceremonies.** Employees are entitled to unpaid leave, as required by section 181.948, to attend the send-off or homecoming ceremony of an immediate family member who, as a member of the United States armed forces, has been mobilized for active military service in support of a war or other national emergency.

Sec. 8. **[197.775] HIGHER EDUCATION FAIRNESS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "State college or university" means a unit of the University of Minnesota or Minnesota State Colleges and Universities.

Subd. 2. **Recognition of courses.** (a) Minnesota State Colleges and Universities must recognize courses and award educational credits for courses that were part of a veteran's military training or service if the courses meet the standards of the American Council on Education or equivalent standards for awarding academic credits.

(b) The University of Minnesota and private colleges and universities in Minnesota are encouraged to recognize courses and award educational credits for courses that were part of a veteran's military training or service if the courses meet the standards of the American Council on Education or equivalent standards for awarding academic credits.

Subd. 3. **Tuition status.** A state college or university must treat a veteran as a Minnesota resident for purposes of determining the veteran's undergraduate tuition rate. A state college or university must treat a veteran as a Minnesota resident for purposes of determining the veteran's graduate school tuition rate if the veteran was a Minnesota resident on entering military service and starts attending the state college or university graduate program within two years of completing military service.

Subd. 4. **Delayed payment of tuition.** A state college or university may not assess late fees or other late charges for veterans who are eligible to receive federal educational assistance and who have applied for that assistance but not yet received it, nor may they prevent these students from registering for a subsequent term because of outstanding tuition charges that arise from delayed federal payments. The state college or university may request without delay the amount of tuition above expected federal educational assistance and may require payment of the full amount of tuition owed by the veteran within 30 days of receipt of the expected federal educational assistance.

Sec. 9. Minnesota Statutes 2004, section 326.56, is amended to read:

**326.56 LICENSES, CERTIFICATES OF REGISTRATION; RENEWALS.**

Subdivision 1. **Definitions.** For the purposes of this section the terms defined in this subdivision shall have the meanings ascribed to them.

(1) "Active military service" has the meaning given in section 190.05, subdivision 5.

(2) "Employment essential to the prosecution of ~~any a~~ war ~~and or~~ to the national defense" means employment by the federal government of the United States of America, or any of its agencies, or ~~any~~ by a federal government contractor ~~under the United States of America~~, or subcontractor ~~under such contractor~~, in work connected with the prosecution of a war or for the defense of the United States ~~of America and others of the United Nations during war or its allies.~~

~~(2)~~ (3) "Outside of the United States" means outside of the territorial limits of the 50 states of the United States and the District of Columbia.

Subd. 2. **Trade licenses or registrations, renewals; exemption of ~~members of for~~ armed forces and certain essential employees.** Notwithstanding any other provision of statutes, any person required by law to be licensed or registered by the state of Minnesota in order to carry on or practice a trade, employment, occupation or profession ~~in the~~ within this state of Minnesota who is also required by law to renew the license or certificate of registration at stated intervals and to pay a fee for such renewal on or before a specified date, or be subject to revocation of the license or certificate or other penalties, and who has since the enactment by the Congress of the United States of the Selective Service and Training Act of 1940 entered, or shall hereafter enter, the armed forces of the United States of America been ordered into active military service, or who has since the enactment of said act been engaged, or shall hereafter be engaged, in employment; outside of the United States; essential to the prosecution of ~~any a~~ war or to the national defense, whose license or certificate of registration was effective at the time of the person's entry into ~~the~~ armed forces active military service or engagement in the employment ~~aforsaid~~, is hereby exempted from the payment of all renewal fees and from the filing of any application for renewal, which but for this section would have been required as a condition of the renewal of the license or certificate, during the time the person has been in ~~such~~ armed forces active military service or ~~in such that~~ employment, and from any penalties for nonpayment or late payment, and is hereby exempted from further payment of such renewal fees and from the making of any application for renewal during the period the person shall remain in ~~such armed forces~~ active military service or ~~is engaged in~~ such the employment, and for a further period of six months from discharge from the armed forces, if a member thereof, or from the date of return within the boundaries of the United States if engaged in the employment ~~hereinbefore referred to~~ thereafter. The license or certificate in the meantime shall remain in full force and effect, and if it has been canceled or revoked since the date of the enactment of the Selective Service and Training Act of 1940 solely on the ground basis of nonpayment of renewal fees; or failure to apply for a renewal, it shall be reinstated upon the application of the licensee or registrant or ~~any one on the licensee's or registrant's~~ by anyone on the person's behalf without the payment of any penalties or costs. Any such person may within six months from the date of release from ~~the armed forces of the United States, if the person has been a member of such armed forces~~

active military service, or from the date of return within the boundaries of the United States if the person has been engaged in the essential employment ~~hereinbefore referred to~~, make application for a renewal of the license or certificate without penalty and in the same manner as if the person had made application therefor at the time or time specified by existing laws, irrespective of whether the license or certificate has expired or is due to expire within that time period.

Sec. 10. Minnesota Statutes 2004, section 609.67, subdivision 3, is amended to read:

Subd. 3. **Uses permitted.** The following persons may own or possess a machine gun or short-barreled shotgun provided the provisions of subdivision 4 are complied with:

(1) law enforcement officers for use in the course of their duties;

(2) chief executive officers of correctional facilities and other personnel thereof authorized by them and persons in charge of other institutions for the retention of persons convicted or accused of crime, for use in the course of their duties;

(3) persons possessing machine guns or short-barreled shotguns which, although designed as weapons, have been determined by the superintendent of the Bureau of Criminal Apprehension or the superintendent's delegate by reason of the date of manufacture, value, design or other characteristics to be primarily collector's items, relics, museum pieces or objects of curiosity, ornaments or keepsakes, and are not likely to be used as weapons;

(4) manufacturers of ammunition who possess and use machine guns for the sole purpose of testing ammunition manufactured for sale to federal and state agencies or political subdivisions; ~~and~~

(5) dealers and manufacturers who are federally licensed to buy and sell, or manufacture machine guns or short-barreled shotguns and who either use the machine guns or short-barreled shotguns in peace officer training under courses approved by the Board of Peace Officer Standards and Training, or are engaged in the sale of machine guns or short-barreled shotguns to federal and state agencies or political subdivisions; ~~and~~

(6) persons employed by the Minnesota National Guard as security guards, for use in accordance with applicable federal military regulations.

Sec. 11. Minnesota Statutes 2004, section 609.67, subdivision 5, is amended to read:

Subd. 5. **Exceptions.** This section does not apply to members of the armed services of either the United States or the state of Minnesota for use in the course of their duties or to security guards employed by the Minnesota National Guard for use in accordance with applicable federal military regulations.

Sec. 12. Minnesota Statutes 2004, section 626.88, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Peace officer" means an employee of a political subdivision or state law enforcement agency who is licensed pursuant to sections 626.84 to 626.863 charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has full power of arrest, and shall also include Minnesota state troopers, state conservation officers, park police, constables, and University of Minnesota police officers.

(c) "Security guard" means any person who is paid a fee, wage or salary to perform one or more of the following functions:

- (1) prevention or detection of intrusion, unauthorized entry or activity, vandalism or trespass on private property;
- (2) prevention or detection of theft, loss, embezzlement, misappropriation, or concealment of merchandise, money, bonds, stocks, notes, or other valuable documents or papers;
- (3) control, regulation, or direction of the flow or movements of the public, whether by vehicle or otherwise, to assure protection of private property;
- (4) protection of individuals from bodily harm; ~~or~~
- (5) prevention or detection of intrusion, unauthorized entry or activity, vandalism, or trespass on Minnesota National Guard facilities, including, but not limited to, Camp Ripley and Air National Guard air bases; or
- ~~(5)~~ (6) enforcement of policies and rules of the security guard's employer related to crime reduction insofar as such enforcement falls within the scope of security guard's duties.

The term "security guard" does not include: (i) auditors, accountants, and accounting personnel performing audits or accounting functions; (ii) employees of a firm licensed pursuant to section 326.3381 whose duties are primarily administrative or clerical in nature; (iii) unarmed security personnel; (iv) personnel temporarily employed pursuant to statute or ordinance by political subdivisions to provide protective services at social functions; (v) employees of air or rail carriers.

Sec. 13. **MEMORIAL PLAQUES.**

Subdivision 1. Memorial plaque honoring military war dogs and their handlers. A memorial plaque may be placed in the court of honor on the Capitol grounds to recognize the valiant service to our nation by the thousands of brave military war dogs and their handlers who served honorably as members of the United States armed forces during all of our nation's wars and during peacetime. The plaque must be furnished by a person or organization other than the Department of Veterans Affairs and must be approved by the commissioner of veterans affairs and the Capitol Area Architectural and Planning Board.

Subd. 2. Memorial plaque honoring Medal of Honor recipients. A memorial plaque may be placed in the Court of Honor on the Capitol grounds to recognize those Minnesotans that have received the highest award for valor in action against an enemy force which can be bestowed upon an individual serving in the armed services of the United States. The plaque must be furnished by a person or organization other than the Department of Veterans Affairs and must be approved by the commissioner of veterans affairs and the Capitol Area Architectural and Planning Board.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 14. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall insert a first grade header after Minnesota Statutes, section 181.946, that reads "LEAVE FOR FAMILIES OF MOBILIZED MILITARY MEMBERS."

## ARTICLE 6

## MUNICIPAL BOUNDARY ADJUSTMENT

Section 1. **MUNICIPAL BOUNDARY ADJUSTMENT ADVISORY TASK FORCE ESTABLISHED.**

Subdivision 1. **Membership.** An advisory task force on municipal boundary adjustments is established to study and make recommendations on what, if any, changes should be made to the law governing municipal boundary adjustments. The task force shall develop recommendations regarding best practices annexation training for city and township officials to better communicate and jointly plan potential annexations. The task force is comprised of the following members:

(1) two state senators, one from the majority caucus and one from the minority caucus, appointed by at least two-thirds vote of the senate committee with jurisdiction over local government issues;

(2) two state representatives, one from the majority caucus and one from the minority caucus, appointed by at least two-thirds vote of the house of representatives committee with jurisdiction over local government issues;

(3) three representatives of city interests, appointed by the League of Minnesota Cities in consultation with the Association of Metropolitan Municipalities, the Coalition of Greater Minnesota Cities, and the Minnesota Association of Small Cities;

(4) three representatives of township interests, appointed by the Minnesota Association of Townships; and

(5) one person appointed jointly by the senate majority leader and the speaker of the house of representatives to serve as chair of the task force, selected based on knowledge and experience in municipal boundary adjustment issues and who could serve without bias towards either side of the issue of annexation.

All appointing authorities shall provide for balance of geographic areas of the state and city and town interests.

Subd. 2. **Report by January 2007.** The task force shall report its recommendations to the chairs and members of the house of representatives and senate committees with jurisdiction over municipal boundary adjustments by January 1, 2007. The task force shall also provide a copy of its recommendations to the Legislative Reference Library.

Subd. 3. **Funds available.** Any funds remaining in the committee budgets for the house local government committee or the senate state and local government practices committee as of the 2006 adjournment of the legislature will be available to pay for the administrative expenses of the task force, including per diems and expenses of members and the services of a facilitator from the management analysis division of the Department of Administration.

Sec. 2. Minnesota Statutes 2004, section 414.01, subdivision 1a, is amended to read:

Subd. 1a. **Legislative findings.** The legislature finds that:

(1) sound urban development and preservation of agricultural land and open spaces through land use planning is essential to the continued economic growth of this state;

(2) municipal government most efficiently provides governmental services in areas intensively developed for residential, commercial, industrial, and governmental purposes; and township government most efficiently provides governmental services in areas used or developed for agricultural, open space, and rural residential purposes;

(3) the public interest requires that municipalities be formed when there exists or will likely exist the necessary resources to provide for their economical and efficient operation;

(4) annexation to existing municipalities of unincorporated areas unable to supply municipal services should be facilitated; and

~~(5) the consolidation of municipalities should be encouraged. long-range joint powers planning or other cooperative efforts among counties, cities, and towns should be encouraged.~~

Sec. 3. Minnesota Statutes 2004, section 414.02, is amended by adding a subdivision to read:

Subd. 1a. **Notice of intent to incorporate.** At least 30 days before submitting to the director the petition or resolution under this section, the township must serve the clerk of each municipality and each township that is contiguous to the township by certified mail a notice of the township's intent to incorporate.

Sec. 4. Minnesota Statutes 2004, section 414.031, is amended by adding a subdivision to read:

Subd. 1a. **Notice of intent to annex.** At least 30 days before submitting to the director a petition or resolution under this section, the municipality must serve the township clerk of the affected township by certified mail a notice of the municipality's intent to annex property within the township. The notice must clearly identify the boundaries of the area proposed to be annexed.

Sec. 5. Minnesota Statutes 2004, section 414.031, subdivision 4, is amended to read:

Subd. 4. **Relevant factors, order.** (a) In arriving at a decision, the director shall consider the following sources and factors:

(1) recordings and public documents from joint informational meetings under section 414.0333 relevant to other factors listed in this subdivision;

~~(1)~~ (2) present population and number of households, past population and projected population growth of the annexing municipality and subject area and adjacent units of local government;

~~(2)~~ (3) quantity of land within the subject area and adjacent units of local government; and natural terrain including recognizable physical features, general topography, major watersheds, soil conditions and such natural features as rivers, lakes and major bluffs;

~~(3)~~ (4) degree of contiguity of the boundaries between the annexing municipality and the subject area;

~~(4)~~ (5) present pattern of physical development, planning, and intended land uses in the subject area and the annexing municipality including residential, industrial, commercial, agricultural and institutional land uses and the impact of the proposed action on those land uses;

~~(5)~~ (6) the present transportation network and potential transportation issues, including proposed highway development;

~~(6)~~ (7) land use controls and planning presently being utilized in the annexing municipality and the subject area, including comprehensive plans for development in the area and plans and policies of the Metropolitan Council, and whether there are inconsistencies between proposed development and existing land use controls and the reasons therefore;

~~(7)~~ (8) existing levels of governmental services being provided in the annexing municipality and the subject area, including water and sewer service, fire rating and protection, law enforcement, street improvements and maintenance, administrative services, and recreational facilities and the impact of the proposed action on the delivery of said services;

(9) the implementation of previous annexation agreements and orders;

~~(8)~~ (10) existing or potential environmental problems and whether the proposed action is likely to improve or resolve these problems;

~~(9)~~ (11) plans and programs by the annexing municipality for providing needed and enhanced governmental services to the subject area in a cost-effective and feasible manner within a reasonable time from the date of the annexation;

~~(10)~~ (12) an analysis of the fiscal impact on the annexing municipality, the subject area, and adjacent units of local government, including net tax capacity and the present bonded indebtedness, and the local tax rates of the county, school district, and township;

~~(11)~~ (13) relationship and effect of the proposed action on affected and adjacent school districts and communities;

~~(12)~~ (14) adequacy of town government to deliver services to the subject area;

~~(13)~~ (15) analysis of whether necessary governmental services can best be provided through the proposed action or another type of boundary adjustment; and

~~(14)~~ (16) if only a part of a township is annexed, the ability of the remainder of the township to continue or the feasibility of it being incorporated separately or being annexed to another municipality.

(b) Based upon the factors, the director may order the annexation on finding:

(1) that the subject area is now, or is about to become, urban or suburban in character;

(2) that municipal government in the area proposed for annexation is required to protect the public health, safety, and welfare; or

(3) that the annexation would be in the best interest of the subject area.

(c) If only a part of a township is to be annexed, the director shall consider whether the remainder of the township can continue to carry on the functions of government without undue hardship.

(d) The director shall deny the annexation on finding that the increase in revenues for the annexing municipality bears no reasonable relation to the monetary value of benefits conferred upon the annexed area.

(e) The director may deny the annexation on finding:

(1) that annexation of all or a part of the property to an adjacent municipality would better serve the interests of the residents of the property; or

(2) that the remainder of the township would suffer undue hardship.

(f) The director may alter the boundaries of the area to be annexed by increasing or decreasing the area so as to include only that property which is now or is about to become urban or suburban in character or to add property of such character abutting the area proposed for annexation in order to preserve or improve the symmetry of the area, or to exclude property that may better be served by another unit of government.

(g) The director may also alter the boundaries of the proposed annexation so as to follow visible, clearly recognizable physical features.

(h) If the director determines that part of the area would be better served by another municipality or township, the director may initiate and approve annexation by conducting further hearings and issuing orders pursuant to subdivisions 3 and 4.

(i) In all cases, the director shall set forth the factors which are the basis for the decision.

Sec. 6. Minnesota Statutes 2004, section 414.0325, subdivision 1, is amended to read:

Subdivision 1. **Initiating the proceeding.** (a) One or more townships and one or more municipalities, by joint resolution, may designate an unincorporated area as in need of orderly annexation. One or more municipalities, by joint resolution with the county, may designate an unincorporated area in which there is no organized township government as in need of orderly annexation.

(b) The joint resolution will confer jurisdiction on the director over annexations in the designated area and over the various provisions in said agreement by submission of said joint resolution to the director.

(c) The resolution shall include a description of the designated area and the reasons for designation.

(d) Thereafter, an annexation of any part of the designated area may be initiated by:

(1) submitting to the director a resolution of any signatory to the joint resolution; or

(2) the director.

(e) Whenever a state agency, other than the pollution control agency, orders a municipality to extend a municipal service to an area, the order confers jurisdiction on the director to consider designation of the area for orderly annexation.

(f) If a joint resolution designates an area as in need of orderly annexation and states that no alteration of its stated boundaries is appropriate, the director may review and comment, but may not alter the boundaries.

(g) If a joint resolution designates an area as in need of orderly annexation, provides for the conditions for its annexation, and states that no consideration by the director is necessary, the director may review and comment, but shall, within 30 days, order the annexation in accordance with the terms of the resolution.

Sec. 7. Minnesota Statutes 2004, section 414.0325, is amended by adding a subdivision to read:

**Subd. 1b. Notice of intent to designate an area.** At least ten days before the municipality or township adopts an orderly annexation agreement, a notice of the intent to include property in an orderly annexation area must be published in a newspaper of general circulation in both the township and municipality. The notice must clearly identify the boundaries of the area proposed to be included in the orderly annexation agreement and the date, time, and place of the public informational meeting to be held as provided in section 414.0333. The cost of providing notice must be equally divided between the municipality and the township, unless otherwise agreed upon by the municipality and the township.

Sec. 8. Minnesota Statutes 2004, section 414.033, subdivision 2, is amended to read:

Subd. 2. **Conditions.** A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

(1) the land is owned by the municipality;

(2) the land is completely surrounded by land within the municipal limits;

(3) the land abuts the municipality and the area to be annexed is ~~60~~ 120 acres or less, and the area to be annexed is not presently served by public ~~sewer wastewater~~ facilities or public ~~sewer wastewater~~ facilities are not otherwise available, and the municipality receives a petition for annexation from all the property owners of the land. Except as provided for by an orderly annexation agreement, the director must not accept a petition from a property owner for more than one annexation per year of property contiguous to the parcel previously annexed under this clause; or

(4) the land has been approved after August 1, 1995, by a preliminary plat or final plat for subdivision to provide residential lots that average 21,780 square feet or less in area and the land is located within two miles of the municipal limits.

**EFFECTIVE DATE.** This section is effective until July 1, 2007.

Sec. 9. Minnesota Statutes 2004, section 414.033, subdivision 12, is amended to read:

Subd. 12. **Property taxes.** When a municipality annexes land under subdivision 2, clause (2), (3), or (4), property taxes payable on the annexed land shall continue to be paid to the affected town or towns for the year in which the annexation becomes effective. If the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year. ~~In the first year following the year when the municipality could first levy on the annexed area under this subdivision, and thereafter, property taxes on the annexed land shall be paid to the municipality. In the first year following the year the municipality could first levy on the annexed area, the municipality shall make a cash payment to the affected town or towns in an amount equal to 90 percent of the property taxes distributed to the town in regard to the annexed area in the last year the property taxes from the annexed area were payable to the town; in the second year, an amount equal to 70 percent; in the third year, an amount equal to 50 percent; in the fourth year, an amount equal to 30 percent; and in the fifth year, an amount equal to ten percent. The municipality and the affected township may agree to a different payment.~~

Sec. 10. **[414.0333] JOINT INFORMATIONAL MEETING.**

There must be a joint informational meeting of the municipal council of the annexing municipality and the town board of supervisors of the township containing the land proposed to be annexed or included in annexation proceedings under section 414.0325 or 414.031. For an annexation under section 414.031, the joint information meeting must be held after the final mediation meeting or the final meeting held pursuant to section 414.01, subdivision 16, if any, and before the hearing on the matter is held. If no mediation meetings are held, the joint informational meeting must be held after the initiating documents have been filed and before the hearing on the matter. The time, date, and place of the public informational meeting must be determined jointly by the chair of the town board of supervisors and the mayor of the annexing municipality. The chair of the town board of supervisors and the mayor must serve as the cochairs for the informational meeting. Notice of the time, date, place, and purpose of the informational meeting must be posted by the town clerk in the township's designated place for posting notices, and by the municipal clerk in the municipality's designated place for posting notices. A joint notice shall be published in a newspaper of general circulation within both the municipality and the township. All notice required

by this section must be provided at least ten days before the date for the public informational meeting. At the public informational meeting, all persons appearing must have an opportunity to be heard. The municipal council, the town board of supervisors, and any resident or affected property owner may be represented by counsel and introduce evidence including, but not limited to, expert testimony into the record of the informational meeting. The clerk of the township must record minutes of the proceedings of the informational meeting and the municipal clerk must make an audio recording of the informational meeting. The township must provide the director and the municipality with a copy of the printed minutes and the municipality must provide the director and the township with a copy of the audio recording. The record of the informational meeting for a proceeding under section 414.031 is admissible in any proceeding under this chapter and shall be taken into consideration by the director or the director's designee.

Sec. 11. Minnesota Statutes 2004, section 414.036, is amended to read:

**414.036 CITY REIMBURSEMENT TO TOWN TO ANNEX TAXABLE PROPERTY.**

Unless otherwise agreed to by the annexing municipality and the affected town, when an order or other approval under section 414.0325 this chapter annexes part of a town to a municipality, the orderly annexation agreement between the town and municipality may order or other approval must provide a reimbursement from the municipality to the town for all or part of the taxable property annexed as part of the order. The reimbursement shall be completed in substantially equal payments over not less than two nor more than ~~six~~ eight years from the time of annexation. The municipality must reimburse the township for all special assessments assigned by the township to the annexed property, and any portion of debt incurred by the town prior to the annexation and attributable to the property to be annexed but for which no special assessments are outstanding, in substantially equal payments over a period of not less than two or no more than eight years.

Sec. 12. Minnesota Statutes 2004, section 414.061, subdivision 5, is amended to read:

Subd. 5. **Property owners may initiate.** Property owners may initiate proceedings for the concurrent detachment of their property from one municipality and its annexation to an adjacent municipality by a petition signed by all of them that they submit to the director accompanied by a resolution of the city council of ~~at least one~~ each of the affected municipalities. The director shall conduct hearings and issue an order pursuant to section 414.09. In arriving at a decision, the director shall consider the factors in section 414.02, subdivision 3. The director shall order the proposed action on finding that it will be for the best interests of the municipalities and the property owner. In all cases, the director shall set forth the factors which are the basis for the decision.

Sec. 13. **EFFECTIVE DATE.**

Section 8 is effective until July 1, 2007."

Delete the title and insert:

"A bill for an act relating to government operations; appropriating money for sale of state lands revolving loan fund, Office of Enterprise Technology, the state's bankruptcy counsel, the investment board, and the legislature; regulating state and local government operations; limiting elected official per diems; establishing legislature and governor forfeiture of salary under certain circumstances; modifying provisions related to the legislature, Indian Affairs Council, investigation by the state auditor, political subdivisions, special districts, attorney general, and governor; establishing a moratorium on unfunded mandates to business and local governments; establishing accounts for postemployment benefits; authorizing state land sales; ratifying certain labor agreements and compensation plans; regulating elections and campaign finance; modifying provisions related to the military and veterans; modifying municipal boundary adjustment provisions; authorizing rulemaking; amending Minnesota Statutes 2004, sections 3.012; 3.099, subdivision 1; 3.101; 3.9223, subdivision 5; 3.9225, subdivision 5; 3.9226, subdivision 5; 6.47; 6.51; 6.54; 6.55; 6.551; 6.57; 6.59; 6.60; 6.62, subdivision 2; 6.63; 6.64; 6.65; 6.66; 6.67; 6.68;

6.70; 6.71; 6.76; 8.01; 10A.15, subdivision 5; 10A.25, subdivisions 2, 10; 10A.27, subdivision 2; 10A.273, subdivisions 1, 2; 10A.322, subdivisions 1, 4; 11A.07, subdivision 5; 15.0575, subdivision 3; 15.059, subdivisions 3, 5; 15.066, subdivision 2; 16A.065; 16A.11, subdivision 3; 16A.1283; 16A.86, by adding a subdivision; 16C.02, subdivisions 4, 12, 14, by adding subdivisions; 16C.03, subdivisions 3, 4, 8, 13, 16; 16C.04, subdivisions 1, 2; 16C.05, subdivisions 1, 2, 5; 16C.08, subdivision 2, by adding subdivisions; 16C.16, by adding a subdivision; 43A.17, subdivision 4; 43A.316, subdivisions 1, 3, 4, 5, 6, 7, 8, 10, by adding subdivisions; 85.053, by adding a subdivision; 103D.355; 123B.63, subdivision 3; 126C.17, subdivision 11; 147.02, by adding a subdivision; 190.055; 204B.14, subdivision 5; 204B.16, subdivision 3; 204B.19, subdivision 4; 204B.40; 205.10, subdivision 3; 205A.05, subdivision 1; 205A.11, subdivision 2; 211B.04; 211B.11, subdivision 1; 270B.14, by adding a subdivision; 326.56; 349.211, subdivision 2a; 373.40, subdivision 2; 375.171; 375.20; 412.02, subdivision 2a; 414.01, subdivision 1a; 414.02, by adding a subdivision; 414.031, subdivision 4, by adding a subdivision; 414.0325, subdivision 1, by adding a subdivision; 414.033, subdivisions 2, 12; 414.036; 414.061, subdivision 5; 458.40; 465.82, subdivision 2; 465.84; 469.053, subdivision 5; 469.0724; 469.177, subdivision 11; 469.190, subdivision 5; 471.345, subdivision 16, by adding subdivisions; 471.382; 475.58, subdivisions 1, 1a; 475.59; 609.67, subdivisions 3, 5; 626.88, subdivision 1; Minnesota Statutes 2005 Supplement, sections 3.303, subdivision 7; 10.60, subdivision 3; 10A.01, subdivision 26; 10A.31, subdivision 4; 11A.04; 11A.07, subdivision 4; 14.127, subdivisions 1, 3, 4; 16C.064; 16C.09; 16C.10, subdivision 7; 43A.183; 123B.02, subdivision 23; 157.16, subdivision 3a; 192.502, by adding a subdivision; 201.061, subdivision 3; 204B.16, subdivision 1; 204C.08, subdivision 1a; 206.56, subdivisions 1b, 3, 7a, 7b, 8; 206.57, subdivision 5; 206.61, subdivision 5; 206.80; 206.805, subdivision 1; 206.82, subdivision 2; 206.83; 206.90, subdivision 8; 211B.13, subdivision 1; 349.15, subdivision 1; 349.17, subdivision 7; 471.661; 475.521, subdivision 2; Laws 2005, chapter 156, article 1, sections 8; 11, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 6; 10A; 14; 15; 15A; 15B; 16A; 16B; 16C; 16E; 123B; 138; 181; 190; 197; 204C; 204D; 206; 240A; 270C; 290; 345; 349; 353; 414; 471; proposing coding for new law as Minnesota Statutes, chapter 206A; repealing Minnesota Statutes 2004, sections 6.56, subdivision 1; 10A.257, subdivision 1; 10A.273, subdivision 3; 204C.50, subdivisions 3, 4, 5, 6; Minnesota Statutes 2005 Supplement, section 204C.50, subdivisions 1, 2; Laws 2005, chapter 162, section 34, subdivision 7."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Seifert from the Committee on State Government Finance to which was referred:

H. F. No. 2921, A bill for an act relating to the military; requiring leaves of absence for the immediate family members of a seriously injured or killed member of the armed forces; providing for and funding certain programs benefiting veterans; creating an individual income tax subtraction for military pensions; requiring educational fairness; appropriating money; amending Minnesota Statutes 2005 Supplement, sections 192.502, by adding a subdivision; 290.01, subdivision 19b; 290.091, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 181; 197.

Reported the same back with the following amendments:

Page 6, line 29, before "government" insert "federal" and delete everything after the first "the"

Page 6, line 30, delete everything before the period, and insert "military, as computed under United States Code, title 10, sections 1401 to 1412, 1447 to 1455, and 12733"

Page 8, line 26, delete "\$3,000,000" and insert "\$2,300,000"

Page 8, line 30, delete "for that fund and are to be used to assist veterans"

Page 8, delete lines 31 to 32

Page 8, line 33, delete everything before the period

Page 9, line 1, delete "\$200,000" and insert "\$100,000"

Page 9, line 3, delete "assistance Web manager" and insert "information officer"

Page 9, line 9, delete "Incentive-based"

Page 9, line 10, delete "\$3,000,000" and insert "\$100,000"

Page 9, line 11, delete "incentive-based"

Page 9, line 12, after "veterans" insert ". The commissioner, in consultation with the County Veterans Service Officers' Association, shall establish grants"

Page 9, line 13, before "benchmarks" insert "objective"

Page 9, line 15, after the period, insert "This funding may be utilized to assist counties in consolidating their county veterans service offices into bi-county or multi-county service offices."

Page 9, line 16, delete "\$2,600,000" and insert "\$600,000"

Page 9, line 19, delete "\$2,500,000" and insert "\$500,000"

Page 9, line 23, after "Universities" insert ", private colleges,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 3057, A bill for an act relating to waters; authorizing the Lower Minnesota River Watershed District to acquire, maintain, operate, improve, and enlarge a site for the deposit of dredge material, issue and sell general obligation bonds or revenue bonds for the acquisition, maintenance, operation, improvement, and enlargement of the dredge material site, and charge fees for permitting private customers to deposit dredge material at the dredge material site.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Local Government.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 3200, A bill for an act relating to natural resources; modifying contractual and grant agreement provisions; excepting the electronic licensing system commission from certain standing appropriations; modifying snowmobile state trail sticker requirements; designating a state trail; modifying invasive species provisions; modifying certain state trail descriptions; modifying certain definitions; modifying water use surcharge provisions; modifying water aeration safety provisions; amending Minnesota Statutes 2004, sections 84.026; 84.0911, as amended; 84.8205, subdivision 2, by adding a subdivision; 84D.01, subdivisions 9a, 13, 15, 16; 84D.02, subdivision 2; 85.015, subdivisions 7, 8, 11, by adding a subdivision; 97A.015, subdivision 18; 103G.611, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 84.8205, subdivision 1; 85.015, subdivision 5; 88.17, subdivision 5; 103G.271, subdivision 6; repealing Minnesota Statutes 2004, section 103G.611, subdivision 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 3248, A bill for an act relating to military; permitting military personnel stationed outside Minnesota to enter state parks without a fee while home on leave; amending Minnesota Statutes 2004, section 85.053, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 3249, A bill for an act relating to veterans; natural resources; providing certain free hunting and fishing licenses and state park permits to eligible veterans of the current war on terrorism; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 97A; 197.

Reported the same back with the recommendation that the bill be re-referred to the Committee on State Government Finance without further recommendation.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3268, A bill for an act relating to economic development; establishing the Minnesota Biomedical Sciences Research Facilities Authority and the biomedical sciences research project funding program; providing for the University of Minnesota to apply for facility program funds; authorizing sale of state bonds to fund program; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, delete lines 15 to 16 and insert:

"Subdivision 1. **Definitions.** Notwithstanding section 116J.03, for the purposes of sections 116J.886 to 116J.8892, the terms in this section have the meanings given them."

Page 2, line 12, after "facility," insert "infrastructure,"

Page 2, delete lines 18 to 20 and insert "development, one current and one former member of the senate appointed by the majority leader of the senate, one current and one former member of the senate appointed by the minority leader of the senate, one current and one former member of the house of representatives appointed by the speaker of the house of representatives, one current and one former"

Page 2, line 24, before "legislative" insert "current"

Page 2, line 28, after the period, insert "Members of the authority are public officials for purposes of chapter 10A."

Page 2, delete subdivision 2

Renumber the subdivisions in sequence

Page 4, after line 15, insert:

"Subd. 5. **Report.** The authority must report to the legislature by July 1 of each odd-numbered year on implementation of projects since the last report and on plans for the upcoming year."

Page 5, line 8, delete "and"

Page 5, line 10, delete the period, and insert ": and"

Page 5, after line 10, insert:

"(4) at a minimum the application must include the following information:

(i) a resolution of the governing body that the required match is available and committed;

(ii) a detailed estimate, along with necessary supporting evidence, of the total cost of the project;

(iii) an assessment of the potential to attract new public and private research grant awards resulting from the project;

(iv) a detailed facility operating financial analysis projecting the annual expected revenues and costs associated with the project;

(v) a timeline indicating the major milestones of the project and their anticipated completion dates; and

(vi) an assessment of the likelihood of public benefits from the project including benefitting public health and enhancement of employment opportunities within the state, stimulation of economic growth, and the potential for advancing the development of commercially successful and affordable products, processes, or services.

The factors listed are not in priority order and the authority may weigh each factor, depending upon the facts and circumstances, as the authority considers appropriate."

Page 5, line 17, after the period, insert "The authority may approve total grants up to the percentage of the amount of bond proceeds authorized in section 116J.8892, subdivision 1, for the fiscal year ending June 30 as set forth opposite such date."

Page 5, after line 17, insert:

<u>"Percent of Bond Proceeds</u>	<u>Fiscal Year</u>
<u>16.4%</u>	<u>2008</u>
<u>34.4%</u>	<u>2010</u>
<u>54.2%</u>	<u>2012</u>
<u>76.0%</u>	<u>2014</u>
<u>100.0%</u>	<u>2016"</u>

Page 5, line 31, after the period, insert "The provisions of section 16A.642 do not apply to this section."

Page 6, delete subdivision 3 and insert:

"Subd. 3. **Transfer.** The commissioner shall annually deposit in the biomedical science research facilities bond fund on October 1 of the years set forth below the amount set forth opposite such date from the annual tobacco settlement payments received by the state of Minnesota pursuant to the May 8, 1998, settlement agreement and stipulation.

<u>Amount Payable From Tobacco Settlement Payment</u>	<u>October 1</u>
<u>\$1,300,000</u>	<u>2007</u>
<u>\$5,900,000</u>	<u>2008</u>
<u>\$11,900,000</u>	<u>2009</u>
<u>\$12,700,000</u>	<u>2010</u>
<u>\$18,200,000</u>	<u>2011</u>
<u>\$18,900,000</u>	<u>2012</u>
<u>\$24,800,000</u>	<u>2013</u>
<u>\$25,400,000</u>	<u>2014</u>
<u>\$31,600,000</u>	<u>2015</u>
<u>\$30,300,000</u>	<u>2016 and thereafter</u>

All amounts in the biomedical science research facilities bond fund not required to pay the principal of, premium, if any, and interest on bonds issued pursuant to subdivision 1 in any fiscal year or required to pay the authority's administrative costs shall be transferred by the commissioner to the general fund by June 30 of such fiscal year."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Capital Investment.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 3397, A bill for an act relating to state lands; adding to and deleting from state parks, forests, and recreation areas; providing for public and private sales, conveyances, and exchanges of certain state lands; authorizing removal of certain land from the sustainable forest incentive program; providing for disposition of certain proceeds from tax-forfeited land sales in Itasca County; modifying prior sale provisions; amending Laws 1999, chapter 161, section 31, subdivision 5, as amended; Laws 2005, chapter 161, section 19.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Westrom from the Committee on Regulated Industries to which was referred:

H. F. No. 3542, A bill for an act relating to energy; requiring certain gas utilities to prepare and implement service reconnection plans; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 116C.779, subdivision 2, is amended to read:

Subd. 2. **Renewable energy production incentive.** (a) Until January 1, 2018, up to ~~\$10,900,000~~ \$11,840,000 annually must be allocated from available funds in the account to fund renewable energy production incentives and grants for qualified on-farm biogas recovery facilities. ~~\$9,400,000~~ \$10,340,000 of this annual amount is for incentives for up to 200 megawatts of electricity generated by wind energy conversion systems that are eligible for the incentives under section 216C.41. ~~The balance of this amount,~~ Up to ~~\$1,500,000~~ \$500,000 annually, may be used for production incentives for on-farm biogas recovery facilities that are eligible for the incentive under section 216C.41 ~~or for production incentives for other renewables, to be provided in the same manner as under section 216C.41.~~ Up to \$1,000,000 may be used for grants for qualified on-farm biogas recovery facilities, as provided in section 216C.42. Any portion of the ~~\$10,900,000~~ \$11,840,000 not expended in any calendar year for the incentive is available for other spending purposes under this section. This subdivision does not create an obligation to contribute funds to the account.

(b) The Department of Commerce shall determine eligibility of projects under section 216C.41 for the purposes of this subdivision. At least quarterly, the Department of Commerce shall notify the public utility of the name and address of each eligible project owner and the amount due to each project under section 216C.41. The public utility shall make payments within 15 working days after receipt of notification of payments due.

Sec. 2. **[216B.096] EARLY IDENTIFICATION OF HEAT-DISCONNECTED CUSTOMERS.**

Subdivision 1. Definitions. For the purposes of this section, the terms defined in this subdivision have the meanings given them:

(a) "Heat-affected customer" means a residential customer heating with electricity or natural gas.

(b) "Heating season" means the period between October 15 and the following April 15.

(c) "Utility" means a public utility serving residential customers who heat with electricity or natural gas.

Subd. 2. **Early identification.** Beginning no later than September 15, a utility must attempt to contact heat-affected customers in occupied dwellings whose service was disconnected after the previous heating season to establish payment arrangements or a reconnection plan in order to restore service. A record must be made of all contacts and attempted contacts.

Subd. 3. **Report to commission.** Annually on November 1, a utility must file with the commission a report specifying the number of heat-affected customers in occupied dwellings whose service is disconnected on October 1 and on October 15. If heat-affected customers remain disconnected on October 15, each utility shall file a weekly report, beginning November 1, specifying the number of heat-affected customers that are or remain disconnected from service during the current heating season.

Sec. 3. Minnesota Statutes 2004, section 216B.16, subdivision 15, is amended to read:

**Subd. 15. Low-income programs.** (a) The commission may consider ability to pay as a factor in setting utility rates and ~~may~~ must establish programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. By September 1, 2006, public utilities that serve low-income natural gas heating customers, except any public utility operating a low-income program under subdivision 14, must file an affordability program with the commission. A program must be implemented upon approval by the commission.

(b) The purpose of the low-income programs is to lower the percentage of income that participating low-income households devote to energy bills, to increase participating customer payments, to decrease or eliminate participating customer arrears, and to lower the utility costs associated with participating customer account collection activities. In ordering low-income programs, the commission may require public utilities to file program evaluations, including the coordination of other available low-income bill payment and conservation resources and the effect of the program on:

- (1) reducing the percentage of income that participating households devote to energy bills;
- (2) service disconnections; and
- (3) customer payment behavior, utility collection costs, arrearages, and bad debt.

(c) The commission shall issue orders necessary to implement, administer, and recover the costs, including administrative costs, of a program on a timely basis.

Sec. 4. Minnesota Statutes 2004, section 216B.241, subdivision 1a, is amended to read:

**Subd. 1a. Investment, expenditure, and contribution; public utility.** (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

- (1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;
- (2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and
- (3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner under paragraph (b).

The gross operating revenue to be used in determining the amount of spending and investment required under this subdivision is the revenue for the year preceding the year that a proposed plan is filed with the commissioner. The commissioner may adjust the spending required after the first or subsequent year of a plan to reflect more recent available revenue figures.

(b) The owner of a large electric customer facility may petition the commissioner to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this paragraph upon a determination that cost-effective energy conservation improvements are available at the large electric customer facility. For the purposes of this paragraph, "cost-effective" means that the projected total cost of the energy conservation improvement at the large electric customer facility is less than the projected present value of the energy and demand savings resulting from the energy conservation improvement. For the purposes of investigations by the commissioner under this paragraph, the owner of any large electric customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph.

(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.

(d) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under paragraph (b) or (c) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) or (c), the commission shall rescind the decision if it finds that the required investments or spending will:

- (1) not result in cost-effective energy conservation improvements; or
- (2) otherwise not be in the public interest.

(e) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. A public utility may propose to the commissioner to designate that all or a portion of funds contributed to the account established in subdivision 2a be used for research and development projects that can best be implemented on a statewide basis. Contributions must be remitted to the commissioner by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

Sec. 5. Minnesota Statutes 2005 Supplement, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. **Conservation improvement by cooperative association or municipality.** (a) This subdivision applies to:

- (1) a cooperative electric association that provides retail service to its members;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

The gross operating revenue to be used in determining the amount of spending and investment required under this subdivision is the revenue for the year preceding the year that a proposed plan is filed with the commissioner. The commissioner may adjust the spending required after the first or subsequent year of a plan to reflect more recent available revenue figures.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities that do not reduce energy use but that increase the efficiency of the electric system may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

(g) At least every four years, on a schedule determined by the commissioner, each municipality or cooperative shall file an overview of its conservation improvement plan with the commissioner. With this overview, the municipality or cooperative shall also provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the

service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program evaluation. The overview and evaluation filed by a municipality with less than 60,000,000 kilowatt hours in annual retail sales of electric service may consist of a letter from the governing board of the municipal utility to the department providing the amount of annual conservation spending required of that municipality and certifying that the required amount has been spent on conservation programs pursuant to this subdivision.

(h) The commissioner shall also review each evaluation for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low-income" means an income at or below 50 percent of the state median income.

(i) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. A municipality or association may propose to the commissioner to designate that all or a portion of funds contributed to the account be used for research and development projects that can best be implemented on a statewide basis. Any amount contributed must be remitted to the commissioner by February 1 of each year.

(j) A municipality may spend up to 50 percent of its required spending under this section to refurbish an existing district heating or cooling system. This paragraph expires July 1, 2007. After July 1, 2007, and until July 1, 2011, expenditures made to refurbish an existing heating or cooling system are considered to be load-management activities under paragraph (e).

Sec. 6. Minnesota Statutes 2005 Supplement, section 216B.241, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a four-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every four years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization.

(e) The commissioner may, by order, establish a list of programs that may be offered as energy conservation improvements by a public utility, municipal utility, cooperative electric association, or other entity providing conservation services pursuant to this section. The list of programs may include rebates for high-efficiency appliances, rebates or subsidies for high-efficiency lamps, small business energy audits, and building recommissioning. The commissioner may, by order, change this list to add or subtract programs as the commissioner determines is necessary to promote efficient and effective conservation programs.

(f) The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons, in proportion to the amount the utility has historically spent on such programs based on the most recent three-year average relative to the utility's total conservation spending under this section, unless an insufficient number of appropriate programs are available, including low-income renters. In approving spending and energy savings goals for conservation improvement programs targeted to low-income persons, the commissioner shall consider historic spending levels, the number of participating households, and energy savings achieved under these programs targeted to low-income persons and the number of low-income persons residing in the utility's service area. A utility that furnishes gas service must spend at least 0.2 percent of its gross operating revenues from service provided to residential customers in this state on conservation improvement programs targeted to low-income persons.

(g) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

(h) The commissioner may order a public utility to include, with the filing of the utility's proposed conservation improvement plan under paragraph (a), the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.

(i) Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program audit and evaluation.

Sec. 7. Minnesota Statutes 2004, section 216B.241, is amended by adding a subdivision to read:

Subd. 2c. **Renewable energy projects.** Up to five percent of a utility's conservation spending obligation under this section may be used for a project located in this state that produces electricity from an eligible energy technology as defined in section 216B.1691, subdivision 1, paragraph (a), clauses (1) and (2), provided that:

(1) the project is eligible to be counted toward a utility's renewable energy objective, as defined in section 216B.1691, subdivision 2, paragraph (a);

(2) the project produces electricity continuously at an essentially constant rate; and

(3) the project is owned by a qualifying owner as defined in section 216B.1612, subdivision 2, paragraph (c).

Sec. 8. Minnesota Statutes 2004, section 216C.37, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** In this section:

(a) "Commissioner" means the commissioner of commerce.

(b) "Energy conservation investments" means all capital expenditures that are associated with conservation measures identified in an energy project study, including renewable energy measures, and that have a ten-year or less payback period.

(c) "Municipality" means any county, statutory or home rule charter city, town, school district, or any combination of those units operating under an agreement to jointly undertake projects authorized in this section.

(d) "Energy project study" means a study of one or more energy-related capital improvement projects analyzed in sufficient detail to support a financing application. At a minimum, it must include one year of energy consumption and cost data, a description of existing conditions, a description of proposed conditions, a detailed description of the costs of the project, and calculations sufficient to document the proposed energy savings.

Sec. 9. Minnesota Statutes 2005 Supplement, section 216C.41, subdivision 3, is amended to read:

Subd. 3. **Eligibility window.** (a) Except as provided in subdivision 3a, payments may be made under this section only for electricity generated:

(1) from a qualified hydroelectric facility that is operational and generating electricity before December 31, 2007 2009;

(2) from a qualified wind energy conversion facility that is operational and generating electricity before January 1, 2007; or, from a qualified wind energy conversion facility that is owned by a school district and that begins generating electricity after January 1, 2007, and before January 1, 2012; or

(3) from a qualified on-farm biogas recovery facility from July 1, 2001, through December 31, 2017.

(b) The provisions of section 123B.02, subdivision 21, apply to wind energy conversion systems owned by school districts eligible to receive payments under this subdivision.

Sec. 10. Minnesota Statutes 2004, section 216C.41, is amended by adding a subdivision to read:

Subd. 3a. **Payments for gas production.** A qualified on-farm biogas recovery facility is eligible to receive renewable energy production incentives if it produces gas. The amount of the incentive paid to a qualified on-farm biogas recovery facility shall be equivalent, on a per million Btu basis, to 1.5 cents per kilowatt hour, as determined by the Department of Commerce. No qualified on-farm biogas recovery facility may receive an annual incentive payment in excess of \$250,000.

Sec. 11. Minnesota Statutes 2004, section 216C.41, subdivision 4, is amended to read:

Subd. 4. **Payment period.** (a) A facility may receive payments under this section for a ten-year period. No payment under this section may be made for electricity generated:

(1) by a qualified hydroelectric facility after December 31, ~~2017~~ 2019;

(2) by a qualified wind energy conversion facility after December 31, 2017, except that a qualified wind energy conversion facility owned by a school district may receive payments until December 31, 2022; or

(3) by a qualified on-farm biogas recovery facility after December 31, 2015.

(b) The payment period begins and runs consecutively from the date the facility begins generating electricity or, in the case of refurbishment of a hydropower facility, after substantial repairs to the hydropower facility dam funded by the incentive payments are initiated.

Sec. 12. Minnesota Statutes 2005 Supplement, section 216C.41, subdivision 5a, is amended to read:

Subd. 5a. **Renewable development account.** The Department of Commerce shall authorize payment of the renewable energy production incentive to wind energy conversion systems for 200 megawatts of nameplate capacity, and for an additional 20 megawatts of nameplate capacity for wind energy conversion systems owned by school districts that begin generating electricity after January 1, 2007, and to on-farm biogas recovery facilities. Payment of the incentive shall be made from the renewable energy development account as provided under section 116C.779, subdivision 2.

Sec. 13. **[216C.42] ON-FARM BIOGAS RECOVERY GRANTS.**

Subdivision 1. **Definitions.** (a) "Qualified on-farm biogas recovery facility" means an anaerobic digester system that:

(1) is located at the site of an agricultural operation;

(2) is owned by an entity that is not prohibited from owning agricultural land under section 500.24 and that owns or rents the land where the facility is located; and

(3) is owned by a qualified owner as defined in section 216B.1612, subdivision 2, paragraph (c).

(b) "Anaerobic digester system" means a system of components that processes animal waste based on the absence of oxygen and produces gas.

(c) "Commissioner" means the commissioner of agriculture.

Subd. 2. **Eligibility.** Subject to the availability of funds, the commissioner shall approve grants to a qualified owner of a qualified on-farm biogas recovery facility for the total installed costs of capital investments associated with the facility, up to a maximum of \$500,000.

Subd. 3. **Application.** Application for a grant under this section shall be made by a qualified owner to the commissioner on a form the commissioner prescribes by rule. The commissioner shall review each application to determine:

(1) whether the application is complete;

(2) whether the information, calculations, and estimates contained in the application are appropriate, accurate, and reasonable;

(3) whether the project is eligible for a grant;

(4) the amount of the grant for which the project is eligible; and

(5) other funding sources the owner proposes to use to finance the project in addition to a grant authorized by this section.

An applicant may submit only one grant application each year under this section.

Subd. 4. **Additional information.** During application review, the commissioner may request additional information about a proposed project, including information on project cost. Failure to provide information requested disqualifies a grant application.

Subd. 5. **Public accessibility of grant application data.** Data contained in an application submitted to the commissioner for a grant under this section, including supporting technical documentation, is classified as "public data not on individuals" under section 13.02, subdivision 14.

Subd. 6. **Rules.** The commissioner shall adopt rules necessary to implement this section. The rules shall contain at a minimum:

(1) standards for project eligibility;

(2) criteria for reviewing grant applications; and

(3) procedures and guidelines for program monitoring and evaluation.

Subd. 7. **Right of first refusal.** A utility that provides electric service at retail has the right of first refusal for any gas produced by a qualified on-farm biogas recovery facility that has received a grant under this section. Any gas generated by a qualified on-farm biogas recovery facility awarded a grant under this section that is purchased by a utility may be counted as part of the utility's good faith effort to meet its renewable energy objective under section 216B.1691, subdivision 2.

Subd. 8. **Appropriation.** Up to \$1,000,000 is appropriated annually from the renewable development account through fiscal year 2015 to the commissioner of agriculture for the purpose of providing grants to qualified on-farm biogas recovery facilities.

Sec. 14. **[325E.027] LOW-INCOME CUSTOMERS; DELIVERED HEATING FUEL VENDOR'S OBLIGATION.**

A dealer or distributor of liquid propane gas or number 1 or number 2 fuel oil may not refuse to deliver liquid propane gas or number 1 or number 2 fuel oil within their normal delivery area to any person who receives direct grants under the low-income home energy assistance program if that person has requested delivery, the dealer or distributor has product available, and the person requesting delivery is capable of making full payment at the time of delivery and is not in arrears regarding any previous fuel purchase from that dealer or distributor. A distributor or dealer making delivery to a person receiving direct grants from the low-income home energy assistance program may not charge that person any additional costs or fees that would not be charged to any other customer and shall make available to that person any discount programs on the same basis as the dealer or distributor makes available to any other customer.

Sec. 15. **BIOMASS GENERATION FACILITY AGREEMENT.**

The Department of Commerce may facilitate the development of an agreement between the owners of a biomass-fueled electric generation facility located in Scott County and the electric utility in whose service area the facility is located. The facility must be adjacent to an agricultural product processing plant that uses heat from the biomass facility in its production process. Electricity produced by the biomass-fueled electric generation facility must be used only for the operations of the owners of the biomass facility and for wholesale sales.

Sec. 16. **ETHANOL PLANT; RENEWABLE GENERATION FACILITY CLARIFICATION.**

Consistent with Minnesota Statutes, section 216B.02, subdivision 4, which provides that no person shall be deemed a public utility if it produces or furnishes service to less than 25 persons, the owner and operator of an electric generation facility, which is located in Faribault County and consists of two wind turbines, adjacent to an ethanol plant, is not a public utility if the electricity produced by the turbines is used solely for the operations of the ethanol plant. The providing of electric service by those two turbines to the ethanol plant does not require the consent of the electric utility in whose service area the plant is located.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 17. **PETROLEUM VIOLATION ESCROW FUNDS.**

Petroleum violation escrow funds appropriated to the commissioner of commerce by Laws 1988, chapter 686, article 1, section 38, for state energy loan programs for schools, hospitals, and public buildings may also be used for energy grants to those entities.

Sec. 18. **PROMOTING CONSERVATION THROUGH UTILITY RATES; STUDY.**

The Legislative Electric Energy Task Force must study the issue of the use of utility rates as an incentive to conservation, including the separation of utility revenues from sales. The study may include both gas and electric utility rates. The task force may contract for all or part of the study, including contracting with other state agencies. The study must be completed by January 15, 2007."

Delete the title and insert:

"A bill for an act relating to energy; increasing renewable energy production incentives; providing for early identification and reconnection of heat-disconnected customers; requiring affordability programs for low-income natural gas heating customers; modifying provisions for determining required investments in energy conservation improvements and renewable energy projects; providing for payments to certain qualified energy facilities;

regulating deliveries of fuel oil and propane gas to low-income customers; exempting certain biomass generation facility and renewable generation facility from utility regulations; authorizing use of petroleum violation escrow funds for energy grants; requiring a study; appropriating money; amending Minnesota Statutes 2004, sections 216B.16, subdivision 15; 216B.241, subdivision 1a, by adding a subdivision; 216C.37, subdivision 1; 216C.41, subdivision 4, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 116C.779, subdivision 2; 216B.241, subdivisions 1b, 2; 216C.41, subdivisions 3, 5a; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; 325E."

With the recommendation that when so amended the bill pass.

The report was adopted.

Holberg from the Committee on Transportation Finance to which was referred:

H. F. No. 3637, A bill for an act relating to metropolitan government; governing special transportation service requirements; amending Minnesota Statutes 2004, section 473.386, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 11, after "defined" insert "as of March 1, 2006,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Smith from the Committee on Public Safety Policy and Finance to which was referred:

H. F. No. 3674, A bill for an act relating to marriage; providing for the solemnization of Hmong marriages; imposing criminal penalties for knowingly facilitating the solemnization of a prohibited marriage; clarifying filing requirements for certain Quaker marriages; amending Minnesota Statutes 2004, sections 517.14; 517.18; Minnesota Statutes 2005 Supplement, section 626.556, subdivisions 2, 3.

Reported the same back with the following amendments:

Page 2, line 14, delete "by the Mej Koob,"

Page 2, line 23, delete "4a" and insert "4"

Page 2, after line 25, insert:

"(b) For marriages solemnized under subdivision 4a, the parties to the marriage shall deliver a certificate of the marriage, which must be signed by the parties and at least four witnesses who were present at the ceremony, to the district court of the county where the marriage took place, under penalty of up to \$100 for failing to do so. The certificate must be filed and recorded by the court administrator."

Page 2, line 26, delete "(b)" and insert "(c)"

With the recommendation that when so amended the bill be re-referred to the Committee on Rules and Legislative Administration without further recommendation.

The report was adopted.

Seifert from the Committee on State Government Finance to which was referred:

H. F. No. 3925, A bill for an act relating to local government; modifying municipal boundary adjustment provisions; establishing the municipal boundary adjustment task force; appropriating money; amending Minnesota Statutes 2004, sections 414.01, subdivision 1a; 414.02, by adding a subdivision; 414.031, subdivisions 1, 4, by adding a subdivision; 414.0325, subdivision 1, by adding a subdivision; 414.033, subdivisions 2, 12; 414.036; 414.061, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 414.

Reported the same back with the following amendments:

Page 2, delete subdivision 2

Page 2, line 14, delete "3" and insert "2"

Page 2, delete line 18 and insert:

"Subd. 3. **Funds available.** Any funds remaining in the committee budgets for the house local government committee or the senate state and local government operations committee as of the 2006 adjournment of the legislature will be available"

Page 2, line 19, delete "Legislative Coordinating Commission"

Page 2, line 21, delete "This"

Page 2, delete line 22

Page 3, delete section 4

Page 8, line 11, after "meeting" insert "or the final meeting"

Page 8, line 14, delete everything after the period

Page 8, delete lines 15 to 17

Page 8, line 18, delete "section 414.0325."

Page 9, after line 26, insert:

"Sec. 13. **EFFECTIVE DATE.**

Section 8 is effective until July 1, 2007."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "appropriating money" and insert "authorizing use of remaining committee funds"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Westrom from the Committee on Regulated Industries to which was referred:

H. F. No. 3940, A bill for an act relating to liquor; allowing Minnesota farm wineries to produce certain fortified wines; amending Minnesota Statutes 2004, sections 340A.101, subdivision 11, by adding a subdivision; 340A.315, subdivisions 1, 2, 3, 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 340A.101, subdivision 11, is amended to read:

Subd. 11. **Farm winery.** "Farm winery" is a winery operated by the owner of a Minnesota farm and producing table ~~œ~~, sparkling, or fortified wines from grapes, grape juice, other fruit bases, or honey with a majority of the ingredients grown or produced in Minnesota.

Sec. 2. Minnesota Statutes 2004, section 340A.101, is amended by adding a subdivision to read:

Subd. 30. **Fortified wine.** "Fortified wine" is wine to which brandy, or neutral grape spirits, has been added during or after fermentation resulting in a beverage containing not less than one-half of one percent nor more than 24 percent alcohol by volume for nonindustrial use.

Sec. 3. Minnesota Statutes 2005 Supplement, section 340A.301, subdivision 6, is amended to read:

Subd. 6. **Fees.** The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$30,000
Duplicates	\$3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$500
(c) Brewers who manufacture more than 3,500 barrels of malt liquor in a year	\$4,000

(d) Brewers who also hold one or more retail on-sale licenses and who manufacture fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on <del>the any</del> licensed premises <u>owned by the brewer</u> , or for off-sale from <del>that those</del> licensed premises <u>as permitted in subdivision 7</u> . A brewer licensed under this clause must obtain a separate license for each licensed premises where the brewer brews malt liquor. A brewer licensed under this clause may not be licensed as an importer under this chapter	\$500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
Duplicates	\$3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$3,750
(g) Wholesalers of intoxicating malt liquor	\$1,000
Duplicates	\$25
(h) Wholesalers of 3.2 percent malt liquor	\$10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$150
(j) Brewers who manufacture 2,000 to 3,500 barrels of malt liquor in a year	\$500

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2004, section 340A.315, subdivision 1, is amended to read:

Subdivision 1. **Licenses.** The commissioner may issue a farm winery license to the owner or operator of a farm winery located within the state and producing table ~~or~~ sparkling, or fortified wines. Licenses may be issued and renewed for an annual fee of \$50, which is in lieu of all other license fees required by this chapter.

Sec. 5. Minnesota Statutes 2004, section 340A.315, subdivision 2, is amended to read:

Subd. 2. **Sales.** A license authorizes the sale, on the farm winery premises, of table ~~or~~ sparkling, or fortified wines produced by that farm winery at on-sale or off-sale, in retail, or wholesale lots in total quantities not in excess of 50,000 gallons in a calendar year, glassware, wine literature and accessories, cheese and cheese spreads, and the dispensing of free samples of the wines offered for sale. Sales at on-sale and off-sale may be made on Sundays between 12:00 noon and 12:00 midnight. Labels for each type or brand produced must be registered with the commissioner, without fee prior to sale.

Sec. 6. Minnesota Statutes 2004, section 340A.315, subdivision 3, is amended to read:

Subd. 3. **Applicability.** Except as otherwise specified in this section, all provisions of this chapter govern the production, sale, possession, and consumption of table ~~or~~ sparkling, or fortified wines produced by a farm winery.

Sec. 7. Minnesota Statutes 2004, section 340A.315, subdivision 4, is amended to read:

Subd. 4. **Minnesota products.** If Minnesota produced or grown grapes, grape juice, other fruit bases, or honey is not available in quantities sufficient to constitute a majority of the table ~~or~~ sparkling, or fortified wine produced by a farm winery, the holder of the farm winery license may file an affidavit stating this fact with the commissioner. If the commissioner, after consultation with the commissioner of agriculture, determines this to be true, the farm winery may use imported products and shall continue to be governed by the provisions of this section. The affidavit is effective for a period of one year, after which time the farm winery must use the required amount of Minnesota products as provided by subdivision 1 unless the farm winery holder files a new affidavit with the commissioner.

Sec. 8. Minnesota Statutes 2005 Supplement, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, and to the American Swedish Institute for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator, for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

**EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City Council in the manner provided by Minnesota Statutes, section 645.021, notwithstanding Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 9. Minnesota Statutes 2004, section 340A.404, subdivision 5, is amended to read:

Subd. 5. **Wine licenses.** (a) A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food. A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.

(b) The governing body of a municipality may by ordinance authorize a holder of an on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant to section 340A.411, and whose gross receipts are at least 60 percent attributable to the sale of food, to sell intoxicating malt liquors at on-sale without an additional license.

(c) A municipality may issue an on-sale wine license with the approval of the commissioner to a licensed bed and breakfast facility. A license under this paragraph authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility and, if the facility contains a licensed commercial kitchen, also to guests attending events at the facility.

Sec. 10. **[340A.4041] CULINARY CLASSES; ON-SALE LICENSE.**

Subdivision 1. **License authorized.** A city or county may issue a limited on-sale intoxicating liquor license to a business establishment: (1) not otherwise eligible for an on-sale intoxicating liquor license; and (2) that, as part of its business, conducts culinary or cooking classes for which payment is made by each participant or advance reservation required. The license authorizes the licensee to furnish to each participant in each class, at no additional cost to the participant, up to a maximum of six ounces of wine or 12 ounces of intoxicating malt liquor, during and as part of the class, for consumption on the licensed premises only.

Subd. 2. **Fee.** The issuing authority shall set the fee for a license under this section, subject to section 340A.408, subdivision 2, paragraph (a).

Subd. 3. **Application of other law.** All provisions of this chapter that apply to on-sale intoxicating liquor licenses, other than provisions inconsistent with this section, apply to licenses issued under this section, except that section 340A.409 shall not apply.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2005 Supplement, section 340A.412, subdivision 4, is amended to read:

Subd. 4. **Licenses prohibited in certain areas.** (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the Capitol or on the Capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or Laws 1999, chapter 202, section 13;

(3) on the State Fairgrounds or at any place in a city of the first class within one-half mile of the fairgrounds, except as otherwise provided by charter;

(4) on the campus of the College of Agriculture of the University of Minnesota or at any place in a city of the first class within one-half mile of the campus, provided that a city may issue one on-sale wine license and one off-sale intoxicating liquor license in this area that is not included in the area described in clause (3), except as provided by charter;

(5) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the commissioner of human services or the commissioner of corrections;

(6) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it;

(7) at any place on the east side of the Mississippi River within one-tenth of a mile of the main building of the University of Minnesota unless (i) the licensed establishment is on property owned or operated by a nonprofit corporation organized prior to January 1, 1940, for and by former students of the University of Minnesota, or (ii) the licensed premises is Northrop Auditorium;

(8) within 1,500 feet of a state university, except that:

(i) the minimum distance in the case of Winona and Southwest State University is 1,200 feet, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;

(ii) within 1,500 feet of St. Cloud State University one on-sale wine and two off-sale intoxicating liquor licenses may be issued, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;

(iii) at Mankato State University the distance is measured from the front door of the student union of the Highland campus;

(iv) a temporary license under section 340A.404, subdivision 10, may be issued to a location on the grounds of a state university for an event sponsored or approved by the state university; and

(v) this restriction does not apply to the area surrounding the premises ~~leased by~~ of Metropolitan State University at 730 Hennepin Avenue South in Minneapolis; and

(9) within 1,500 feet of any public school that is not within a city.

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

Sec. 12. Minnesota Statutes 2004, section 340A.414, subdivision 2, is amended to read:

Subd. 2. **Eligibility for permit.** (a) The commissioner may issue a permit under this section only to:

(1) an applicant who has not, within five years prior to the application, been convicted of a felony or of violating any provision of this chapter or rule adopted under this chapter;

(2) a restaurant;

(3) a hotel;

(4) an establishment licensed for the sale of 3.2 percent malt liquor;

(5) a resort as defined in section 157.15; ~~and~~

(6) a club as defined in section 340A.101, subdivision 7, or an unincorporated club otherwise meeting that definition.; and

(7) a bed and breakfast facility as defined in section 340A.411, subdivision 1.

(b) The commissioner may not issue a permit to a club holding an on-sale intoxicating liquor license.

Sec. 13. Minnesota Statutes 2004, section 340A.504, subdivision 6, is amended to read:

Subd. 6. **Municipalities may limit hours.** A municipality may further limit the hours of ~~sale on and off sales~~ of alcoholic beverages, provided that further restricted on-sale hours for intoxicating liquor must apply equally to ~~sales on-sale hours~~ of 3.2 percent malt liquor ~~and intoxicating liquor~~. A city may not permit the sale of alcoholic beverages during hours when the sale is prohibited by this section.

Sec. 14. **CITY OF NEW PRAGUE.**

Subdivision 1. **Liquor license.** The city of New Prague may issue an on-sale intoxicating liquor license for the New Prague Golf Club grounds, clubhouse, and restaurant located in the city of New Prague, notwithstanding any limitation of law, local ordinance, or charter provision. The provisions of Minnesota Statutes, chapter 340A, apply to the license issued under this section. The provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the establishment licensed under this section as if the establishment were a municipal liquor store, provided that the commissioner of public safety may not impose any penalty on the establishment under those sections if the city has imposed a comparable or greater penalty on the licensee for the same offense. The license under this section authorizes sales on all days of the week.

Subd. 2. **Liability.** The city of New Prague is the licensee under subdivision 1 for purposes of compliance with Minnesota Statutes, section 340A.409. The city of New Prague is deemed the seller of alcoholic beverages under the license authorized by subdivision 1 for purposes of Minnesota Statutes, sections 340A.801 and 340A.802.

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

Delete the title and insert:

"A bill for an act relating to liquor; allowing Minnesota farm wineries to produce certain fortified wines; authorizing certain local on-sale licenses; modifying and establishing licensing provisions; clarifying sale hours; amending Minnesota Statutes 2004, sections 340A.101, subdivision 11, by adding a subdivision; 340A.315, subdivisions 1, 2, 3, 4; 340A.404, subdivision 5; 340A.414, subdivision 2; 340A.504, subdivision 6; Minnesota Statutes 2005 Supplement, sections 340A.301, subdivision 6; 340A.404, subdivision 2; 340A.412, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 340A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Smith from the Committee on Public Safety Policy and Finance to which was referred:

S. F. No. 785, A bill for an act relating to crime prevention; prohibiting children under the age of 17 from renting or purchasing certain video games; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 3200, 3248, 3542, 3637, 3925 and 3940 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. Nos. 1039 and 785 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Dauids; Urdahl; Pelowski; Nelson, P., and Cox introduced:

H. F. No. 4116, A bill for an act relating to agriculture; creating a task force to study University of Minnesota licensing; reducing appropriations.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development.

Dempsey introduced:

H. F. No. 4117, A bill for an act relating to transportation; authorizing the sale of trunk highway bonds for marked Trunk Highways 61/50 corridor study; appropriating money.

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

Zellers, Atkins and Emmer introduced:

H. F. No. 4118, A bill for an act relating to taxation; providing for disposition of contraband cigarettes; amending Minnesota Statutes 2004, section 297F.21, subdivision 3.

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

Vandevveer and Sieben introduced:

H. F. No. 4119, A bill for an act relating to taxation; wheelage tax; authorizing a county wheelage tax; requiring referendum; proposing coding for new law in Minnesota Statutes, chapter 163.

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

Olson introduced:

H. F. No. 4120, A bill for an act relating to human services; providing for county-paid cremation costs for MFIP recipients; amending Minnesota Statutes 2004, section 256.935, subdivision 1.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Erhardt; Hausman; Nelson, M.; Hornstein and Hortman introduced:

H. F. No. 4121, A bill for an act relating to transportation; establishing a limit on appropriations for trunk highway bond debt service; amending Minnesota Statutes 2004, section 167.50, by adding a subdivision.

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

Vandevveer, Hackbarth, Ozment, Beard, Rukavina and Olson introduced:

H. F. No. 4122, A bill for an act relating to taxes; property; limiting the market value on certain property; providing that ownership of certain property is not relevant for certain purposes; amending Minnesota Statutes 2004, sections 273.11, by adding a subdivision; 394.36, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 462.357, subdivision 1e.

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

Erickson introduced:

H. F. No. 4123, A bill for an act relating to education; establishing a report card for colleges and universities that offer teacher preparation programs approved by the state Board of Teaching; amending Minnesota Statutes 2004, section 122A.18, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Ellison introduced:

H. F. No. 4124, A bill for an act relating to public safety; creating an open appropriation to commissioner of corrections for certain federal money received by commissioner of corrections; proposing coding for new law in Minnesota Statutes, chapter 241.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Solberg introduced:

H. F. No. 4125, A bill for an act relating to tax increment financing; allowing a tax increment financing district in the city of Aitkin to capture the state general tax for certain parcels and expanding the qualifying uses of increment for the district.

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

Hortman, Hilstrom, Dittrich and Nelson, M., introduced:

H. F. No. 4126, A bill for an act relating to capital improvements; authorizing sale of trunk highway bonds; appropriating money for plans and specifications to expand marked Trunk Highway 252 between marked Trunk Highway 610 and I-94 in Hennepin County.

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

Lenczewski introduced:

H. F. No. 4127, A bill for an act relating to transportation; requiring Metropolitan Council to study and report on feasibility of use of light rail transit in the I-494 corridor; appropriating money.

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

Anderson, B., introduced:

H. F. No. 4128, A bill for an act relating to transportation; appropriating money for transit service in marked Trunk Highway 55 corridor.

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

Otremba introduced:

H. F. No. 4129, A bill for an act relating to taxation; property; valuation of certain agricultural land abutting public water; amending Minnesota Statutes 2004, section 273.11, by adding a subdivision.

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

Solberg, Moe and Anderson, I., introduced:

H. F. No. 4130, A bill for an act relating to taxation; exempting public safety radio communication products and services from sales tax; amending Minnesota Statutes 2005 Supplement, section 297A.70, subdivision 8.

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

Erhardt, Larson, Hornstein, Hausman, Tingelstad and Lieder introduced:

H. F. No. 4131, A bill for an act relating to transportation; imposing a sales tax within the metropolitan area with the proceeds dedicated to metropolitan transportation and transit improvements and services; proposing coding for new law as Minnesota Statutes, chapter 473J.

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

Beard introduced:

H. F. No. 4132, A bill for an act relating to waters; authorizing the Lower Minnesota River Watershed District to acquire, maintain, operate, improve, and enlarge a site for the deposit of dredge material, issue and sell general obligation bonds or revenue bonds for the acquisition, maintenance, operation, improvement, and enlargement of the dredge material site, and charge fees for permitting private customers to deposit dredge material at the dredge material site.

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

### **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 Senate Files, herewith transmitted:

S. F. Nos. 2239 and 2702.

PATRICK E. FLAHAVEN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 2239, A bill for an act relating to retirement; Minneapolis Teachers Retirement Fund Association and expanded list plans; clarifying mutual fund authority; revising investment authority to exclude below-investment grade bonds; authorizing service credit purchase; allowing transfers of certain deferred compensation contributions; providing an early retirement incentive; appropriating money; amending Minnesota Statutes 2004, sections 3A.01, subdivisions 1, 2, 6, 8, by adding subdivisions; 3A.011; 3A.02, subdivisions 1, 1b, 3, 4, 5; 3A.03, subdivisions 1, 2; 3A.04, subdivisions 1, 2, 3, 4, by adding a subdivision; 3A.05; 3A.07; 3A.10, subdivision 1; 3A.12; 3A.13; 6.72; 69.77, subdivision 9; 136F.45, subdivision 1a; 352.04, subdivisions 2, 3; 352.113, subdivision 7a; 352.116, subdivisions 3a, 3b; 352.90; 352.91, subdivisions 1, 2, 3c, 3d, 3e, 3f, 3g, by adding subdivisions; 352.92, subdivisions 1, 2; 352B.02, subdivisions 1a, 1c; 352C.091, subdivision 1; 352C.10; 352D.02, subdivision 1; 352D.04, subdivision 2; 352F.04; 353.01, subdivisions 2a, 11a, 11b, 12, 16, by adding a subdivision; 353.03, subdivisions 1, 1a, by adding a subdivision; 353.27, subdivisions 7, 7a, 7b; 353.29, subdivision 8; 353.30, subdivisions 3a, 3b; 353.32, subdivisions 1a, 1b; 353.33, subdivisions 1, 9; 353.34, subdivision 1; 353.656, subdivisions 3, 4, 6a; 353D.01, subdivision 2; 353D.02, subdivision 3, by adding subdivisions; 353D.03, by adding subdivisions; 353E.02, subdivision 3; 353F.04; 354.45, subdivision 1a; 354A.08; 354A.28, subdivision 5; 354A.32, subdivision 1a; 354D.05; 355.01, subdivision 3g; 355.02, subdivisions 1, 3, by adding subdivisions; 356.219, subdivisions 3, 6; 356.24, subdivision 1; 356.50; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 8; 422A.101, subdivision 3; 423B.07; 424A.001, by adding a subdivision; 424A.02, subdivision 8b; 424A.05, subdivision 3; 424A.10; 490.121, subdivisions 1, 6, 7, 13, 14, 15, 22, by adding subdivisions; 490.122; 490.123, subdivisions 1, 1a, 1b, 1c, 2, 3; 490.124, subdivisions 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13; 490.125, subdivisions 1, 2; 490.126, as amended; 490.133; 525.05; Minnesota Statutes 2005 Supplement, sections 353.01, subdivision 2d; 353.028, subdivision 3; 353.28, subdivision 6; 353.656, subdivision 1; 353F.02, subdivision 4; 356A.06, subdivision 7; 422A.06, subdivision 7; 423B.09, subdivision 1; 490.121, subdivision 4; Laws 2004, chapter 267, article 8, section 41; proposing coding for new law in Minnesota Statutes, chapters 352; 352C; 353; 355; proposing coding for new law as Minnesota Statutes, chapter 490A; repealing Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, 7; 3A.02, subdivision 2; 3A.04, subdivision 1a; 3A.09; 43A.34, subdivision 1; 352C.01; 352C.011; 352C.021, subdivisions 1, 2, 3, 4, 5, 6, 7; 352C.031, subdivisions 1, 2, 4, 5, 6; 352C.033; 352C.04; 352C.051; 352C.09; 352C.091, subdivisions 2, 3; 422A.101, subdivision 4; 490.021; 490.025; 490.101; 490.102; 490.103; 490.105; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12; 490.121, subdivisions 2, 3, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19; 490.124, subdivision 6; 490.132; 490.15; 490.16; 490.18; Minnesota Statutes 2005 Supplement, sections 352C.021, subdivision 1a; 490.121, subdivision 20.

The bill was read for the first time and referred to the Committee on State Government Finance.

S. F. No. 2702, A bill for an act relating to employment; regulating eligibility for unemployment and dislocated worker benefits.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

**CONSENT CALENDAR**

S. F. No. 2832 was reported to the House.

Hackbarth moved to amend S. F. No. 2832 as follows:

Page 1, line 10, after the period, insert "A combination of volunteer firefighters, volunteer ambulance personnel, and volunteer emergency responders must constitute a majority of the members of the task force. Volunteer firefighters, volunteer ambulance personnel, and volunteer emergency responders must be represented on the task force in equal numbers."

Page 1, line 11, delete "organizations" and insert "a particular organization or department"

The motion prevailed and the amendment was adopted.

S. F. No. 2832, A bill for an act relating to employment; forming a task force to study recruitment and retention of volunteer emergency personnel.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Heidgerken	Lanning	Olson	Simon
Abrams	Dill	Hilstrom	Larson	Otremba	Simpson
Anderson, B.	Dittrich	Hilty	Latz	Paulsen	Slawik
Anderson, I.	Dorn	Holberg	Lenczewski	Paymar	Smith
Atkins	Eastlund	Hoppe	Lesch	Pelowski	Soderstrom
Beard	Eken	Hornstein	Liebling	Penas	Solberg
Bernardy	Ellison	Hortman	Lieder	Peppin	Sykora
Blaine	Emmer	Hosch	Lillie	Peterson, A.	Thao
Bradley	Erhardt	Howes	Loeffler	Peterson, N.	Thissen
Brod	Erickson	Huntley	Magnus	Peterson, S.	Tingelstad
Buesgens	Finstad	Jaros	Mahoney	Poppe	Urdahl
Carlson	Fritz	Johnson, J.	Mariani	Powell	Wagenius
Charron	Garofalo	Johnson, R.	Marquart	Rukavina	Walker
Clark	Gazelka	Johnson, S.	McNamara	Ruth	Wardlow
Cornish	Goodwin	Juhnke	Meslow	Ruud	Welti
Cox	Greiling	Kahn	Moe	Sailer	Westerberg
Cybart	Gunther	Kelliher	Mullery	Samuelson	Westrom
Davids	Hackbarth	Klinzing	Murphy	Scalze	Wilkin
Davnie	Hamilton	Knoblach	Nelson, M.	Seifert	Spk. Sviggum
Dean	Hansen	Koenen	Nelson, P.	Sertich	
DeLaForest	Hausman	Kohls	Newman	Severson	
Demmer	Haws	Krinkie	Nornes	Sieben	

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

H. F. No. 3449, A bill for an act relating to manufactured homes; regulating manufactured home park conversions; amending Minnesota Statutes 2004, section 327C.095, subdivision 1.

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 122 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hilstrom	Lenczewski	Paulsen	Simpson
Abrams	Dittrich	Hilty	Lesch	Paymar	Slawik
Anderson, I.	Dorman	Hoppe	Liebling	Pelowski	Smith
Atkins	Dorn	Hornstein	Lieder	Penas	Soderstrom
Beard	Eastlund	Hortman	Lillie	Peppin	Solberg
Bernardy	Eken	Hosch	Loeffler	Peterson, A.	Sykora
Blaine	Ellison	Howes	Magnus	Peterson, N.	Thao
Bradley	Erhardt	Huntley	Mahoney	Peterson, S.	Thissen
Brod	Finstad	Jaros	Mariani	Poppe	Tingelstad
Carlson	Fritz	Johnson, J.	Marquart	Powell	Urdahl
Charron	Garofalo	Johnson, R.	McNamara	Rukavina	Wagenius
Clark	Gazelka	Johnson, S.	Meslow	Ruth	Walker
Cornish	Goodwin	Juhnke	Moe	Ruud	Wardlow
Cox	Greiling	Kahn	Mullery	Sailer	Welti
Cybart	Gunther	Kelliher	Murphy	Samuelson	Westerberg
Davids	Hackbarth	Klinzing	Nelson, M.	Scalze	Wilkin
Davnie	Hamilton	Koenen	Nelson, P.	Seifert	Spk. Sviggum
Dean	Hansen	Kohls	Newman	Sertich	
DeLaForest	Hausman	Lanning	Nornes	Severson	
Demmer	Haws	Larson	Olson	Sieben	
Dempsey	Heidgerken	Latz	Otremba	Simon	

Those who voted in the negative were:

Anderson, B.	Emmer	Holberg	Krinkie
Buesgens	Erickson	Knoblach	Westrom

The bill was passed and its title agreed to.

H. F. No. 3665, A bill for an act relating to the Minnesota Veterans Homes Board; authorizing the board to conduct certain meetings by telephone or other electronic means; amending Minnesota Statutes 2004, section 198.003, by adding a subdivision.

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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Bradley	Cybart	Dorman	Finstad	Hamilton
Abrams	Brod	Davids	Dorn	Fritz	Hansen
Anderson, B.	Buesgens	Davnie	Eastlund	Garofalo	Hausman
Anderson, I.	Carlson	Dean	Eken	Gazelka	Haws
Atkins	Charron	Demmer	Ellison	Goodwin	Heidgerken
Beard	Clark	Dempsey	Emmer	Greiling	Hilstrom
Bernardy	Cornish	Dill	Erhardt	Gunther	Hilty
Blaine	Cox	Dittrich	Erickson	Hackbarth	Holberg

Hoppe	Knoblach	Mahoney	Paulsen	Samuelson	Thissen
Hornstein	Koenen	Mariani	Paymar	Scalze	Tingelstad
Hortman	Kohls	Marquart	Pelowski	Seifert	Urdahl
Hosch	Krinkie	McNamara	Penas	Sertich	Wagenius
Howes	Lanning	Meslow	Peppin	Severson	Walker
Huntley	Larson	Moe	Peterson, A.	Sieben	Wardlow
Jaros	Latz	Mullery	Peterson, N.	Simon	Welti
Johnson, J.	Lenczewski	Murphy	Peterson, S.	Simpson	Westerberg
Johnson, R.	Lesch	Nelson, M.	Poppe	Slawik	Westrom
Johnson, S.	Liebling	Nelson, P.	Powell	Smith	Wilkin
Juhnke	Lieder	Newman	Rukavina	Soderstrom	Spk. Sviggum
Kahn	Lillie	Nornes	Ruth	Solberg	
Kelliher	Loeffler	Olson	Ruud	Sykora	
Klinzing	Magnus	Otremba	Sailer	Thao	

Those who voted in the negative were:

DeLaForest

The bill was passed and its title agreed to.

The Speaker called Abrams to the Chair.

S. F. No. 3465, A bill for an act relating to workers' compensation; modifying appeal procedures; modifying notice of coverage provisions; amending Minnesota Statutes 2004, section 176.421, subdivision 4; Minnesota Statutes 2005 Supplement, section 176.185, subdivision 1.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Fritz	Hortman	Larson	Nelson, M.
Abrams	Davnie	Garofalo	Hosch	Latz	Nelson, P.
Anderson, B.	Dean	Gazelka	Howes	Lenczewski	Newman
Anderson, I.	DeLaForest	Goodwin	Huntley	Lesch	Nornes
Atkins	Demmer	Greiling	Jaros	Liebling	Olson
Beard	Dempsey	Gunther	Johnson, J.	Lieder	Otremba
Bernardy	Dill	Hackbarth	Johnson, R.	Lillie	Paulsen
Blaine	Dittrich	Hamilton	Johnson, S.	Loeffler	Paymar
Bradley	Dorman	Hansen	Juhnke	Magnus	Pelowski
Brod	Dorn	Hausman	Kahn	Mahoney	Penas
Buesgens	Eastlund	Haws	Kelliher	Mariani	Peppin
Carlson	Eken	Heidgerken	Klinzing	Marquart	Peterson, A.
Charron	Ellison	Hilstrom	Knoblach	McNamara	Peterson, N.
Clark	Emmer	Hilty	Koenen	Meslow	Peterson, S.
Cornish	Erhardt	Holberg	Kohls	Moe	Poppe
Cox	Erickson	Hoppe	Krinkie	Mullery	Powell
Cybart	Finstad	Hornstein	Lanning	Murphy	Rukavina

Ruth	Seifert	Simpson	Sykora	Vandev eer	Westerberg
Ruud	Sertich	Slawik	Thao	Wagenius	Westrom
Sailer	Severson	Smith	Thissen	Walker	Wilkin
Samuelson	Sieben	Soderstrom	Tingelstad	Wardlow	Spk. Sviggum
Scalze	Simon	Solberg	Urdahl	Welti	

The bill was passed and its title agreed to.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Monday, April 10, 2006:

H. F. No. 3002 and S. F. No. 2621.

#### CALENDAR FOR THE DAY

H. F. No. 1948 was reported to the House.

Holberg moved that H. F. No. 1948 be continued on the Calendar for the Day. The motion prevailed.

H. F. No. 3464 was reported to the House.

Beard and Walker moved to amend H. F. No. 3464, the first engrossment, as follows:

Page 1, after line 10, insert:

"Sec. 2. Minnesota Statutes 2004, section 240.08, subdivision 2, is amended to read:

Subd. 2. **Application.** An application for a class C license must be on a form the commission prescribes and must be accompanied by an affidavit of qualification that the applicant:

(a) is not in default in the payment of an obligation or debt to the state under Laws 1983, chapter 214;

(b) ~~does has not have been convicted of a felony conviction of record in a state or federal court and or a crime involving fraud or misrepresentation within ten years of application, has never been convicted of a gambling-related offense, does not have a state or federal felony charge pending, is not on parole resulting from a felony conviction, and is not required to register pursuant to section 243.166;~~

(c) is not and never has been connected with or engaged in an illegal business;

(d) has never been found guilty of fraud or misrepresentation in connection with racing or breeding;

(e) has never been found guilty of a violation of law or rule relating to horse racing, pari-mutuel betting or any other form of gambling which is a serious violation as defined by the commission's rules; and

(f) has never knowingly violated a rule or order of the commission or a law of Minnesota relating to racing.

The application must also contain an irrevocable consent statement, to be signed by the applicant, which states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleading authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

H. F. No. 3464, A bill for an act relating to occupations and professions; modifying licensing provision for barbers and cosmetologists; amending Minnesota Statutes 2004, sections 155A.07, by adding a subdivision; 240.08, subdivision 2.

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 99 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Abeler	Eastlund	Hilty	Latz	Paymar	Solberg
Anderson, I.	Eken	Hoppe	Lesch	Pelowski	Sykora
Atkins	Ellison	Hornstein	Liebling	Penas	Thao
Beard	Erhardt	Hortman	Lieder	Peterson, A.	Thissen
Bernardy	Erickson	Hosch	Magnus	Peterson, N.	Tingelstad
Bradley	Fritz	Huntley	Mahoney	Poppe	Urdahl
Buesgens	Garofalo	Jaros	Mariani	Powell	Wagenius
Carlson	Gazelka	Johnson, R.	Marquart	Rukavina	Walker
Charron	Goodwin	Johnson, S.	McNamara	Ruth	Wardlow
Clark	Greiling	Juhnke	Meslow	Sailer	Welti
Cox	Gunther	Kahn	Moe	Samuelson	Westerberg
Davnie	Hamilton	Kelliher	Mullery	Sertich	Westrom
Demmer	Hansen	Klinzing	Murphy	Severson	Wilkin
Dempsey	Hausman	Koenen	Nelson, M.	Sieben	Spk. Sviggum
Dill	Haws	Kohls	Nelson, P.	Simon	
Dorman	Heidgerken	Lanning	Nornes	Slawik	
Dorn	Hilstrom	Larson	Otremba	Soderstrom	

Those who voted in the negative were:

Abrams	Brod	Dauids	Dittrich	Hackbarth	Knoblach
Anderson, B.	Cornish	Dean	Emmer	Holberg	Krinkie
Blaine	Cybart	DeLaForest	Finstad	Johnson, J.	Lenczewski

Lillie	Olson	Peterson, S.	Seifert	Vandev eer
Loeffler	Paulsen	Ruud	Simpson	
Newman	Peppin	Scalze	Smith	

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

H. F. No. 3161, A bill for an act relating to human services; clarifying certain rate adjustments; amending Minnesota Statutes 2005 Supplement, section 256B.5012, subdivision 6; Laws 2005, First Special Session chapter 4, article 7, section 55.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Haws	Krinkie	Nornes	Sieben
Abrams	Dill	Heidgerken	Lanning	Olson	Simon
Anderson, B.	Dittrich	Hilstrom	Larson	Otremba	Simpson
Anderson, I.	Dorman	Hilty	Latz	Paulsen	Slawik
Atkins	Dorn	Holberg	Lenczewski	Paymar	Smith
Beard	Eastlund	Hoppe	Lesch	Pelowski	Soderstrom
Bernardy	Eken	Hornstein	Liebling	Penas	Solberg
Blaine	Ellison	Hortman	Lieder	Peppin	Sykora
Bradley	Emmer	Hosch	Lillie	Peterson, A.	Thao
Brod	Erhardt	Howes	Loeffler	Peterson, N.	Thissen
Buesgens	Erickson	Huntley	Magnus	Peterson, S.	Tingelstad
Carlson	Finstad	Jaros	Mahoney	Poppe	Urdahl
Charron	Fritz	Johnson, J.	Mariani	Powell	Vandev eer
Clark	Garofalo	Johnson, R.	Marquart	Rukavina	Wagenius
Cornish	Gazelka	Johnson, S.	McNamara	Ruth	Walker
Cox	Goodwin	Juhnke	Meslow	Ruud	Wardlow
Cybart	Greiling	Kahn	Moe	Sailer	Welti
Davids	Gunther	Kelliher	Mullery	Samuelson	Westerberg
Davnie	Hackbarth	Klinzing	Murphy	Scalze	Westrom
Dean	Hamilton	Knoblach	Nelson, M.	Seifert	Wilkin
DeLaForest	Hansen	Koenen	Nelson, P.	Sertich	Spk. Sviggum
Demmer	Hausman	Kohls	Newman	Severson	

The bill was passed and its title agreed to.

H. F. No. 3374, A bill for an act relating to human services; changing a Council on Disability provision; amending Minnesota Statutes 2004, section 256.482, subdivision 8.

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 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Heidgerken	Larson	Otremba	Simpson
Abrams	Dittrich	Hilstrom	Latz	Paulsen	Slawik
Anderson, B.	Dorman	Hilty	Lenczewski	Paymar	Smith
Anderson, I.	Dorn	Holberg	Lesch	Pelowski	Soderstrom
Atkins	Eastlund	Hoppe	Liebling	Penas	Solberg
Beard	Eken	Hornstein	Lieder	Peppin	Sykora
Bernardy	Ellison	Hortman	Lillie	Peterson, A.	Thao
Blaine	Emmer	Hosch	Loeffler	Peterson, N.	Thissen
Bradley	Erhardt	Howes	Magnus	Peterson, S.	Tingelstad
Brod	Erickson	Huntley	Mahoney	Poppe	Urdahl
Carlson	Finstad	Jaros	Mariani	Powell	Vandevveer
Charron	Fritz	Johnson, J.	Marquart	Rukavina	Wagenius
Clark	Garofalo	Johnson, R.	McNamara	Ruth	Walker
Cornish	Gazelka	Johnson, S.	Meslow	Ruud	Wardlow
Cox	Goodwin	Juhnke	Moe	Sailer	Welti
Cybart	Greiling	Kahn	Mullery	Samuelson	Westerberg
Davids	Gunther	Kelliher	Murphy	Scalze	Westrom
Davnie	Hackbarth	Klinzing	Nelson, M.	Seifert	Wilkin
Dean	Hamilton	Knoblach	Nelson, P.	Sertich	Spk. Sviggum
DeLaForest	Hansen	Koenen	Newman	Severson	
Demmer	Hausman	Kohls	Nornes	Sieben	
Dempsey	Haws	Lanning	Olson	Simon	

Those who voted in the negative were:

Buesgens            Krinkie

The bill was passed and its title agreed to.

H. F. No. 3185, A bill for an act relating to high pressure piping; classifying data relating to bioprocess piping and equipment as nonpublic; including bioprocess piping in the definition of high pressure piping; amending Minnesota Statutes 2004, sections 16B.61, subdivisions 2, 3; 326.461, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 13.

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 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Bernardy	Clark	Dean	Dorman	Erhardt
Abrams	Blaine	Cornish	DeLaForest	Dorn	Erickson
Anderson, B.	Bradley	Cox	Demmer	Eastlund	Finstad
Anderson, I.	Brod	Cybart	Dempsey	Eken	Fritz
Atkins	Carlson	Davids	Dill	Ellison	Garofalo
Beard	Charron	Davnie	Dittrich	Emmer	Gazelka

Goodwin	Huntley	Lesch	Newman	Ruud	Thissen
Greiling	Jaros	Liebling	Nornes	Sailer	Tingelstad
Gunther	Johnson, J.	Lieder	Olson	Samuelson	Urdahl
Hackbarth	Johnson, R.	Lillie	Otremba	Scalze	Vandever
Hamilton	Johnson, S.	Loeffler	Paulsen	Seifert	Wagenius
Hansen	Juhnke	Magnus	Paymar	Sertich	Walker
Hausman	Kahn	Mahoney	Pelowski	Severson	Wardlow
Haws	Kelliher	Mariani	Penas	Sieben	Walti
Heidgerken	Klinzing	Marquart	Peppin	Simon	Westerberg
Hilstrom	Knoblach	McNamara	Peterson, A.	Simpson	Westrom
Hilty	Koenen	Meslow	Peterson, N.	Slawik	Wilkin
Hoppe	Kohls	Moe	Peterson, S.	Smith	Spk. Sviggum
Hornstein	Lanning	Mullery	Poppe	Soderstrom	
Hortman	Larson	Murphy	Powell	Solberg	
Hosch	Latz	Nelson, M.	Rukavina	Sykora	
Howes	Lenczewski	Nelson, P.	Ruth	Thao	

Those who voted in the negative were:

Buesgens                      Holberg                      Krinkie

The bill was passed and its title agreed to.

H. F. No. 3002 was reported to the House.

Seifert offered an amendment to H. F. No. 3002, the first engrossment.

#### POINT OF ORDER

Solberg raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Seifert amendment was not in order. The Speaker ruled the point of order well taken and the Seifert amendment out of order.

Sertich and Clark moved to amend H. F. No. 3002, the first engrossment, as follows:

Page 1, line 9, after the third period, insert "(a)"

Page 1, after line 16, insert:

"(b) Applicants who meet the requirements of section 256D.05, subdivision 1, paragraph (a), clauses (1) to (7) and (9) to (11) and veterans as defined in section 197.447, are not required to meet the 90-day residency requirement established under paragraph (a) and are eligible for full general assistance benefits under this section after meeting the residency requirement under section 256D.02, subdivision 12a."

A roll call was requested and properly seconded.

The question was taken on the Sertich and Clark amendment and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abeler	Fritz	Jaros	Lieder	Paymar	Sieben
Anderson, I.	Goodwin	Johnson, R.	Lillie	Pelowski	Simon
Atkins	Greiling	Johnson, S.	Loeffler	Peterson, A.	Slawik
Bernardy	Hansen	Juhnke	Mahoney	Peterson, N.	Solberg
Carlson	Hausman	Kahn	Mariani	Peterson, S.	Thao
Clark	Haws	Kelliher	Marquart	Poppe	Thissen
Davnie	Hilstrom	Koenen	Meslow	Rukavina	Tingelstad
Dill	Hilty	Larson	Moe	Ruud	Wagenius
Dittrich	Hornstein	Latz	Mullery	Sailer	Walker
Dorn	Hortman	Lenczewski	Murphy	Samuelson	Welti
Eken	Hosch	Lesch	Nelson, M.	Scalze	
Ellison	Huntley	Liebling	Otremba	Sertich	

Those who voted in the negative were:

Abrams	Dauids	Garofalo	Knoblach	Penas	Vandever
Anderson, B.	Dean	Gazelka	Kohls	Peppin	Wardlow
Beard	DeLaForest	Gunther	Krinkie	Powell	Westerberg
Blaine	Demmer	Hackbarth	Lanning	Ruth	Westrom
Bradley	Dempsey	Hamilton	Magnus	Seifert	Wilkin
Brod	Dorman	Heidgerken	McNamara	Severson	Spk. Sviggum
Buesgens	Eastlund	Holberg	Nelson, P.	Simpson	
Charron	Emmer	Hoppe	Newman	Smith	
Cornish	Erhardt	Howes	Nornes	Soderstrom	
Cox	Erickson	Johnson, J.	Olson	Sykora	
Cybart	Finstad	Klinzing	Paulsen	Urdahl	

The motion prevailed and the amendment was adopted.

Seifert moved to amend H. F. No. 3002, the first engrossment, as amended, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2004, section 256.9862, subdivision 2, is amended to read:

Subd. 2. **Transaction fee.** The commissioner ~~may~~ must charge transaction fees in accordance with this subdivision ~~up to a maximum of \$10 in transaction fees per cardholder per month to cardholders. In a given month, the first four cash withdrawals made by an individual cardholder are free. For subsequent cash withdrawals, \$1 may be charged. No transaction fee can be charged if the card is used to purchase goods or services on a point of sale basis.~~ A transaction fee subsequently set by the federal government may supersede a fee established under this subdivision. The fees shall be appropriated to the commissioner and used for electronic benefit purposes."

Page 2, after line 6, insert:

"Sec. 5. Minnesota Statutes 2004, section 256J.39, is amended by adding a subdivision to read:

Subd. 1a. **Prohibited purchases.** MFIP recipients are prohibited from using MFIP monthly cash assistance payments issued in the form of an electronic benefits transfer to purchase tobacco products or alcohol."

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 Seifert amendment and the roll was called. There were 104 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Hamilton	Lanning	Paulsen	Simpson
Abrams	Dempsey	Hansen	Latz	Pelowski	Slawik
Anderson, B.	Dill	Haws	Lenczewski	Penas	Smith
Anderson, I.	Dittrich	Heidgerken	Lesch	Peppin	Soderstrom
Atkins	Dorman	Hilstrom	Liebling	Peterson, A.	Solberg
Beard	Dorn	Holberg	Lieder	Peterson, N.	Sykora
Bernardy	Eastlund	Hoppe	Lillie	Peterson, S.	Tingelstad
Blaine	Eken	Hortman	Magnus	Poppe	Urdahl
Bradley	Emmer	Hosch	Mahoney	Powell	Wardlow
Brod	Erhardt	Huntley	Marquart	Ruth	Welti
Buesgens	Erickson	Johnson, J.	McNamara	Ruud	Westerberg
Charron	Finstad	Johnson, R.	Meslow	Sailer	Westrom
Cornish	Fritz	Juhnke	Moe	Samuelson	Wilkin
Cox	Garofalo	Klinzing	Nelson, P.	Scalze	Spk. Sviggum
Cybart	Gazelka	Knoblach	Newman	Seifert	
Davids	Greiling	Koenen	Nornes	Severson	
Dean	Gunther	Kohls	Olson	Sieben	
DeLaForest	Hackbarth	Krinkie	Otremba	Simon	

Those who voted in the negative were:

Carlson	Hausman	Johnson, S.	Mariani	Sertich	Walker
Clark	Hilty	Kahn	Mullery	Thao	
Davnie	Hornstein	Kelliher	Murphy	Thissen	
Ellison	Howes	Larson	Nelson, M.	Vandever	
Goodwin	Jaros	Loeffler	Rukavina	Wagenius	

The motion prevailed and the amendment was adopted.

Nelson, P., offered an amendment to H. F. No. 3002, the first engrossment, as amended.

#### POINT OF ORDER

Solberg raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Nelson, P., amendment was not in order. The Speaker ruled the point of order well taken and the Nelson, P., amendment out of order.

Nelson, P., moved to amend H. F. No. 3002, the first engrossment, as amended, as follows:

Page 3, after line 15, insert:

"Sec. 7. **MFIP PRODUCT-SPECIFIC EBT CARD.**

The commissioner of human services shall develop a product-specific electronic benefits transfer card for MFIP recipients by January 1, 2008."

A roll call was requested and properly seconded.

The question was taken on the Nelson, P., amendment and the roll was called. There were 98 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Haws	Lanning	Pelowski	Slawik
Abrams	Dempsey	Heidgerken	Latz	Penas	Smith
Anderson, B.	Dittrich	Hilstrom	Lenczewski	Peppin	Soderstrom
Atkins	Dorman	Holberg	Lieder	Peterson, A.	Solberg
Beard	Eastlund	Hoppe	Lillie	Peterson, N.	Sykora
Bernardy	Eken	Hortman	Loeffler	Peterson, S.	Tingelstad
Blaine	Emmer	Hosch	Magnus	Poppe	Urdahl
Bradley	Erhardt	Howes	Marquart	Ruth	Wardlow
Brod	Erickson	Johnson, J.	McNamara	Ruud	Welti
Buesgens	Finstad	Johnson, R.	Meslow	Sailer	Westerberg
Charron	Fritz	Juhnke	Moe	Samuelson	Westrom
Cornish	Garofalo	Kelliher	Nelson, P.	Scalze	Wilkin
Cox	Gazelka	Klinzing	Newman	Seifert	Spk. Sviggum
Cybart	Gunther	Knoblach	Nornes	Severson	
Davids	Hackbarth	Koenen	Olson	Sieben	
Dean	Hamilton	Kohls	Otremba	Simon	
DeLaForest	Hansen	Krinkie	Paulsen	Simpson	

Those who voted in the negative were:

Anderson, I.	Ellison	Huntley	Liebling	Paymar	Wagenius
Carlson	Goodwin	Jaros	Mahoney	Rukavina	Walker
Clark	Greiling	Johnson, S.	Mariani	Sertich	
Davnie	Hausman	Kahn	Mullery	Thao	
Dill	Hilty	Larson	Murphy	Thissen	
Dorn	Hornstein	Lesch	Nelson, M.	Vandev eer	

The motion prevailed and the amendment was adopted.

H. F. No. 3002, A bill for an act relating to human services; modifying provisions for general assistance and MFIP programs; requiring assistance transaction card fees; amending Minnesota Statutes 2004, sections 256.9862, subdivision 2; 256D.06, by adding a subdivision; 256J.12, subdivision 1, by adding a subdivision; 256J.39, by adding a subdivision; 256J.95, by adding subdivisions.

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 94 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Hamilton	Krinkie	Pelowski	Simon
Abrams	Dempsey	Hansen	Lanning	Penas	Simpson
Anderson, B.	Dittrich	Haws	Lenczewski	Peppin	Smith
Atkins	Dorman	Heidgerken	Lieder	Peterson, A.	Soderstrom
Beard	Dorn	Hilstrom	Lillie	Peterson, N.	Sykora
Bernardy	Eastlund	Holberg	Magnus	Peterson, S.	Tingelstad
Blaine	Eken	Hoppe	Marquart	Poppe	Urdahl
Bradley	Emmer	Hortman	McNamara	Powell	Vandev eer
Brod	Erhardt	Hosch	Meslow	Ruth	Wardlow
Buesgens	Erickson	Howes	Moe	Ruud	Welti
Charron	Finstad	Johnson, J.	Nelson, P.	Sailer	Westerberg
Cornish	Fritz	Juhnke	Newman	Samuelson	Westrom
Cybart	Garofalo	Klinzing	Nornes	Scalze	Wilkin
Davids	Gazelka	Knoblach	Olson	Seifert	Spk. Sviggum
Dean	Gunther	Koenen	Otremba	Severson	
DeLaForest	Hackbarth	Kohls	Paulsen	Sieben	

Those who voted in the negative were:

Anderson, I.	Goodwin	Johnson, R.	Liebling	Paymar	Wagenius
Carlson	Greiling	Johnson, S.	Loeffler	Rukavina	Walker
Clark	Hausman	Kahn	Mahoney	Sertich	
Cox	Hilty	Kelliher	Mariani	Slawik	
Davnie	Hornstein	Larson	Mullery	Solberg	
Dill	Huntley	Latz	Murphy	Thao	
Ellison	Jaros	Lesch	Nelson, M.	Thissen	

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

S. F. No. 2621, A bill for an act relating to health; requiring programs to meet an average yearly pass rate for EMT certification; amending Minnesota Statutes 2004, section 144E.285, subdivision 1.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bradley	Davids	Dorman	Finstad	Hamilton
Abrams	Brod	Davnie	Dorn	Fritz	Hansen
Anderson, B.	Buesgens	Dean	Eastlund	Garofalo	Hausman
Anderson, I.	Carlson	DeLaForest	Eken	Gazelka	Haws
Atkins	Charron	Demmer	Ellison	Goodwin	Heidgerken
Beard	Cornish	Dempsey	Emmer	Greiling	Hilstrom
Bernardy	Cox	Dill	Erhardt	Gunther	Hilty
Blaine	Cybart	Dittrich	Erickson	Hackbarth	Holberg

Hoppe	Knoblach	Mahoney	Paulsen	Samuelson	Thissen
Hornstein	Koenen	Mariani	Paymar	Scalze	Tingelstad
Hortman	Kohls	Marquart	Pelowski	Seifert	Urdahl
Hosch	Krinkie	McNamara	Penas	Sertich	Vandever
Howes	Lanning	Meslow	Peppin	Severson	Wagenius
Huntley	Larson	Moe	Peterson, A.	Sieben	Walker
Jaros	Latz	Mullery	Peterson, N.	Simon	Wardlow
Johnson, J.	Lenczewski	Murphy	Peterson, S.	Simpson	Welti
Johnson, R.	Lesch	Nelson, M.	Poppe	Slawik	Westerberg
Johnson, S.	Liebling	Nelson, P.	Powell	Smith	Westrom
Juhnke	Lieder	Newman	Rukavina	Soderstrom	Wilkin
Kahn	Lillie	Nornes	Ruth	Solberg	Zellers
Kelliher	Loeffler	Olson	Ruud	Sykora	Spk. Sviggum
Klinzing	Magnus	Otremba	Sailer	Thao	

The bill was passed and its title agreed to.

Paulsen moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

### MOTIONS AND RESOLUTIONS

Thissen moved that the name of Bernardy be added as an author on H. F. No. 132. The motion prevailed.

Cox moved that the name of Bernardy be added as an author on H. F. No. 566. The motion prevailed.

Brod moved that the name of Loeffler be added as an author on H. F. No. 934. The motion prevailed.

Mullery moved that the name of Loeffler be added as an author on H. F. No. 1046. The motion prevailed.

Smith moved that the name of Lillie be added as an author on H. F. No. 1706. The motion prevailed.

Hornstein moved that the name of Loeffler be added as an author on H. F. No. 1770. The motion prevailed.

Blaine moved that the names of Urdahl and Erickson be added as authors on H. F. No. 1838. The motion prevailed.

Vandever moved that the name of Bernardy be added as an author on H. F. No. 2469. The motion prevailed.

Welti moved that the name of Fritz be added as an author on H. F. No. 2566. The motion prevailed.

Welti moved that the name of Fritz be added as an author on H. F. No. 2567. The motion prevailed.

Kahn moved that the name of Loeffler be added as an author on H. F. No. 2673. The motion prevailed.

Heidgerken moved that the name of Sailer be added as an author on H. F. No. 2801. The motion prevailed.

Hilstrom moved that the name of Bernardy be added as an author on H. F. No. 2837. The motion prevailed.

Johnson, J., moved that the names of Erickson and Klinzing be added as authors on H. F. No. 2846. The motion prevailed.

Scalze moved that the name of Ruud be added as an author on H. F. No. 2875. The motion prevailed.

Ozment moved that the name of Juhnke be added as an author on H. F. No. 3012. The motion prevailed.

Ruth moved that the name of Fritz be added as an author on H. F. No. 3089. The motion prevailed.

Hornstein moved that the name of Loeffler be added as an author on H. F. No. 3095. The motion prevailed.

Lesch moved that the name of Bernardy be added as an author on H. F. No. 3143. The motion prevailed.

Slawik moved that the names of Bernardy and Ellison be added as authors on H. F. No. 3259. The motion prevailed.

Gunther moved that the name of Bernardy be added as an author on H. F. No. 3396. The motion prevailed.

Demmer moved that the name of Bernardy be added as an author on H. F. No. 3411. The motion prevailed.

Peterson, S., moved that the name of Bernardy be added as an author on H. F. No. 3642. The motion prevailed.

Demmer moved that the name of Urdahl be added as an author on H. F. No. 3675. The motion prevailed.

Hornstein moved that the names of Gazelka, Urdahl, Ellison and Loeffler be added as authors on H. F. No. 3718. The motion prevailed.

Hornstein moved that the name of Gazelka be added as an author on H. F. No. 3719. The motion prevailed.

Hornstein moved that the names of Ellison, Gazelka and Loeffler be added as authors on H. F. No. 3720. The motion prevailed.

Johnson, J., moved that the name of Bernardy be added as an author on H. F. No. 3723. The motion prevailed.

Clark moved that the name of Davids be added as an author on H. F. No. 3735. The motion prevailed.

Mariani moved that the name of Poppe be added as an author on H. F. No. 3770. The motion prevailed.

Bradley moved that the name of Klinzing be added as an author on H. F. No. 3774. The motion prevailed.

Howes moved that the names of Sailer and Hoppe be added as authors on H. F. No. 3797. The motion prevailed.

Kahn moved that the name of Loeffler be added as an author on H. F. No. 3804. The motion prevailed.

Ozment moved that the name of Juhnke be added as an author on H. F. No. 3810. The motion prevailed.

Nelson, M., moved that the name of Fritz be added as an author on H. F. No. 3941. The motion prevailed.

Thissen moved that the name of Lillie be added as an author on H. F. No. 3971. The motion prevailed.

Paulsen moved that the names of Klinzing and Kohls be added as authors on H. F. No. 4024. The motion prevailed.

Ruud moved that the name of Simon be added as an author on H. F. No. 4047. The motion prevailed.

Peterson, S., moved that the name of Bernardy be added as an author on H. F. No. 4085. The motion prevailed.

Westerberg moved that the names of Bernardy; Mahoney; Slawik; Lillie; Moe; Peterson, S.; Ruud; Nelson, M., and Hilstrom be added as authors on H. F. No. 4092. The motion prevailed.

Seifert moved that the name of Klinzing be added as an author on H. F. No. 4094. The motion prevailed.

Hackbarth moved that the name of Abeler be added as an author on H. F. No. 4111. The motion prevailed.

Eastlund moved that the names of Peterson, S., and Charron be added as authors on H. F. No. 4112. The motion prevailed.

Nelson, P., moved that H. F. No. 4105 be recalled from the Committee on Public Safety Policy and Finance and be re-referred to the Committee on Governmental Operations and Veterans Affairs. The motion prevailed.

Abrams moved that H. F. No. 4110 be recalled from the Committee on Transportation Finance and be re-referred to the Committee on Taxes. The motion prevailed.

Sieben moved that H. F. No. 2943 be returned to its author. The motion prevailed.

#### ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, April 11, 2006. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, April 11, 2006.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

