

STATE OF MINNESOTA

SPECIAL SESSION — 2005

 TWENTY-THIRD DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, JULY 13, 2005

The House of Representatives convened at 11:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Lonnie E. Titus, House Chaplain.

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

A quorum was present.

Emmer, Howes and Kahn were excused.

Gazelka was excused until 5:25 p.m. Heidgerken was excused until 6:35 p.m.

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Johnson, J., introduced:

H. F. No. 132, A bill for an act relating to eminent domain; prohibiting use of eminent domain in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 469.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Davids introduced:

H. F. No. 133, A bill for an act relating to state government; providing that legislative appropriations continue in effect until amended or eliminated by law; proposing coding for new law in Minnesota Statutes, chapter 16A.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Emmer introduced:

H. F. No. 134, A bill for an act relating to taxes; individual income; disallowing the deduction of wagering losses; amending Minnesota Statutes 2004, section 290.01, subdivision 19a, as amended.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Kahn, Lillie, Clark, Scalze, Paymar, Davnie and Goodwin introduced:

H. F. No. 135, A bill for an act relating to state government; providing that legislative appropriations continue in effect until amended or eliminated by law; proposing coding for new law in Minnesota Statutes, chapter 16A.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Vandever introduced:

H. F. No. 136, A bill for an act relating to local government; limiting local government requirements for use of certain nonconforming lots; amending Minnesota Statutes 2004, section 462.357, subdivision 1e, as amended.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Eastlund; Heidgerken; Nelson, P.; Marquart; Hosch; Olson; Dittrich; Demmer; Abeler; Erickson and Soderstrom introduced:

H. F. No. 137, A bill for an act relating to elections; providing for nonpartisan legislative offices; modifying the allocation of money in the state elections campaign fund; amending Minnesota Statutes 2004, sections 10A.31, subdivision 5, as amended; 204D.08, subdivisions 4, 6; 204D.13, subdivision 1.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Abrams introduced:

H. F. No. 138, A bill for an act relating to financing and operation of government in this state; changing income, corporate franchise, withholding, property, sales and use, deed, health care gross revenues, fuels, cigarette and tobacco products, occupation, net proceeds, production, liquor, insurance, rented vehicles, and other taxes and tax-related provisions; making technical, clarifying, collection, enforcement, refund, and administrative changes to certain taxes and tax-related provisions; changing fiscal disparities provisions, business subsidy provisions, and payments in lieu of taxes; changing local government and property tax aids and credits; updating references to the Internal Revenue Code; changing property tax exemptions, homesteads, assessment, valuation, classification, class rates, levies, exclusions, review and equalization, appeals, notices and statements, and other property tax-related provisions; requiring state contracts be with vendors registered to collect use taxes; modifying and authorizing local sales and lodging taxes; changing the taxation of liquor and cigarettes and tobacco products; imposing tobacco product delivery sales requirements; requiring registration of tax shelters and providing for a voluntary compliance initiative; providing for an international economic development zone; conveying certain powers and providing tax incentives in the zone; changing job opportunity building zones, border city development zones, and biotechnology and health sciences industry zone provisions; changing provisions relating to economic development and housing and redevelopment authorities; providing for training and conduct of assessors; changing and imposing powers and duties on the commissioner of revenue and other state agencies and departments and on certain political subdivisions and certain officials; imposing certain duties on tax preparers; changing provisions relating to certificates of title on manufactured homes; changing electronic filing requirements; authorizing the issuance of certain state bonds; specifying the status of certain trusts; changing and imposing civil and criminal penalties; requiring studies and reports; allocating and transferring funds; appropriating money; amending Minnesota Statutes 2004, sections 16C.03, by adding a subdivision; 116J.993, by adding a subdivision; 116J.994, subdivisions 4, 5, 9, by adding a subdivision; 168A.05, by adding a subdivision; 270C.02, subdivision 2, as added; 270C.27, subdivision 1, as added; 270C.28, subdivision 2, as added; 270C.445, as added, by adding a subdivision; 272.02, subdivisions 7, 22, 64, as amended, 73, as added, by adding subdivisions; 273.0755; 273.11, subdivision 1a, by adding subdivisions; 273.112, subdivision 3; 273.124, subdivision 1; 273.125, subdivision 8; 273.13, subdivisions 22, 25, as amended; 274.01, subdivision 1; 275.025, subdivisions 3, 4; 275.065, subdivisions 1a, 3, by adding subdivisions; 275.70, subdivision 5, as amended; 276.04, subdivision 2, as amended; 287.20, subdivisions 2, 9, by adding a subdivision; 287.21, subdivision 1; 289A.02, subdivision 7; 289A.08, subdivisions 1, 7, 13; 289A.11, subdivision 1; 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 289A.38, by adding a subdivision; 289A.56, by adding a subdivision; 289A.60, subdivisions 4, 6, as amended, 20, by adding subdivisions; 290.01, subdivisions 6b, 7, 19, as amended, 19a, as amended, 19b, as amended, 19c, as amended, 19d, 29, 31; 290.032, subdivisions 1, 2; 290.06, subdivisions 2c, by adding a subdivision; 290.067, subdivisions 1, 2a; 290.0671, subdivision 1; 290.0674, subdivision 2; 290.0675, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 290.191, subdivisions 2, 3; 290.9705, subdivision 1; 290A.03, subdivisions 3, 15; 295.50, subdivision 3, by adding a subdivision; 295.52, subdivision 4; 295.53, subdivision 1; 295.55, subdivision 4; 296A.09, by adding a subdivision; 297A.61, subdivisions 3, as amended, 4, as amended; 297A.67, subdivisions 6, 29, by adding a subdivision; 297A.68, subdivisions 2, as amended, 5, as amended, 35, 37, 38, by adding subdivisions; 297A.70, subdivisions 8, 10; 297A.71, by adding subdivisions; 297A.75, subdivisions 1, as amended, 2, 3; 297A.99, subdivision 9, by adding a subdivision; 297F.01, by adding a subdivision; 297F.09, by adding a subdivision; 297F.10, subdivision 1; 297I.01, subdivision 13a, as added, by adding a subdivision; 297I.05, subdivision 4, by adding a subdivision; 298.01, subdivisions 3, 4; 298.24, subdivision 1, as amended; 469.033, subdivision 6; 469.1082, by adding a subdivision; 469.169, by adding a subdivision; 469.310, subdivision 11, as amended, by adding a subdivision; 469.316; 469.317; 469.337; 473F.02, subdivision 2; 473F.08, subdivision 3a; 477A.011, subdivision 36, as amended; 477A.013, subdivision 8; 477A.03, subdivisions 2a, 2b, as amended; 477A.11, subdivision 4, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 1; 501B.895, as added; Laws 1991, chapter 291, article 8, section 27, subdivision 4, by adding a subdivision; Laws 1993, chapter 375, article 9, section 46, subdivisions 2, as amended, 3, as amended; Laws 1994, chapter 587, article 9, section 8, subdivision 1; Laws 1998, chapter 389, article 8, section 43, subdivisions 3, 4, 5; Laws 2001, First Special Session chapter 5, article 12, sections 44, 67, 95, as

amended; Laws 2002, chapter 377, article 3, section 4; Laws 2002, chapter 377, article 11, section 2, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 174; 270C; 273; 289A; 295; 297A; 297F; 325F; 469; repealing Minnesota Statutes 2004, sections 272.02, subdivision 65; 477A.08.

The bill was read for the first time.

Bradley and Huntley introduced:

H. F. No. 139, A bill for an act relating to the operation of state government; making changes to health and human services programs; modifying human services policy; modifying health policy; changing licensing provisions; changing provisions for mental and chemical health; establishing treatment foster care and transitional youth intensive rehab mental health services; enhancing family support; providing training for child care providers and hospitals on dangers of shaking infants and children; establishing long-term homeless supportive services; establishing the tobacco health impact fee; establishing a cancer drug repository program; establishing a health information technology and infrastructure advisory committee and a rural pharmacy planning and transition grant program; establishing a statewide trauma system and trauma registry; changing long-term care provisions and establishing a partnership; establishing a nursing facility reimbursement system; modifying health care programs; changing certain fees; appropriating money; amending Minnesota Statutes 2004, sections 13.46, subdivision 4, as amended; 16A.724; 62J.692, subdivision 3, as amended; 62Q.251, as added; 62Q.37, subdivision 7; 103I.101, subdivision 6; 103I.208, subdivisions 1, as amended, 2, as amended; 103I.235, subdivision 1; 103I.601, subdivision 2; 119B.13, subdivision 1, by adding a subdivision; 144.122, as amended; 144.147, subdivisions 1, 2; 144.148, subdivision 1; 144.1483; 144.1501, subdivisions 1, 2, 3, 4; 144.226, subdivisions 1, as amended, 4, as amended, by adding subdivisions; 144.3831, subdivision 1; 144.551, subdivision 1; 144.562, subdivision 2; 144.9504, subdivision 2; 144.98, subdivision 3; 144A.073, subdivision 10, by adding a subdivision; 144E.101, by adding a subdivision; 145.4242; 145.56, subdivisions 2, 5; 145.9268; 147A.08; 148D.220, subdivision 8, as added; 150A.22; 157.011, by adding a subdivision; 157.15, by adding a subdivision; 157.16, subdivisions 2, 3, by adding subdivisions; 157.20, subdivisions 2, 2a; 241.01, by adding a subdivision; 243.166, subdivisions 4b, as added, 7, as amended; 245.4661, subdivisions 2, 6, by adding a subdivision; 245.4874, as amended; 245.4885, subdivisions 1, 2, by adding a subdivision; 245A.02, subdivision 17; 245A.03, subdivisions 2, 3; 245A.035, subdivisions 1, 5; 245A.04, subdivisions 7, 13; 245A.06, by adding a subdivision; 245A.07, subdivisions 1, 3, by adding a subdivision; 245A.08, subdivisions 2a, 5; 245A.10, subdivisions 4, 5; 245A.14, by adding subdivisions; 245A.144; 245A.16, subdivisions 1, 4; 245A.18; 245B.02, subdivision 10; 245B.055, subdivision 7; 245B.07, subdivision 8; 245C.03, subdivision 1; 245C.07; 245C.08, subdivisions 1, 2; 245C.10, subdivisions 2, 3; 245C.15, subdivisions 1, as amended, 2, 3, 4; 245C.21, subdivision 2; 245C.22, subdivisions 3, 4, 7, as added; 245C.23, subdivision 1; 245C.24, subdivisions 2, as amended, 3; 245C.27, subdivision 1; 245C.28, subdivision 3; 245C.30, subdivisions 1, 2; 245C.32, subdivision 2; 246.0136, subdivision 1; 246.13, as amended; 252.27, subdivision 2a; 253.20; 254A.035, subdivision 2; 254A.04; 256.01, subdivision 2, by adding subdivisions; 256.019, subdivision 1; 256.045, subdivisions 3, as amended, 3a; 256.046, subdivision 1; 256.741, subdivision 4; 256.9657, by adding a subdivision; 256.969, subdivisions 3a, 9, 26, by adding a subdivision; 256.975, subdivision 9; 256B.02, subdivision 12; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.056, subdivisions 5, 5a, 5b, 7, by adding subdivisions; 256B.057, subdivision 9; 256B.0575; 256B.06, subdivision 4; 256B.0621, subdivisions 2, 3, 4, 5, 6, 7, by adding a subdivision; 256B.0622, subdivision 2; 256B.0625, subdivisions 2, 3a, 9, 13, 13a, 13c, 13d, 13e, as amended, 13f, as amended, 17, 19c, by adding subdivisions; 256B.0627, subdivisions 1, as amended, 4, 5, as amended, 9, by adding a subdivision; 256B.0631, subdivisions 1, 3; 256B.075, subdivision 2; 256B.0911, subdivision 1a; 256B.0913, subdivisions 2, 4, 5, 5a; 256B.0916, by adding a subdivision; 256B.0924, subdivision 3; 256B.093, subdivision 1; 256B.0943, subdivision 3; 256B.095; 256B.0951, subdivision 1; 256B.0952, subdivision 5; 256B.0953, subdivision 1; 256B.15, subdivisions 1, 4, by adding subdivisions; 256B.19, subdivisions 1, 1c; 256B.195, subdivision 3; 256B.431, by adding subdivisions; 256B.432, subdivisions 1, 2, 5, by adding subdivisions; 256B.434, subdivisions 3, 4, by adding a subdivision; 256B.49, subdivision 16; 256B.5012, by adding a subdivision; 256B.69, subdivisions 4, 23; 256D.03, subdivisions 3, as amended, 4; 256D.045; 256D.06, subdivisions 5, 7;

256D.44, subdivision 5; 256L.05, subdivision 1e; 256L.06, by adding a subdivision; 256J.37, subdivision 3b; 256J.515; 256L.01, subdivisions 4, 5; 256L.03, subdivisions 1, 1b, 5; 256L.035; 256L.04, subdivision 2, by adding subdivisions; 256L.05, subdivisions 2, 3, 3a, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivisions 1, as amended, 3, by adding subdivisions; 256L.12, by adding a subdivision; 256L.15, subdivisions 2, as amended, 3, by adding a subdivision; 256L.17, by adding a subdivision; 256M.40, subdivision 2; 260.835; 260B.163, subdivision 6; 260C.163, subdivision 5; 295.582, as amended; 297F.185; 299C.093, as amended; 325D.32, subdivision 9; 326.42, subdivision 2; 471.61, by adding a subdivision; 514.981, subdivision 6; 518.165, by adding subdivisions; 549.02, by adding a subdivision; 549.04; 609A.03, subdivision 7, as amended; 626.556, subdivision 10i, as amended; 626.557, subdivisions 9d, 14, as amended; 641.15, subdivision 2; Laws 2003, First Special Session chapter 14, article 12, section 93; Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6; Laws 2005, chapter 107, article 1, section 6; Laws 2005, chapter 159, article 1, section 14; proposing coding for new law in Minnesota Statutes, chapters 16A; 62J; 144; 145; 151; 245A; 245C; 256; 256B; 256K; 641; repealing Minnesota Statutes 2004, sections 119B.074, as amended; 144.1486; 144.1502; 157.215; 256.955; 256B.075, subdivision 5; 256D.54, subdivision 3; 256L.04, subdivision 11; 256M.40, subdivision 2; 514.991; 514.992; 514.993; 514.994; 514.995; Laws 2003, First Special Session chapter 14, article 9, section 34; Laws 2005, chapter 107, article 2, section 51.

The bill was read for the first time.

Holberg introduced:

H. F. No. 140, A bill for an act relating to appropriations; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for general contingent accounts and tort claims; providing for various fees and accounts; allocating county state-aid highway funds; modifying provisions related to state mail, state highways and bridges, county state-aid highways, town road signs, railroad grade crossings and operations, traffic fine allocations, commercial motor vehicles, day activity center buses, vehicle registration plates and other motor vehicle provisions, driver and vehicle data practices, deputy motor vehicle registrars, state aviation, bridges in smaller cities, weight limits on highways and other traffic regulations, drivers' licenses and permits, the Commuter Rail Corridor Coordinating Committee, Roussain Cemetery, wetland replacement near the city of Cologne, the employment status of public safety radio communications operators, the insurance verification sampling program, maximum train speeds in the city of Orr, a restriction on ethanol requirements, and bicycle programs; requiring studies and reports; making technical and clarifying revisions; amending Minnesota Statutes 2004, sections 13.44, subdivision 3; 16B.49; 115A.908, subdivision 1; 161.14, subdivision 25, by adding subdivisions; 161.361, subdivision 2; 161.368; 162.02, subdivisions 2, 3a; 162.06, subdivision 2; 162.08, subdivision 3; 162.09, subdivisions 2, 3a; 162.14, subdivision 6; 168.011, subdivisions 3, 4, 5, 5a, 6, 7, 25, by adding subdivisions; 168.012, subdivision 1, as amended; 168.013, subdivision 8; 168.031; 168.09, subdivision 7; 168.091, subdivision 1; 168.10, subdivision 1c; 168.105, subdivisions 2, 3, 5; 168.12; 168.123; 168.1235; 168.124; 168.125; 168.1255; 168.127, subdivision 6; 168.128; 168.129; 168.1291; 168.1293; 168.1296; 168.1297; 168.15, subdivision 1; 168.16; 168.185; 168.27, subdivision 11; 168.31, subdivision 5; 168.33, as amended; 168.345, subdivisions 1, 2; 168.381; 168.54, subdivisions 4, 5; 168A.152, subdivision 2; 168A.20, by adding a subdivision; 168A.29; 168A.31; 169.01, subdivisions 75, 76, 78; 169.06, subdivisions 5, 6; 169.09, subdivision 13; 169.14, subdivision 2, by adding a subdivision; 169.18, subdivisions 4, 5, 11, as amended; 169.28, subdivision 2; 169.448, by adding a subdivision; 169.522; 169.81, subdivision 3c; 169.8261; 169.851, subdivision 5; 169.86, subdivision 5; 169.99, subdivision 1b; 169A.52, subdivision 3; 169A.60, subdivision 16; 171.01, subdivisions 22, 35, 47, by adding a subdivision; 171.02; 171.03; 171.04, subdivision 2; 171.05, subdivisions 1, 2, 2b; 171.055, subdivision 2; 171.06, subdivisions 2, 2a; 171.061, subdivision 4; 171.07, subdivision 11; 171.09, as amended; 171.12, subdivisions 3, 6; 171.13, subdivisions 2, 6, by adding a subdivision; 171.165, subdivisions 1, 2, 6; 171.17, subdivision 1; 171.18, subdivision 1; 171.20, subdivision 4, as amended; 171.26, as amended; 171.29, subdivision 2; 171.30, subdivision 1; 171.36; 174.50, by adding a subdivision; 174.86, subdivision 5; 179A.03, subdivision 7, as amended; 179A.10, subdivision 2; 192.502, subdivision 2; 197.65; 219.166; 219.567; 299D.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 160; 162; 168; 171; 219; 299A; repealing Minnesota Statutes 2004, sections 168.011, subdivision 19; 168.012, subdivision 12; 168.041, subdivision 11; 168.105, subdivision 6; 168.15, subdivision 2; 168.231;

168.345, subdivisions 3, 4; 168.831; 168.832; 168.833; 168.834; 168.835; 168.836; 168.837; 168C.01; 168C.02; 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.10; 168C.11; 168C.12; 168C.13; 170.23; 171.12, subdivision 8; 171.165, subdivisions 3, 4, 4a, 4b; 171.185; 473.408, subdivision 1; Minnesota Rules, parts 7407.0100; 7407.0200; 7407.0300; 7407.0400; 7407.0500; 7407.0600; 7407.0700; 7407.0800; 7407.0900; 7407.1000; 7407.1100; 7407.1200; 7407.1300; 7503.2400; 7800.0600; 7800.3200, subpart 1; 7805.0700; 8850.6900, subpart 20; 8855.0500, subpart 1.

The bill was read for the first time.

Sykora, Buesgens, Erickson, Heidgerken, Dittrich, Paulsen and Demmer introduced:

H. F. No. 141, A bill for an act relating to the operation and financing of government; providing for early childhood, adult, family, and kindergarten through grade 12 education including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and technical and conforming amendments; reestablishing statutory authority for the Humanities Commission; authorizing certain nonprofit contracts; reimbursing local governments; authorizing certain state agencies and constitutional officers to carry forward unencumbered balances for fiscal year 2005; appropriating money for lets go fishing to promote opportunities for fishing in the state; authorizing rulemaking; providing for reports; appropriating money; amending Minnesota Statutes 2004, sections 13.32, subdivision 8; 13.321, by adding a subdivision; 119A.46, subdivisions 1, 2, 3, 8; 120A.05, by adding a subdivision; 120A.22, subdivision 12; 120B.02; 120B.021, by adding a subdivision; 120B.11, subdivisions 1, 2, 3, 4, 5, 8; 120B.13, subdivisions 1, 3; 120B.22, subdivision 1; 120B.30, subdivisions 1, 1a, by adding a subdivision; 120B.31, subdivision 4; 121A.03, subdivision 1; 121A.06, subdivisions 2, 3; 121A.15, subdivision 3; 121A.17, subdivisions 1, 5; 121A.19; 121A.41, subdivision 10; 121A.47, subdivision 14; 121A.53; 121A.66, subdivision 5, by adding subdivisions; 121A.67; 122A.06, subdivision 4; 122A.12, subdivision 2; 122A.18, subdivision 2a; 122A.33; 122A.40, subdivision 5, as amended; 122A.41, subdivisions 2, as amended, 5a, 14; 122A.413; 122A.414; 122A.415, subdivisions 1, 3; 122A.60, subdivision 1, by adding subdivisions; 123A.05, subdivision 2; 123B.02, by adding subdivisions; 123B.04, subdivisions 1, 2; 123B.42, by adding a subdivision; 123B.49, subdivision 4; 123B.492; 123B.53, subdivision 1; 123B.54; 123B.59, subdivisions 3, 3a; 123B.63, subdivision 2; 123B.71, subdivisions 8, 9, 12; 123B.75, subdivision 5, by adding a subdivision; 123B.76, subdivision 3; 123B.79, subdivision 6; 123B.81, subdivision 1; 123B.82; 123B.83, subdivision 2; 123B.88, by adding a subdivision; 123B.92, subdivisions 1, 5; 124D.09, subdivision 12; 124D.095, subdivisions 2, 4, 8, by adding a subdivision; 124D.10, subdivisions 4, 6, 15, 23; 124D.11, subdivisions 1, 2, 5, 6; 124D.111, subdivisions 1, 2; 124D.118, subdivision 4; 124D.135, subdivisions 1, 5; 124D.15, subdivisions 1, 3, 5, 10, 12, by adding subdivisions; 124D.16, subdivisions 2, 3; 124D.20, subdivisions 3, 5; 124D.40; 124D.454, subdivision 5; 124D.52, subdivision 3; 124D.531, subdivisions 1, 4; 124D.66, subdivision 3; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.74, subdivision 1; 124D.81, subdivision 1; 124D.84, subdivision 1; 125A.11, subdivision 1; 125A.24; 125A.28; 125A.51; 125A.76, subdivision 4; 125A.79, subdivisions 1, 6; 126C.01, subdivision 11; 126C.05, by adding a subdivision; 126C.10, subdivisions 1, 2, 13, 13a, 24, 31, by adding subdivisions; 126C.13, subdivision 4; 126C.15, subdivisions 2, 3; 126C.17, subdivisions 2, 5, 7, 9, 13; 126C.21, subdivision 4; 126C.40, subdivision 1; 126C.43, subdivisions 2, 3; 126C.457; 126C.48, subdivisions 2, 8; 126C.63, subdivisions 5, 8; 127A.41, subdivision 8; 127A.45, subdivisions 2, 10, 11, 12, 13, 14, 16; 127A.47, subdivisions 7, 8; 127A.49, subdivisions 2, 3; 128C.05, by adding a subdivision; 128C.12, subdivisions 1, 3; 128D.11, subdivision 9; 134.31, by adding a subdivision; 179A.03, subdivision 14, as amended; 260C.201, subdivision 1, as amended; 275.14; 275.16; 469.177, subdivision 9; 475.61, subdivision 4; Laws 1996, chapter 412, article 5, section 24; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 6, as amended; Laws 2003, First Special Session chapter 9, article 4, section 29, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 123A; 123B; 124D; 125B; 127A; 129C; 138; 171; repealing Minnesota Statutes 2004, sections 122A.415, subdivision 2; 123B.83, subdivision 1; 124D.095, subdivision 9; 124D.15, subdivisions 2, 4, 6, 7, 8, 9, 11, 13; 124D.16, subdivisions 1, 4; 125A.75, subdivision 8; 126C.42, subdivisions 1, 4; 128C.12, subdivision 4.

The bill was read for the first time.

Paulsen moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

H. F. No. 138 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Abrams moved that the rule therein be suspended and an urgency be declared so that H. F. No. 138 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Abrams moved that the Rules of the House be so far suspended that H. F. No. 138 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 138 was read for the second time.

H. F. No. 138, A bill for an act relating to financing and operation of government in this state; changing income, corporate franchise, withholding, property, sales and use, deed, health care gross revenues, fuels, cigarette and tobacco products, occupation, net proceeds, production, liquor, insurance, rented vehicles, and other taxes and tax-related provisions; making technical, clarifying, collection, enforcement, refund, and administrative changes to certain taxes and tax-related provisions; changing fiscal disparities provisions, business subsidy provisions, and payments in lieu of taxes; changing local government and property tax aids and credits; updating references to the Internal Revenue Code; changing property tax exemptions, homesteads, assessment, valuation, classification, class rates, levies, exclusions, review and equalization, appeals, notices and statements, and other property tax-related provisions; requiring state contracts be with vendors registered to collect use taxes; modifying and authorizing local sales and lodging taxes; changing the taxation of liquor and cigarettes and tobacco products; imposing tobacco product delivery sales requirements; requiring registration of tax shelters and providing for a voluntary compliance initiative; providing for an international economic development zone; conveying certain powers and providing tax incentives in the zone; changing job opportunity building zones, border city development zones, and biotechnology and health sciences industry zone provisions; changing provisions relating to economic development and housing and redevelopment authorities; providing for training and conduct of assessors; changing and imposing powers and duties on the commissioner of revenue and other state agencies and departments and on certain political subdivisions and certain officials; imposing certain duties on tax preparers; changing provisions relating to certificates of title on manufactured homes; changing electronic filing requirements; authorizing the issuance of certain state bonds; specifying the status of certain trusts; changing and imposing civil and criminal penalties; requiring studies and reports; allocating and transferring funds; appropriating money; amending Minnesota Statutes 2004, sections 16C.03, by adding a subdivision; 116J.993, by adding a subdivision; 116J.994, subdivisions 4, 5, 9, by adding a subdivision; 168A.05, by adding a subdivision; 270C.02, subdivision 2, as added; 270C.27, subdivision 1, as added; 270C.28, subdivision 2, as added; 270C.445, as added, by adding a subdivision; 272.02, subdivisions 7, 22, 64, as amended, 73, as added, by adding subdivisions; 273.0755; 273.11, subdivision 1a, by adding subdivisions; 273.112,

subdivision 3; 273.124, subdivision 1; 273.125, subdivision 8; 273.13, subdivisions 22, 25, as amended; 274.01, subdivision 1; 275.025, subdivisions 3, 4; 275.065, subdivisions 1a, 3, by adding subdivisions; 275.70, subdivision 5, as amended; 276.04, subdivision 2, as amended; 287.20, subdivisions 2, 9, by adding a subdivision; 287.21, subdivision 1; 289A.02, subdivision 7; 289A.08, subdivisions 1, 7, 13; 289A.11, subdivision 1; 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 289A.38, by adding a subdivision; 289A.56, by adding a subdivision; 289A.60, subdivisions 4, 6, as amended, 20, by adding subdivisions; 290.01, subdivisions 6b, 7, 19, as amended, 19a, as amended, 19b, as amended, 19c, as amended, 19d, 29, 31; 290.032, subdivisions 1, 2; 290.06, subdivisions 2c, by adding a subdivision; 290.067, subdivisions 1, 2a; 290.0671, subdivision 1; 290.0674, subdivision 2; 290.0675, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 290.191, subdivisions 2, 3; 290.9705, subdivision 1; 290A.03, subdivisions 3, 15; 295.50, subdivision 3, by adding a subdivision; 295.52, subdivision 4; 295.53, subdivision 1; 295.55, subdivision 4; 296A.09, by adding a subdivision; 297A.61, subdivisions 3, as amended, 4, as amended; 297A.67, subdivisions 6, 29, by adding a subdivision; 297A.68, subdivisions 2, as amended, 5, as amended, 35, 37, 38, by adding subdivisions; 297A.70, subdivisions 8, 10; 297A.71, by adding subdivisions; 297A.75, subdivisions 1, as amended, 2, 3; 297A.99, subdivision 9, by adding a subdivision; 297F.01, by adding a subdivision; 297F.09, by adding a subdivision; 297F.10, subdivision 1; 297I.01, subdivision 13a, as added, by adding a subdivision; 297I.05, subdivision 4, by adding a subdivision; 298.01, subdivisions 3, 4; 298.24, subdivision 1, as amended; 469.033, subdivision 6; 469.1082, by adding a subdivision; 469.169, by adding a subdivision; 469.310, subdivision 11, as amended, by adding a subdivision; 469.316; 469.317; 469.337; 473F.02, subdivision 2; 473F.08, subdivision 3a; 477A.011, subdivision 36, as amended; 477A.013, subdivision 8; 477A.03, subdivisions 2a, 2b, as amended; 477A.11, subdivision 4, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 1; 501B.895, as added; Laws 1991, chapter 291, article 8, section 27, subdivision 4, by adding a subdivision; Laws 1993, chapter 375, article 9, section 46, subdivisions 2, as amended, 3, as amended; Laws 1994, chapter 587, article 9, section 8, subdivision 1; Laws 1998, chapter 389, article 8, section 43, subdivisions 3, 4, 5; Laws 2001, First Special Session chapter 5, article 12, sections 44, 67, 95, as amended; Laws 2002, chapter 377, article 3, section 4; Laws 2002, chapter 377, article 11, section 2, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 174; 270C; 273; 289A; 295; 297A; 297F; 325F; 469; repealing Minnesota Statutes 2004, sections 272.02, subdivision 65; 477A.08.

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 123 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Garofalo	Johnson, S.	Mariani	Penas
Abrams	Dean	Goodwin	Juhnke	Marquart	Peppin
Anderson, B.	DeLaForest	Greiling	Kelliher	McNamara	Peterson, A.
Anderson, I.	Demmer	Gunther	Klinzing	Meslow	Peterson, N.
Atkins	Dempsey	Hackbarth	Knoblach	Moe	Peterson, S.
Beard	Dill	Hamilton	Koenen	Mullery	Poppe
Bernardy	Dittrich	Hansen	Kohls	Murphy	Powell
Blaine	Dorman	Hausman	Lanning	Nelson, M.	Rukavina
Bradley	Dorn	Hilstrom	Larson	Nelson, P.	Ruth
Brod	Eastlund	Hilty	Latz	Newman	Ruud
Carlson	Eken	Hoppe	Lenczewski	Nornes	Sailer
Charron	Ellison	Hornstein	Liebling	Opatz	Samuelson
Clark	Entenza	Hortman	Lieder	Otremba	Scalze
Cornish	Erhardt	Hosch	Lillie	Ozment	Seifert
Cox	Erickson	Huntley	Loeffler	Paulsen	Sertich
Cybart	Finstad	Johnson, J.	Magnus	Paymar	Severson
Davids	Fritz	Johnson, R.	Mahoney	Pelowski	Sieben

Simon	Soderstrom	Thissen	Wagenius	Westerberg	Spk. Sviggum
Simpson	Solberg	Tingelstad	Walker	Westrom	
Slawik	Sykora	Urdahl	Wardlow	Wilkin	
Smith	Thao	Vandever	Walti	Zellers	

Those who voted in the negative were:

Buesgens	Holberg	Jaros	Krinkie	Lesch	Olson
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The bill was passed and its title agreed to.

H. F. No. 139 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Bradley moved that the rule therein be suspended and an urgency be declared so that H. F. No. 139 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Bradley motion and the roll was called. There were 115 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Hoppe	Lieder	Pelowski	Soderstrom
Abrams	Dorman	Hornstein	Lillie	Penas	Solberg
Atkins	Dorn	Hortman	Loeffler	Peterson, A.	Sykora
Beard	Eastlund	Hosch	Magnus	Peterson, N.	Thissen
Bernardy	Ellison	Huntley	Mariani	Peterson, S.	Tingelstad
Blaine	Entenza	Jaros	Marquart	Poppe	Urdahl
Bradley	Erhardt	Johnson, J.	McNamara	Powell	Wagenius
Brod	Erickson	Johnson, R.	Meslow	Ruth	Walker
Carlson	Finstad	Johnson, S.	Moe	Ruud	Wardlow
Charron	Fritz	Juhnke	Mullery	Sailer	Walti
Clark	Garofalo	Kelliher	Murphy	Samuelson	Westerberg
Cornish	Goodwin	Klinzing	Nelson, M.	Scalze	Westrom
Cox	Greiling	Koenen	Nelson, P.	Seifert	Wilkin
Cybart	Gunther	Kohls	Newman	Sertich	Zellers
Davids	Hackbarth	Lanning	Nornes	Severson	Spk. Sviggum
Davnie	Hamilton	Larson	Opatz	Sieben	
Dean	Hansen	Latz	Otremba	Simon	
Demmer	Hausman	Lenczewski	Ozment	Simpson	
Dempsey	Hilstrom	Lesch	Paulsen	Slawik	
Dill	Hilty	Liebling	Paymar	Smith	

Those who voted in the negative were:

Anderson, B.	DeLaForest	Knoblach	Olson	Thao
Anderson, I.	Eken	Krinkie	Peppin	Vandever
Buesgens	Holberg	Mahoney	Rukavina	

The motion prevailed.

Bradley moved that the rules of the House be so far suspended that H. F. No. 139 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 139 was read for the second time.

The Speaker called Abrams to the Chair.

Bradley and Huntley moved to amend H. F. No. 139 as follows:

Page 103, line 29, before "Sections" insert "(a)"

Page 103, after line 30, insert:

"(b) The sections in this article are effective August 1, 2005, unless otherwise specified."

Page 304, line 14, delete "\$20" and insert "\$12"

Page 316, line 10, delete everything after the first comma and insert "effective with the biennium beginning July 1, 2007."

Page 316, line 13, delete everything after "year"

Page 316, delete lines 14 and 15 and insert ", provided that the amount transferred in any fiscal biennium shall not exceed \$96,000,000."

Page 445, line 8, reinstate the stricken "and"

Page 445, line 9, delete "; 2008"

Page 445, line 10, delete everything before the period

Page 445, line 11, strike everything after "(d)"

Page 445, strike lines 12 to 40

Page 445, line 41, strike "(e)"

The motion prevailed and the amendment was adopted.

Krinkie and Buesgens moved to amend H. F. No. 139, as amended, as follows:

Delete article 4

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Olson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dempsey	Hilty	Lesch	Paulsen	Simpson
Abrams	Dill	Hoppe	Liebling	Paymar	Slawik
Anderson, B.	Dittrich	Hornstein	Lieder	Pelowski	Smith
Anderson, I.	Dorn	Hortman	Lillie	Penas	Soderstrom
Atkins	Eastlund	Hosch	Loeffler	Peppin	Solberg
Beard	Eken	Huntley	Magnus	Peterson, A.	Sykora
Bernardy	Ellison	Jaros	Mahoney	Peterson, N.	Thao
Blaine	Entenza	Johnson, J.	Mariani	Peterson, S.	Thissen
Bradley	Erhardt	Johnson, R.	Marquart	Poppe	Tingelstad
Brod	Erickson	Johnson, S.	McNamara	Powell	Urdahl
Buesgens	Finstad	Juhnke	Meslow	Rukavina	Vandever
Carlson	Fritz	Kelliher	Moe	Ruth	Wagenius
Clark	Garofalo	Klinzing	Mullery	Ruud	Walker
Cornish	Goodwin	Knoblach	Nelson, M.	Sailer	Wardlow
Cox	Greiling	Koenen	Nelson, P.	Samuelson	Walti
Cybart	Gunther	Kohls	Newman	Scalze	Westerberg
Davids	Hackbarth	Krinkie	Nornes	Seifert	Westrom
Davnie	Hamilton	Lanning	Olson	Sertich	Wilkin
Dean	Hansen	Larson	Opatz	Severson	Zellers
DeLaForest	Hausman	Latz	Otremba	Sieben	Spk. Sviggum
Demmer	Hilstrom	Lenczewski	Ozment	Simon	

Paulsen moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The Speaker resumed the Chair.

The question recurred on the Krinkie and Buesgens amendment and the roll was called.

Paulsen moved that those not voting be excused from voting. The motion prevailed.

There were 51 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eastlund	Holberg	Koenen	Otremba	Smith
Anderson, I.	Eken	Hoppe	Kohls	Peppin	Solberg
Bernardy	Erickson	Hortman	Krinkie	Peterson, A.	Vandever
Blaine	Finstad	Hosch	Lesch	Powell	Westrom
Buesgens	Garofalo	Jaros	Magnus	Rukavina	Wilkin
Dean	Goodwin	Johnson, J.	Mahoney	Sailer	Zellers
DeLaForest	Hackbarth	Juhnke	Marquart	Seifert	
Dill	Hamilton	Klinzing	Moe	Sertich	
Dittrich	Hilty	Knoblach	Olson	Severson	

Those who voted in the negative were:

Abeler	Demmer	Huntley	McNamara	Penas	Sykora
Abrams	Dempsey	Johnson, R.	Meslow	Peterson, N.	Thao
Atkins	Dorn	Johnson, S.	Mullery	Peterson, S.	Thissen
Beard	Ellison	Kelliher	Murphy	Poppe	Tingelstad
Bradley	Entenza	Lanning	Nelson, M.	Ruth	Urdahl
Brod	Erhardt	Larson	Nelson, P.	Ruud	Wagenius
Carlson	Fritz	Latz	Newman	Samuelson	Walker
Clark	Greiling	Lenczewski	Nornes	Scalze	Wardlow
Cornish	Gunther	Liebling	Opatz	Sieben	Walti
Cox	Hansen	Lieder	Ozment	Simon	Westerberg
Cybart	Hausman	Lillie	Paulsen	Simpson	Spk. Sviggum
Davids	Hilstrom	Loeffler	Paymar	Slawik	
Davnie	Hornstein	Mariani	Pelowski	Soderstrom	

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

Olson moved to amend H. F. No. 139, as amended, as follows:

Page 375, line 8, before the period, insert "and expires July 1, 2007"

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

Eken moved to amend H. F. No. 139, as amended, as follows:

Page 413, after line 11, insert:

"Sec. 78. Minnesota Statutes 2004, section 290.17, subdivision 4, is amended to read:

Subd. 4. [UNITARY BUSINESS PRINCIPLE.] (a) If a trade or business conducted wholly within this state or partly within and partly without this state is part of a unitary business, the entire income of the unitary business is subject to apportionment pursuant to section 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is considered to be derived from any particular source and none may be allocated to a

particular place except as provided by the applicable apportionment formula. The provisions of this subdivision do not apply to business income subject to subdivision 5, income of an insurance company, or income of an investment company determined under section 290.36.

(b) The term "unitary business" means business activities or operations which result in a flow of value between them. The term may be applied within a single legal entity or between multiple entities and without regard to whether each entity is a sole proprietorship, a corporation, a partnership or a trust.

(c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction, but the absence of these centralized activities will not necessarily evidence a nonunitary business. Unity is also presumed when business activities or operations are of mutual benefit, dependent upon or contributory to one another, either individually or as a group.

(d) Where a business operation conducted in Minnesota is owned by a business entity that carries on business activity outside the state different in kind from that conducted within this state, and the other business is conducted entirely outside the state, it is presumed that the two business operations are unitary in nature, interrelated, connected, and interdependent unless it can be shown to the contrary.

(e) Unity of ownership is not deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more business entities and more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group. For this purpose, the term "voting stock" shall include membership interests of mutual insurance holding companies formed under section 60A.077.

(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign corporations and other foreign entities which are part of a unitary business shall not be included in the net income or the apportionment factors of the unitary business. A foreign corporation or other foreign entity which is required to file a return under this chapter shall file on a separate return basis. The net income and apportionment factors under section 290.191 or 290.20 of foreign operating corporations shall not be included in the net income or the apportionment factors of the unitary business except as provided in paragraph (g).

(g) Sixty-five percent of the adjusted net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof, in proportion to each shareholder's ownership, with which such corporation is engaged in a unitary business. Such deemed dividend shall be treated as a dividend under section 290.21, subdivision 4.

Dividends actually paid by a foreign operating corporation to a corporate shareholder which is a member of the same unitary business as the foreign operating corporation shall be eliminated from the net income of the unitary business in preparing a combined report for the unitary business. The adjusted net income of a foreign operating corporation shall be its net income adjusted as follows:

(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction; and

(2) the subtraction from federal taxable income for payments received from foreign corporations or foreign operating corporations under section 290.01, subdivision 19d, clause (10), shall not be allowed.

If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.

(h) For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of domestic corporations or other domestic entities other than foreign operating corporations that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that foreign corporations or other foreign entities might be included in the unitary business.

(i) Deductions for expenses, interest, or taxes otherwise allowable under this chapter that are connected with or allocable against dividends, deemed dividends described in paragraph (g), or royalties, fees, or other like income described in section 290.01, subdivision 19d, clause (10), shall not be disallowed.

(j) Each corporation or other entity, except a sole proprietorship, that is part of a unitary business must file combined reports as the commissioner determines. On the reports, all intercompany transactions between entities included pursuant to paragraph (h) must be eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph (h) in the denominators of the apportionment formula.

(k) If a corporation has been divested from a unitary business and is included in a combined report for a fractional part of the common accounting period of the combined report:

(1) its income includable in the combined report is its income incurred for that part of the year determined by proration or separate accounting; and

(2) its sales, property, and payroll included in the apportionment formula must be prorated or accounted for separately."

Page 275, line 2, delete "2.2553" and insert "5.0"

Page 275, line 6, delete "1.2553" and insert "4.0"

Page 433, after line 32, insert:

"Amounts necessary to fund rate increases of 2.75 percent in article 7, section 33 of this act are appropriated from the general fund to the commissioner of human services. This amount is in addition to other appropriations in this subdivision."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Eken moved to amend the Eken amendment to H. F. No. 139, as amended, as follows:

Page 1, delete lines 2 to 24

Delete pages 2 and 3

Page 4, delete lines 1 to 21 and lines 24 to 31 and insert:

"Page 275, after line 7, insert:

"Of the rate increases in this paragraph, the amount necessary to fund an increase of 2.75 percent each year must be funded out of the cash flow account created in section 16A.152. Amounts needed to fund the rate increases are appropriated from the cash flow account to the commissioner of human services."

A roll call was requested and properly seconded.

CALL OF THE HOUSE LIFTED

Entenza moved that the call of the House be suspended. The motion prevailed and it was so ordered.

Paulsen moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

The Eken amendment to the Eken amendment to H. F. No. 139, as amended, was again reported to the House.

The question was taken on the Eken amendment to the Eken amendment and the roll was called. There were 59 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Eken	Hornstein	Lesch	Murphy	Sailer
Atkins	Ellison	Hortman	Lieder	Nelson, M.	Scalze
Bernardy	Fritz	Hosch	Lillie	Olson	Sertich
Carlson	Goodwin	Jaros	Loeffler	Otremba	Sieben
Clark	Greiling	Johnson, R.	Magnus	Paymar	Simon
Davnie	Hamilton	Johnson, S.	Mahoney	Pelowski	Slawik
Dill	Hansen	Juhnke	Mariani	Peterson, A.	Solberg
Dittrich	Hausman	Kelliher	Marquart	Peterson, S.	Walker
Dorman	Hilstrom	Koenen	Moe	Poppe	Welti
Dorn	Hilty	Latz	Mullery	Rukavina	

Those who voted in the negative were:

Abeler	Buesgens	DeLaForest	Garofalo	Klinzing	Meslow
Abrams	Charron	Demmer	Gunther	Knoblach	Nelson, P.
Anderson, B.	Cornish	Dempsey	Hackbarth	Kohls	Newman
Beard	Cox	Eastlund	Holberg	Krinkie	Nornes
Blaine	Cybart	Erhardt	Hoppe	Lanning	Opatz
Bradley	Davids	Erickson	Huntley	Larson	Ozment
Brod	Dean	Finstad	Johnson, J.	McNamara	Paulsen

Penas	Ruth	Severson	Sykora	Vandever	Westrom
Peppin	Ruud	Simpson	Thissen	Wagenius	Wilkin
Peterson, N.	Samuelson	Smith	Tingelstad	Wardlow	Zellers
Powell	Seifert	Soderstrom	Urdahl	Westerberg	Spk. Sviggum

The motion did not prevail and the amendment to the amendment was not adopted.

Eken withdrew his amendment to H. F. No. 139, as amended.

Bradley and Huntley moved to amend H. F. No. 139, as amended, as follows:

Page 161, line 53, after the period, insert "House File No. 138, article 11, section 6, if enacted in the 2005 First Special Session, is repealed."

The motion prevailed and the amendment was adopted.

H. F. No. 139, as amended, was read for the third time.

CALL OF THE HOUSE

On the motion of Buesgens and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Paulsen moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Mariani was excused for the remainder of today's session.

MOTIONS FOR RECONSIDERATION

Bradley moved that the action whereby H. F. No. 139, as amended, was given its third reading be now reconsidered. The motion prevailed.

Bradley moved that the vote whereby the second Bradley and Huntley amendment to H. F. No. 139, as amended, was adopted be now reconsidered. The motion prevailed.

The second Bradley and Huntley amendment to H. F. No. 139, as amended, was again reported to the House as further modified as follows:

Page 161, line 53, after the period, insert "House File No. 138, article 11, section 6, if enacted in the 2005 First Special Session, is repealed effective upon final enactment."

The motion prevailed and the amendment was adopted.

H. F. No. 139, A bill for an act relating to the operation of state government; making changes to health and human services programs; modifying human services policy; modifying health policy; changing licensing provisions; changing provisions for mental and chemical health; establishing treatment foster care and transitional youth intensive rehab mental health services; enhancing family support; providing training for child care providers and hospitals on dangers of shaking infants and children; establishing long-term homeless supportive services; establishing the tobacco health impact fee; establishing a cancer drug repository program; establishing a health information technology and infrastructure advisory committee and a rural pharmacy planning and transition grant program; establishing a statewide trauma system and trauma registry; changing long-term care provisions and establishing a partnership; establishing a nursing facility reimbursement system; modifying health care programs; changing certain fees; appropriating money; amending Minnesota Statutes 2004, sections 13.46, subdivision 4, as amended; 16A.724; 62J.692, subdivision 3, as amended; 62Q.251, as added; 62Q.37, subdivision 7; 103I.101, subdivision 6; 103I.208, subdivisions 1, as amended, 2, as amended; 103I.235, subdivision 1; 103I.601, subdivision 2; 119B.13, subdivision 1, by adding a subdivision; 144.122, as amended; 144.147, subdivisions 1, 2; 144.148, subdivision 1; 144.1483; 144.1501, subdivisions 1, 2, 3, 4; 144.226, subdivisions 1, as amended, 4, as amended, by adding subdivisions; 144.3831, subdivision 1; 144.551, subdivision 1; 144.562, subdivision 2; 144.9504, subdivision 2; 144.98, subdivision 3; 144A.073, subdivision 10, by adding a subdivision; 144E.101, by adding a subdivision; 145.4242; 145.56, subdivisions 2, 5; 145.9268; 147A.08; 148D.220, subdivision 8, as added; 150A.22; 157.011, by adding a subdivision; 157.15, by adding a subdivision; 157.16, subdivisions 2, 3, by adding subdivisions; 157.20, subdivisions 2, 2a; 241.01, by adding a subdivision; 243.166, subdivisions 4b, as added, 7, as amended; 245.4661, subdivisions 2, 6, by adding a subdivision; 245.4874, as amended; 245.4885, subdivisions 1, 2, by adding a subdivision; 245A.02, subdivision 17; 245A.03, subdivisions 2, 3; 245A.035, subdivisions 1, 5; 245A.04, subdivisions 7, 13; 245A.06, by adding a subdivision; 245A.07, subdivisions 1, 3, by adding a subdivision; 245A.08, subdivisions 2a, 5; 245A.10, subdivisions 4, 5; 245A.14, by adding subdivisions; 245A.144; 245A.16, subdivisions 1, 4; 245A.18; 245B.02, subdivision 10; 245B.055, subdivision 7; 245B.07, subdivision 8; 245C.03, subdivision 1; 245C.07; 245C.08, subdivisions 1, 2; 245C.10, subdivisions 2, 3; 245C.15, subdivisions 1, as amended, 2, 3, 4; 245C.21, subdivision 2; 245C.22, subdivisions 3, 4, 7, as added; 245C.23, subdivision 1; 245C.24, subdivisions 2, as amended, 3; 245C.27, subdivision 1; 245C.28, subdivision 3; 245C.30, subdivisions 1, 2; 245C.32, subdivision 2; 246.0136, subdivision 1; 246.13, as amended; 252.27, subdivision 2a; 253.20; 254A.035,

subdivision 2; 254A.04; 256.01, subdivision 2, by adding subdivisions; 256.019, subdivision 1; 256.045, subdivisions 3, as amended, 3a; 256.046, subdivision 1; 256.741, subdivision 4; 256.9657, by adding a subdivision; 256.969, subdivisions 3a, 9, 26, by adding a subdivision; 256.975, subdivision 9; 256B.02, subdivision 12; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.056, subdivisions 5, 5a, 5b, 7, by adding subdivisions; 256B.057, subdivision 9; 256B.0575; 256B.06, subdivision 4; 256B.0621, subdivisions 2, 3, 4, 5, 6, 7, by adding a subdivision; 256B.0622, subdivision 2; 256B.0625, subdivisions 2, 3a, 9, 13, 13a, 13c, 13d, 13e, as amended, 13f, as amended, 17, 19c, by adding subdivisions; 256B.0627, subdivisions 1, as amended, 4, 5, as amended, 9, by adding a subdivision; 256B.0631, subdivisions 1, 3; 256B.075, subdivision 2; 256B.0911, subdivision 1a; 256B.0913, subdivisions 2, 4, 5, 5a; 256B.0916, by adding a subdivision; 256B.0924, subdivision 3; 256B.093, subdivision 1; 256B.0943, subdivision 3; 256B.095; 256B.0951, subdivision 1; 256B.0952, subdivision 5; 256B.0953, subdivision 1; 256B.15, subdivisions 1, 4, by adding subdivisions; 256B.19, subdivisions 1, 1c; 256B.195, subdivision 3; 256B.431, by adding subdivisions; 256B.432, subdivisions 1, 2, 5, by adding subdivisions; 256B.434, subdivisions 3, 4, by adding a subdivision; 256B.49, subdivision 16; 256B.5012, by adding a subdivision; 256B.69, subdivisions 4, 23; 256D.03, subdivisions 3, as amended, 4; 256D.045; 256D.06, subdivisions 5, 7; 256D.44, subdivision 5; 256I.05, subdivision 1e; 256I.06, by adding a subdivision; 256J.37, subdivision 3b; 256J.515; 256L.01, subdivisions 4, 5; 256L.03, subdivisions 1, 1b, 5; 256L.035; 256L.04, subdivision 2, by adding subdivisions; 256L.05, subdivisions 2, 3, 3a, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivisions 1, as amended, 3, by adding subdivisions; 256L.12, by adding a subdivision; 256L.15, subdivisions 2, as amended, 3, by adding a subdivision; 256L.17, by adding a subdivision; 256M.40, subdivision 2; 260.835; 260B.163, subdivision 6; 260C.163, subdivision 5; 295.582, as amended; 297F.185; 299C.093, as amended; 325D.32, subdivision 9; 326.42, subdivision 2; 471.61, by adding a subdivision; 514.981, subdivision 6; 518.165, by adding subdivisions; 549.02, by adding a subdivision; 549.04; 609A.03, subdivision 7, as amended; 626.556, subdivision 10i, as amended; 626.557, subdivisions 9d, 14, as amended; 641.15, subdivision 2; Laws 2003, First Special Session chapter 14, article 12, section 93; Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6; Laws 2005, chapter 107, article 1, section 6; Laws 2005, chapter 159, article 1, section 14; proposing coding for new law in Minnesota Statutes, chapters 16A; 62J; 144; 145; 151; 245A; 245C; 256; 256B; 256K; 641; repealing Minnesota Statutes 2004, sections 119B.074, as amended; 144.1486; 144.1502; 157.215; 256.955; 256B.075, subdivision 5; 256D.54, subdivision 3; 256L.04, subdivision 11; 256M.40, subdivision 2; 514.991; 514.992; 514.993; 514.994; 514.995; Laws 2003, First Special Session chapter 14, article 9, section 34; Laws 2005, chapter 107, article 2, section 51.

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

The question was taken on the passage of the bill and the roll was called.

Pursuant to rule 2.05, Olson stated his reasons for declining to vote on final passage of H. F. No. 139, as amended.

The Speaker submitted to the House the question "Shall the member, for the reasons stated, be excused from voting?" The motion prevailed and Olson was excused from voting on final passage of H. F. No. 139, as amended.

There were 88 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abeler	Bradley	Cox	Demmer	Dorn	Erhardt
Abrams	Brod	Cybart	Dempsey	Eastlund	Erickson
Beard	Clark	Davids	Dittrich	Ellison	Finstad
Blaine	Cornish	Davnie	Dorman	Entenza	Fritz

Garofalo	Hosch	Lenczewski	Nornes	Ruth	Thissen
Gazelka	Huntley	Liebling	Opatz	Ruud	Tingelstad
Goodwin	Johnson, R.	Lieder	Otremba	Samuelson	Urdahl
Greiling	Johnson, S.	Lillie	Ozment	Scalze	Wagenius
Gunther	Juhnke	Loeffler	Paulsen	Seifert	Wardlow
Hamilton	Kelliher	Magnus	Paymar	Severson	Welti
Hansen	Knoblach	McNamara	Pelowski	Simon	Westerberg
Hausman	Koenen	Meslow	Penas	Simpson	Westrom
Hoppe	Lanning	Murphy	Peterson, A.	Slawik	Spk. Sviggum
Hornstein	Larson	Nelson, P.	Peterson, N.	Soderstrom	
Hortman	Latz	Newman	Poppe	Sykora	

Those who voted in the negative were:

Anderson, B.	Dean	Holberg	Mahoney	Powell	Thao
Anderson, I.	DeLaForest	Jaros	Marquart	Rukavina	Vandever
Atkins	Dill	Johnson, J.	Moe	Sailer	Walker
Bernardy	Eken	Klinzing	Mullery	Sertich	Wilkin
Buesgens	Hackbarth	Kohls	Nelson, M.	Sieben	Zellers
Carlson	Hilstrom	Krinkie	Peppin	Smith	
Charron	Hilty	Lesch	Peterson, S.	Solberg	

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

H. F. No. 141 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sykora moved that the rule therein be suspended and an urgency be declared so that H. F. No. 141 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Sykora moved that the rules of the House be so far suspended that H. F. No. 141 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 141 was read for the second time.

The Speaker called Newman to the Chair.

Sykora moved to amend H. F. No. 141 as follows:

Page 31, line 29, delete "229.24" and insert "298.24"

Page 60, after line 22, insert:

"Sec. 15. Minnesota Statutes 2004, section 120B.13, is amended by adding a subdivision to read:

Subd. 3a. [COLLEGE CREDIT.] The colleges and universities of the Minnesota State Colleges and Universities system must award, and the University of Minnesota and private postsecondary institutions are encouraged to award, college credit to high school students who receive a score of three or higher on an advanced placement or four or higher on the international baccalaureate program examination."

Page 60, line 25, after "Subdivision 1." insert "[PROGRAM STRUCTURE.] The College-Level Examination Program (CLEP) offered by the College Board provides students with the opportunity to demonstrate college-level achievement and receive college credit or advanced standing through a program of examinations in undergraduate college courses. Schools must provide information about CLEP and the opportunity to receive college credit from a Minnesota postsecondary institution to students successfully completing a college-level course.

Subd. 2."

Page 61, line 2, delete "2" and insert "3"

Page 127, line 30, delete "\$375,000" and insert "at least \$500,000"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Speaker pro tempore Newman called Abrams to the Chair.

CALL OF THE HOUSE LIFTED

Buesgens moved that the call of the House be suspended. The motion prevailed and it was so ordered.

Vandever moved to amend H. F. No. 141, as amended, as follows:

Page 16, delete sections 16 and 17 and insert:

"Section 1. Minnesota Statutes 2004, section 126C.10, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] (a) The basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. ~~The formula allowance for fiscal year 2001 is \$3,964. The formula allowance for fiscal year 2002 is \$4,068.~~ The formula allowance for fiscal year 2003 and subsequent years is \$4,601.

(b) The revenue in paragraph (a) is increased by the district's adjusted marginal cost pupil units for the school year times \$315 for fiscal year 2006 and by \$590 for fiscal year 2007 and later. The increase in revenue under this paragraph applies only for general education basic revenue and does not affect any other school formula. At least 70 percent of the revenue received under this paragraph must be spent on regular classroom instruction as defined in the uniform financial and accounting standards used for school accounting.

(c) To obtain revenue under paragraph (b) for fiscal year 2007 and later, a district may levy an amount not more than the product of its new revenue under paragraph (b) for the fiscal year times the lesser of one, or the ratio of (1) its adjusted net tax capacity per adjusted marginal cost pupil unit to (2) \$15,363 for fiscal year 2007 and \$11,500 for fiscal year 2008 and later.

(d) For fiscal year 2006, a district's revenue under paragraph (b) is provided entirely in state aid. For fiscal year 2007 and later, a district's aid under paragraph (b) equals the revenue under paragraph (b) minus its levy under paragraph (c) times the rate of the actual amount levied to the permitted levy.

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2006."

Page 17, delete sections 18 and 19

Page 18, delete sections 20 and 21

Page 19, delete section 22

Page 20, delete section 23

Page 21, delete section 24

Page 22, delete section 25

Page 23, delete section 27

Page 24, delete sections 28 and 29

Page 25, delete section 30

Page 27, delete section 31

Page 32, delete section 35

Page 34, delete section 36

Page 35, delete section 37

Page 45, delete sections 49 and 50

Page 46, delete sections 51, 52, and 53

Page 47, after line 7, insert:

"Sec. 54. [APPROPRIATION MODIFICATION.]

The commissioner of education must reduce any appropriations contained in articles 1 to 6 and 10 of this act in excess of the February 2005 estimate of base budget revenue for fiscal years 2006 and 2007."

Page 47, line 17, delete "\$5,136,578,000" and insert "\$5,264,205,000"

Page 47, line 18, delete "\$5,390,196,000" and insert "\$5,478,765,000"

Page 47, line 20, delete "\$4,351,600,000" and insert "\$4,479,227,000"

Page 47, line 21, delete "\$817,588,000" and insert "\$829,342,000"

Page 47, line 22, delete "\$4,572,608,000" and insert "\$4,649,423,000"

Page 49, delete lines 13 to 30

Page 77, delete section 38

Page 78, delete section 39

Page 83, delete sections 40 and 41

Page 85, delete section 42

Page 89, delete section 46

Page 90, delete section 47

Page 91, delete section 48

Page 140, delete section 12

Page 151, delete section 7

Page 158, delete section 15

Page 168, delete lines 2 to 22

Renumber subsequent clauses in sequence

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

The Speaker resumed the Chair.

H. F. No. 141, A bill for an act relating to the operation and financing of government; providing for early childhood, adult, family, and kindergarten through grade 12 education including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and technical and conforming amendments; reestablishing statutory authority for the Humanities Commission; authorizing certain nonprofit contracts; reimbursing local governments; authorizing certain state agencies and constitutional officers to carry forward unencumbered balances for fiscal year 2005; appropriating money for lets go fishing to promote opportunities for fishing in the state; authorizing rulemaking; providing for reports; appropriating money; amending

Minnesota Statutes 2004, sections 13.32, subdivision 8; 13.321, by adding a subdivision; 119A.46, subdivisions 1, 2, 3, 8; 120A.05, by adding a subdivision; 120A.22, subdivision 12; 120B.02; 120B.021, by adding a subdivision; 120B.11, subdivisions 1, 2, 3, 4, 5, 8; 120B.13, subdivisions 1, 3, by adding a subdivision; 120B.22, subdivision 1; 120B.30, subdivisions 1, 1a, by adding a subdivision; 120B.31, subdivision 4; 121A.03, subdivision 1; 121A.06, subdivisions 2, 3; 121A.15, subdivision 3; 121A.17, subdivisions 1, 5; 121A.19; 121A.41, subdivision 10; 121A.47, subdivision 14; 121A.53; 121A.66, subdivision 5, by adding subdivisions; 121A.67; 122A.06, subdivision 4; 122A.12, subdivision 2; 122A.18, subdivision 2a; 122A.33; 122A.40, subdivision 5, as amended; 122A.41, subdivisions 2, as amended, 5a, 14; 122A.413; 122A.414; 122A.415, subdivisions 1, 3; 122A.60, subdivision 1, by adding subdivisions; 123A.05, subdivision 2; 123B.02, by adding subdivisions; 123B.04, subdivisions 1, 2; 123B.42, by adding a subdivision; 123B.49, subdivision 4; 123B.492; 123B.53, subdivision 1; 123B.54; 123B.59, subdivisions 3, 3a; 123B.63, subdivision 2; 123B.71, subdivisions 8, 9, 12; 123B.75, subdivision 5, by adding a subdivision; 123B.76, subdivision 3; 123B.79, subdivision 6; 123B.81, subdivision 1; 123B.82; 123B.83, subdivision 2; 123B.88, by adding a subdivision; 123B.92, subdivisions 1, 5; 124D.09, subdivision 12; 124D.095, subdivisions 2, 4, 8, by adding a subdivision; 124D.10, subdivisions 4, 6, 15, 23; 124D.11, subdivisions 1, 2, 5, 6; 124D.111, subdivisions 1, 2; 124D.118, subdivision 4; 124D.135, subdivisions 1, 5; 124D.15, subdivisions 1, 3, 5, 10, 12, by adding subdivisions; 124D.16, subdivisions 2, 3; 124D.20, subdivisions 3, 5; 124D.40; 124D.454, subdivision 5; 124D.52, subdivision 3; 124D.531, subdivisions 1, 4; 124D.66, subdivision 3; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.74, subdivision 1; 124D.81, subdivision 1; 124D.84, subdivision 1; 125A.11, subdivision 1; 125A.24; 125A.28; 125A.51; 125A.76, subdivision 4; 125A.79, subdivisions 1, 6; 126C.01, subdivision 11; 126C.05, by adding a subdivision; 126C.10, subdivisions 1, 2, 13, 13a, 24, 31, by adding subdivisions; 126C.13, subdivision 4; 126C.15, subdivisions 2, 3; 126C.17, subdivisions 2, 5, 7, 9, 13; 126C.21, subdivision 4; 126C.40, subdivision 1; 126C.43, subdivisions 2, 3; 126C.457; 126C.48, subdivisions 2, 8; 126C.63, subdivisions 5, 8; 127A.41, subdivision 8; 127A.45, subdivisions 2, 10, 11, 12, 13, 14, 16; 127A.47, subdivisions 7, 8; 127A.49, subdivisions 2, 3; 128C.05, by adding a subdivision; 128C.12, subdivisions 1, 3; 128D.11, subdivision 9; 134.31, by adding a subdivision; 179A.03, subdivision 14, as amended; 260C.201, subdivision 1, as amended; 275.14; 275.16; 469.177, subdivision 9; 475.61, subdivision 4; Laws 1996, chapter 412, article 5, section 24; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 6, as amended; Laws 2003, First Special Session chapter 9, article 4, section 29, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 123A; 123B; 124D; 125B; 127A; 129C; 138; 171; repealing Minnesota Statutes 2004, sections 122A.415, subdivision 2; 123B.83, subdivision 1; 124D.095, subdivision 9; 124D.15, subdivisions 2, 4, 6, 7, 8, 9, 11, 13; 124D.16, subdivisions 1, 4; 125A.75, subdivision 8; 126C.42, subdivisions 1, 4; 128C.12, subdivision 4.

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 122 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abeler	Cox	Eken	Hamilton	Johnson, R.	Lieder
Abrams	Cybart	Ellison	Hansen	Johnson, S.	Lillie
Anderson, I.	Dauids	Entenza	Hausman	Juhnke	Loeffler
Atkins	Davnie	Erhardt	Heidgerken	Kelliher	Magnus
Beard	Dean	Erickson	Hilstrom	Klinzing	Mahoney
Bernardy	DeLaForest	Finstad	Holberg	Koenen	Marquart
Blaine	Demmer	Fritz	Hoppe	Kohls	McNamara
Bradley	Dempsey	Garofalo	Hornstein	Lanning	Meslow
Brod	Dill	Gazelka	Hortman	Larson	Moe
Carlson	Dittrich	Goodwin	Hosch	Latz	Mullery
Charron	Dorman	Greiling	Huntley	Lenczewski	Murphy
Clark	Dorn	Gunther	Jaros	Lesch	Nelson, M.
Cornish	Eastlund	Hackbarth	Johnson, J.	Liebling	Nelson, P.

Newman	Penas	Ruth	Sieben	Thissen	Westrom
Nornes	Peppin	Ruud	Simon	Tingelstad	Wilkin
Opatz	Peterson, A.	Sailer	Simpson	Urdahl	Zellers
Otremba	Peterson, N.	Samuelson	Slawik	Wagenius	Spk. Sviggum
Ozment	Peterson, S.	Scalze	Smith	Walker	
Paulsen	Poppe	Seifert	Soderstrom	Wardlow	
Paymar	Powell	Sertich	Solberg	Welti	
Pelowski	Rukavina	Severson	Sykora	Westerberg	

Those who voted in the negative were:

Anderson, B.	Hilty	Krinkie	Thao
Buesgens	Knoblach	Olson	Vandever

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

H. F. No. 140 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Holberg moved that the rule therein be suspended and an urgency be declared so that H. F. No. 140 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Holberg moved that the rules of the House be so far suspended that H. F. No. 140 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 140 was read for the second time.

Holberg moved to amend H. F. No. 140 as follows:

Page 134, line 21, delete "August 1, 2005" and insert "January 1, 2006"

Page 135, line 15, delete "August 1, 2005" and insert "January 1, 2006"

The motion prevailed and the amendment was adopted.

H. F. No. 140, A bill for an act relating to appropriations; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for general contingent accounts and tort claims; providing for various fees and accounts; allocating county state-aid highway funds; modifying provisions related to state mail, state highways and bridges, county state-aid highways, town road signs, railroad grade crossings and operations, traffic fine allocations, commercial motor vehicles, day activity center buses, vehicle registration plates and other motor vehicle provisions, driver and vehicle data practices, deputy motor vehicle registrars, state aviation, bridges in smaller cities, weight limits on highways and other traffic regulations, drivers' licenses and permits, the Commuter

Rail Corridor Coordinating Committee, Roussain Cemetery, wetland replacement near the city of Cologne, the employment status of public safety radio communications operators, the insurance verification sampling program, maximum train speeds in the city of Orr, a restriction on ethanol requirements, and bicycle programs; requiring studies and reports; making technical and clarifying revisions; amending Minnesota Statutes 2004, sections 13.44, subdivision 3; 16B.49; 115A.908, subdivision 1; 161.14, subdivision 25, by adding subdivisions; 161.361, subdivision 2; 161.368; 162.02, subdivisions 2, 3a; 162.06, subdivision 2; 162.08, subdivision 3; 162.09, subdivisions 2, 3a; 162.14, subdivision 6; 168.011, subdivisions 3, 4, 5, 5a, 6, 7, 25, by adding subdivisions; 168.012, subdivision 1, as amended; 168.013, subdivision 8; 168.031; 168.09, subdivision 7; 168.091, subdivision 1; 168.10, subdivision 1c; 168.105, subdivisions 2, 3, 5; 168.12; 168.123; 168.1235; 168.124; 168.125; 168.1255; 168.127, subdivision 6; 168.128; 168.129; 168.1291; 168.1293; 168.1296; 168.1297; 168.15, subdivision 1; 168.16; 168.185; 168.27, subdivision 11; 168.31, subdivision 5; 168.33, as amended; 168.345, subdivisions 1, 2; 168.381; 168.54, subdivisions 4, 5; 168A.152, subdivision 2; 168A.20, by adding a subdivision; 168A.29; 168A.31; 169.01, subdivisions 75, 76, 78; 169.06, subdivisions 5, 6; 169.09, subdivision 13; 169.14, subdivision 2, by adding a subdivision; 169.18, subdivisions 4, 5, 11, as amended; 169.28, subdivision 2; 169.448, by adding a subdivision; 169.522; 169.81, subdivision 3c; 169.8261; 169.851, subdivision 5; 169.86, subdivision 5; 169.99, subdivision 1b; 169A.52, subdivision 3; 169A.60, subdivision 16; 171.01, subdivisions 22, 35, 47, by adding a subdivision; 171.02; 171.03; 171.04, subdivision 2; 171.05, subdivisions 1, 2, 2b; 171.055, subdivision 2; 171.06, subdivisions 2, 2a; 171.061, subdivision 4; 171.07, subdivision 11; 171.09, as amended; 171.12, subdivisions 3, 6; 171.13, subdivisions 2, 6, by adding a subdivision; 171.165, subdivisions 1, 2, 6; 171.17, subdivision 1; 171.18, subdivision 1; 171.20, subdivision 4, as amended; 171.26, as amended; 171.29, subdivision 2; 171.30, subdivision 1; 171.36; 174.50, by adding a subdivision; 174.86, subdivision 5; 179A.03, subdivision 7, as amended; 179A.10, subdivision 2; 192.502, subdivision 2; 197.65; 219.166; 219.567; 299D.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 160; 162; 168; 171; 219; 299A; repealing Minnesota Statutes 2004, sections 168.011, subdivision 19; 168.012, subdivision 12; 168.041, subdivision 11; 168.105, subdivision 6; 168.15, subdivision 2; 168.231; 168.345, subdivisions 3, 4; 168.831; 168.832; 168.833; 168.834; 168.835; 168.836; 168.837; 168C.01; 168C.02; 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.10; 168C.11; 168C.12; 168C.13; 170.23; 171.12, subdivision 8; 171.165, subdivisions 3, 4, 4a, 4b; 171.185; 473.408, subdivision 1; Minnesota Rules, parts 7407.0100; 7407.0200; 7407.0300; 7407.0400; 7407.0500; 7407.0600; 7407.0700; 7407.0800; 7407.0900; 7407.1000; 7407.1100; 7407.1200; 7407.1300; 7503.2400; 7800.0600; 7800.3200, subpart 1; 7805.0700; 8850.6900, subpart 20; 8855.0500, subpart 1.

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

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeler	Cox	Erhardt	Hilstrom	Larson	Murphy
Abrams	Cybart	Erickson	Holberg	Latz	Nelson, M.
Anderson, B.	Davids	Finstad	Hoppe	Lenczewski	Nelson, P.
Anderson, I.	Davnie	Fritz	Hornstein	Lesch	Newman
Atkins	Dean	Garofalo	Hortman	Liebling	Nornes
Beard	Demmer	Gazelka	Huntley	Lieder	Opatz
Bernardy	Dempsey	Goodwin	Johnson, J.	Lillie	Otremba
Blaine	Dill	Greiling	Johnson, R.	Loeffler	Ozment
Bradley	Dittrich	Gunther	Johnson, S.	Magnus	Paulsen
Brod	Dorman	Hackbarth	Kelliher	Mahoney	Paymar
Carlson	Dorn	Hamilton	Klinzing	McNamara	Pelowski
Charron	Eastlund	Hansen	Koenen	Meslow	Penas
Clark	Ellison	Hausman	Kohls	Moe	Peppin
Cornish	Entenza	Heidgerken	Lanning	Mullery	Peterson, A.

Peterson, N.	Sailer	Simon	Sykora	Walker	Zellers
Peterson, S.	Samuelson	Simpson	Thissen	Wardlow	Spk. Sviggum
Poppe	Scalze	Slawik	Tingelstad	Welti	
Powell	Seifert	Smith	Urdahl	Westerberg	
Ruth	Severson	Soderstrom	Vandever	Westrom	
Ruud	Sieben	Solberg	Wagenius	Wilkin	

Those who voted in the negative were:

Buesgens	Hilty	Juhnke	Marquart	Sertich
DeLaForest	Hosch	Knoblach	Olson	Thao
Eken	Jaros	Krinkie	Rukavina	

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

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

Meslow moved that the Rules of the House be so far suspended that H. F. No. 53 be recalled from the Committee on Rules and Legislative Administration, be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 53 was reported to the House.

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Meslow moved that the rule therein be suspended and an urgency be declared so that H. F. No. 53 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 53 was read for the second time.

Meslow and Simon moved to amend H. F. No. 53 as follows:

Page 5, after line 42, insert:

"Sec. 6. [CORR05-7] 2005 S. F. No. 917, section 2, if enacted, is amended to read:

Sec. 2. [APPROPRIATIONS; COMMUNITY HEALTH AND FAMILY PROMOTION.]

\$2,500,000 is appropriated from the general fund to the commissioner of health for positive abortion alternatives under new Minnesota Statutes, section ~~127A.145~~ 145.4235. Of this amount, \$50,000 is available for the fiscal year ending June 30, 2006, and \$100,000 is available for the fiscal year ending June 30, 2007, for administrative costs of implementing the grant program. The balance of the appropriation is available for the fiscal year ending June 30, 2007. The base funding for fiscal years 2008 and 2009 is \$2,500,000 per year.

Sec. 7. [CORR05-8] 2005 H. F. No. 1, article 1, section 1, if enacted, is amended to read:

Section 1. [PUBLIC SAFETY APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2006" and "2007" where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2006, or June 30, 2007, respectively. The term "first year" means the fiscal year ending June 30, 2006, and the term "second year" means the fiscal year ending June 30, 2007.

SUMMARY BY FUND

	2006	2007	TOTAL
General	\$835,043,000	\$849,704,000	\$1,684,747,000
State Government Special Revenue	43,662,000 <u>44,375,000</u>	44,415,000 <u>44,642,000</u>	88,077,000 <u>89,017,000</u>
Environmental	49,000	49,000	98,000
Special Revenue	5,634,000	5,493,000	11,127,000
Trunk Highway	392,000	362,000	754,000
Bond Proceeds	62,500,000	-0-	62,500,000
TOTAL	\$ 947,280,000 <u>947,993,000</u>	\$900,023,000 <u>900,250,000</u>	\$1,847,303,000 <u>1,848,243,000</u>

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Sec. 8. [CORR05-8A] 2005 H. F. No. 1, article 1, section 9, subdivision 1, if enacted, is amended to read:

Subdivision 1. Total Appropriation	188,774,000 <u>189,487,000</u>	126,747,000 <u>126,974,000</u>
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Summary by Fund

General	81,581,000	81,332,000
Special Revenue	590,000	589,000
State Government Special Revenue	43,662,000 <u>44,375,000</u>	44,415,000 <u>44,642,000</u>
Environmental	49,000	49,000

APPROPRIATIONS
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Trunk Highway	392,000	362,000
Bond Proceeds	62,500,000	-0-

[APPROPRIATIONS FOR PROGRAMS.] The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Sec. 9. [CORR05-8B] 2005 H. F. No. 1, article 1, section 9, subdivision 7, if enacted, is amended to read:

Subd. 7. 911 Emergency Services/ARMER

43,655,000	44,408,000
<u>44,368,000</u>	<u>44,635,000</u>

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

[PRIOR 911 OBLIGATIONS.] \$3,442,000 the first year and \$3,064,000 the second year are to fund a deficiency due to prior year obligations under Minnesota Statutes, section 403.11, that were estimated in the December 2004 911 fund statement to be \$6,504,700 on July 1, 2005. "Prior year obligations" means reimbursable costs under Minnesota Statutes, section 403.11, subdivision 1, incurred under the terms and conditions of a contract with the state for a fiscal year preceding fiscal year 2004, that have been certified in a timely manner in accordance with Minnesota Statutes, section 403.11, subdivision 3a, and that are not barred by statute of limitation or other defense. The appropriations needed for this purpose are estimated to be none in fiscal year 2008 and thereafter.

[PUBLIC SAFETY ANSWERING POINTS.] \$13,640,000 the first year and \$13,664,000 the second year are to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2. This appropriation may only be used for public safety answering points that have implemented phase two wireless enhanced 911 service or whose governmental agency has made a binding commitment to the commissioner of public safety to implement phase two wireless enhanced 911 service by January 1, 2008. If revenue to the account is insufficient to support all appropriations from the account for a fiscal year, this appropriation takes priority over other appropriations, except the open appropriation in Minnesota Statutes, section 403.30, subdivision 1, for debt service on bonds previously sold.

APPROPRIATIONS
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[MEDICAL RESOURCE COMMUNICATION CENTERS.] \$682,000 the first year and \$683,000 the second year are for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

[800 MEGAHERTZ DEBT SERVICE.] \$6,138,000 the first year and \$6,149,000 the second year are to the commissioner of finance to pay debt service on revenue bonds issued under Minnesota Statutes, section 403.275. Any portion of this appropriation not needed to pay debt service in a fiscal year may be used by the commissioner of public safety to pay cash for any of the capital improvements for which bond proceeds have been appropriated in subdivision 8.

[METROPOLITAN COUNCIL DEBT SERVICE.] \$1,405,000 the first year and \$1,410,000 the second year are to the commissioner of finance for payment to the Metropolitan Council for debt service on bonds issued under Minnesota Statutes, section 403.27.

[800 MEGAHERTZ IMPROVEMENTS.] \$1,323,000 each year is for the Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the first, second, and third phases that support mutual aid communications and emergency medical services, and for recurring charges for leased sites and equipment for those elements of the first, second, and third phases that support mutual aid and emergency medical communication services.

Sec. 10. [CORRSS-1A] Laws 2005, chapter 136, article 1, section 9, subdivision 3, is amended to read:

Subd. 3. Criminal Apprehension	40,328,000	40,367,000
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Summary by Fund

General	39,520,000	39,560,000
Special Revenue	440,000	439,000
State Government Special Revenue	7,000	7,000
Trunk Highway	361,000	361,000

APPROPRIATIONS
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[AGENCY CUT, DISTRIBUTION.] The general fund appropriation includes a reduction of \$245,000 the first year and \$250,000 the second year. This reduction may be applied to any program funded under this section with the exception of the Office of Justice Programs.

[COOPERATIVE INVESTIGATION OF CROSS-JURISDICTIONAL CRIMINAL ACTIVITY.] \$94,000 the first year and \$93,000 the second year are appropriated from the Bureau of Criminal Apprehension account in the special revenue fund for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

[LABORATORY ACTIVITIES.] \$346,000 each year is appropriated from the Bureau of Criminal Apprehension account in the special revenue fund for laboratory activities.

[DWI LAB ANALYSIS; TRUNK HIGHWAY FUND.] Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$361,000 each year is appropriated from the trunk highway fund for laboratory analysis related to driving-while-impaired cases.

[DWI POLICY REFORMS.] \$60,000 the first year and \$58,000 the second year are for costs associated with DWI policy reforms contained in article 18.

[AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM.] \$1,533,000 the first year and \$2,318,000 the second year are to replace the automated fingerprint identification system (AFIS). The base for fiscal year 2008 is \$1,562,000 and the base for fiscal year 2009 is \$1,604,000.

[PREDATORY OFFENDER REGISTRATION SYSTEM.] \$1,146,000 the first year and \$564,000 the second year are to upgrade the predatory offender registration (POR) system and to increase the monitoring and tracking of registered offenders who become noncompliant with the law. The base for fiscal year 2008 is \$636,000 and the base for fiscal year 2009 is \$564,000.

[CRIMINAL JUSTICE INFORMATION SYSTEMS (CJIS) AUDIT TRAIL.] \$374,000 the first year and \$203,000 the second year are for the Criminal Justice Information Systems (CJIS) audit trail.

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[DNA ANALYSIS.] \$757,000 the first year and \$769,000 the second year are to fund DNA analyses of biological samples.

[LIVESCAN.] \$66,000 the first year and \$69,000 the second year are to fund the ongoing costs of Livescan.

[TEN NEW AGENTS.] \$1,000,000 each year is for ten Bureau of Criminal Apprehension agents to be assigned exclusively to methamphetamine enforcement, including the investigation of manufacturing and distributing methamphetamine and related violence. These appropriations are intended to increase the current allocation of Bureau of Criminal Apprehension resources dedicated to methamphetamine enforcement. Positions funded by these appropriations may not supplant existing agent assignments or positions.

Sec. 11. [CORRSS-1B] Laws 2005, chapter 136, article 1, section 9, subdivision 6, is amended to read:

Subd. 6. Office of Justice Programs	34,440,000	34,035,000
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[GANG AND NARCOTICS STRIKE FORCES.] \$2,374,000 each year is for grants to the combined operations of the Criminal Gang Strike Force and Narcotics Task Forces.

[CRIME VICTIM ASSISTANCE GRANTS INCREASE.] \$1,270,000 each year is to increase funding for crime victim assistance grants for abused children, sexual assault victims, battered women, and general crime victims.

[BATTERED WOMEN'S SHELTER GRANTS.] \$400,000 each year is to increase funding for battered women's shelters under Minnesota Statutes, section 611A.32, and for safe houses.

[METHAMPHETAMINE TREATMENT GRANTS.] \$750,000 each year is for grants to counties for methamphetamine treatment programs. Priority should be given to those counties that demonstrate a treatment approach that incorporates best practices as defined by the Minnesota Department of Human Services. This is a onetime appropriation.

[FINANCIAL CRIMES TASK FORCE.] \$750,000 each year is for the Financial Crimes Task Force. A cash or in-kind match totalling a minimum of \$250,000 is required. Before the funds may be allocated, a financial work plan must be submitted to the commissioner of public safety.

APPROPRIATIONS
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[HUMAN TRAFFICKING; ASSESSMENT, POLICY DEVELOPMENT, AND IMPLEMENTATION.] \$50,000 each year is to conduct the study and assessment of human trafficking under new Minnesota Statutes, sections 299A.78 and 299A.785. This is a onetime appropriation.

[YOUTH INTERVENTION PROGRAMS.] \$1,452,000 each year is for youth intervention programs currently under Minnesota Statutes, section 116L.30, but to be transferred to Minnesota Statutes, section 299A.73.

[HOMELESSNESS PILOT PROJECTS.] \$400,000 the first year is for the homelessness pilot projects described in article 8, section 27. This is a onetime appropriation.

[ADMINISTRATION COSTS.] Up to 2.5 percent of the grant funds appropriated in this subdivision may be used to administer the grant programs.

Sec. 12. [CORRSS-1C] Laws 2005, chapter 136, article 14, section 6, is amended to read:

Sec. 6. Minnesota Statutes 2004, section 357.18, is amended to read:

357.18 [COUNTY RECORDER.]

Subdivision 1. [COUNTY RECORDER FEES.] The fees to be charged by the county recorder shall be and not exceed the following:

(1) for indexing and recording any deed or other instrument a fee of \$46; \$10.50 shall be paid to the state treasury and credited to the general fund; \$10 shall be deposited in the technology fund pursuant to subdivision 3; and \$25.50 to the county general fund;

(2) for documents containing multiple assignments, partial releases or satisfactions a fee of ~~\$40~~ \$46; if the document cites more than four recorded instruments, an additional fee of \$10 for each additional instrument cited over the first four citations;

(3) for certified copies of any records or papers, \$10;

(4) for a noncertified copy of any instrument or writing on file or recorded in the office of the county recorder, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(5) for an abstract of title, the fees shall be determined by resolution of the county board duly adopted upon the recommendation of the county recorder, and the fees shall not exceed \$10 for every entry, \$100 for abstract certificate, \$1 per page for each exhibit included within an abstract as a part of an abstract entry, and \$5 per name for each required name search certification;

(6) for a copy of an official plat filed pursuant to section 505.08, the fee shall be \$10 and an additional \$5 shall be charged for the certification of each plat;

(7) for filing an amended floor plan in accordance with chapter 515, an amended condominium plat in accordance with chapter 515A, or a common interest community plat or amendment complying with section 515B.2-110, subsection (c), the fee shall be 50 cents per apartment or unit with a minimum fee of ~~\$50~~ \$56;

(8) for a copy of a floor plan filed pursuant to chapter 515, a copy of a condominium plat filed in accordance with chapter 515A, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, condominium plat or common interest community plat with a minimum fee of \$10;

(9) for recording any plat, a fee of \$56, of which \$10.50 must be paid to the state treasury and credited to the general fund, \$10 must be deposited in the technology fund pursuant to subdivision 3, and \$35.50 must be deposited in the county general fund; and

(10) for a noncertified copy of any document submitted for recording, if the original document is accompanied by a copy or duplicate original, \$2. Upon receipt of the copy or duplicate original and payment of the fee, a county recorder shall return it marked "copy" or "duplicate," showing the recording date and, if available, the document number assigned to the original.

Subd. 1a. [ABSTRACTING SERVICE FEES.] Fees fixed by or established pursuant to subdivision 1 shall be the maximum fee charged in all counties where the county recorder performs abstracting services and shall be charged by persons authorized to perform abstracting services in county buildings pursuant to section 386.18.

Subd. 2. [FEES FOR RECORDING INSTRUMENTS IN COUNTY RECORDER OFFICE.] Notwithstanding the provisions of any special law to the contrary, the established fees pursuant to subdivision 1 shall be the fee charged in all counties for the specified service, other than Uniform Commercial Code documents, and documents filed or recorded pursuant to sections 270.69, subdivision 2, paragraph (c), 272.481 to 272.488, 277.20, and 386.77.

Subd. 4. [TECHNOLOGY FUND.] The \$10 fee collected under subdivision 1, clause (1), shall be deposited in a technology fund for obtaining, maintaining, and updating current technology and equipment to provide services from the record system. The fund shall be disbursed at the county recorder's discretion to provide modern information services from the records system. The fund is a supplemental fund and shall not be construed to diminish the duty of the county governing body to furnish funding for expenses and personnel necessary in the performance of the duties of the office pursuant to section 386.015, subdivision 6, paragraph (a), clause (2), and to comply with the requirements of section 357.182.

Subd. 5. [VARIANCE FROM STANDARDS.] A document should conform to the standards in section 507.093, paragraph (a), but should not be rejected unless the document is not legible or cannot be archived. This subdivision applies only to documents dated after July 31, 1997, and does not apply to Minnesota uniform conveyancing blanks on file in the office of the commissioner of commerce provided for under section 507.09, certified copies, or any other form provided for under Minnesota Statutes.

Subd. 6. [REGISTRAR OF TITLES' FEES.] The fees to be charged by the registrar of titles are in sections 508.82 and 508A.82.

Sec. 13. [CORRSS-1D] Laws 2005, chapter 136, article 14, section 9, is amended to read:

Sec. 9. Minnesota Statutes 2004, section 508.82, is amended to read:

508.82 [REGISTRAR OF TITLES' FEES.]

Subdivision 1. [STANDARD DOCUMENTS.] The fees to be charged by the registrar of titles shall be and not exceed the following:

(1) of the fees provided herein, \$1.50 of the fees collected under clauses (3), (4), ~~(10), (12), (14), (16), and (17)~~ (11), (13), (15), (17), and (18) for filing or memorializing shall be paid to the state treasury pursuant to section 508.75 and credited to the general fund;

(2) for registering a first certificate of title, including issuing a copy of it, \$46. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$10.50 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$25.50 shall be deposited in the county general fund;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the registration of the new certificate of title, including a copy of it, \$46. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$24 shall be deposited in the county general fund;

(4) for the entry of each memorial on a certificate, \$46. For multiple certificate entries, \$20 thereafter. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;

(iii) \$24 shall be deposited in the county general fund; and

(iv) \$20 shall be deposited in the county general fund for each multiple entry used;

(5) for issuing each residue certificate, \$40;

(6) for exchange certificates, \$20 for each certificate canceled and \$20 for each new certificate issued;

(7) for each certificate showing condition of the register, \$50;

(8) for any certified copy of any instrument or writing on file or recorded in the registrar of titles' office, \$10;

(9) for a noncertified copy of any certificate of title, other than the copies issued under clauses (2) and (3), any instrument or writing on file or recorded in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(10) for a noncertified copy of any document submitted for recording, if the original document is accompanied by a copy or duplicate original, \$2. Upon receipt of the copy or duplicate original and payment of the fee, a registrar of titles shall return it marked "copy" or "duplicate," showing the recording date and, if available, the document number assigned to the original;

(11) for filing two copies of any plat in the office of the registrar, \$56. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$34 shall be deposited in the county general fund;

(12) for any other service under this chapter, such fee as the court shall determine;

(13) for filing an amendment to a declaration in accordance with chapter 515, \$46 for each certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter; \$56 for an amended floor plan filed in accordance with chapter 515. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;

(iii) \$24 shall be deposited in the county general fund for amendment to a declaration;

(iv) \$20 shall be deposited in the county general fund for each multiple entry used; and

(v) \$34 shall be deposited in the county general fund for an amended floor plan;

(14) for issuance of a CECT pursuant to section 508.351, \$40;

(15) for filing an amendment to a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), \$46 for each certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter and \$56 for the filing of the condominium or common interest community plat or amendment. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;

(iii) \$24 shall be deposited in the county general fund for the filing of an amendment complying with section 515B.2-110, subsection (c);

(iv) \$20 shall be deposited in the county general fund for each multiple entry used; and

(v) \$34 shall be deposited in the county general fund for the filing of a condominium or CIC plat or amendment;

(16) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan or common interest community plat with a minimum fee of \$10;

(17) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$46. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$24 shall be deposited in the county general fund;

(18) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$56. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$34 shall be deposited in the county general fund; and

(19) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$15.

Subd. 1a. [FEES FOR RECORDING INSTRUMENTS WITH REGISTRAR OF TITLES' OFFICE.] Notwithstanding the provisions of any general or special law to the contrary, and pursuant to section 357.182, the established fees pursuant to subdivision 1 shall be the fee charged in all counties for the specified service, other than Uniform Commercial Code documents and documents filed or recorded pursuant to sections 270.69, subdivision 2, paragraph (c); 272.481 to 272.488; 277.20; and 386.77.

Subd. 2. [VARIANCE FROM STANDARDS.] A document should conform to the standards in section 507.093, paragraph (a), but should not be rejected unless the document is not legible or cannot be archived. This subdivision applies only to documents dated after July 31, 1997, and does not apply to Minnesota uniform conveyancing blanks on file in the office of the commissioner of commerce provided for under section 507.09, certified copies, or any other form provided for under Minnesota Statutes.

Sec. 14. [CORRSS-1E] Laws 2005, chapter 136, article 14, section 10, is amended to read:

Sec. 10. Minnesota Statutes 2004, section 508A.82, is amended to read:

508A.82 [REGISTRAR OF TITLES' FEES.]

Subdivision 1. [STANDARD DOCUMENTS.] The fees to be charged by the registrar of titles shall be and not exceed the following:

(1) of the fees provided herein, \$1.50 of the fees collected under clauses (3), (5), ~~(11), (13), (15), and (18)~~ (12), (14), (16), and (19) for filing or memorializing shall be paid to the state treasury pursuant to section 508.75 and credited to the general fund;

(2) for registering a first CPT, including issuing a copy of it, \$46. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$10.50 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and
- (iii) \$25.50 shall be deposited in the county general fund;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the registration of the new CPT, including a copy of it, \$46. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and
- (iii) \$24 shall be deposited in the county general fund;

(4) for issuance of a CECT pursuant to section 508A.351, \$15;

(5) for the entry of each memorial on a CPT, \$46; for multiple certificate entries, \$20 thereafter. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund; and
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used;

(6) for issuing each residue CPT, \$40;

(7) for exchange CPTs or combined certificates of title, \$20 for each CPT and certificate of title canceled and \$20 for each new CPT or combined certificate of title issued;

(8) for each CPT showing condition of the register, \$50;

(9) for any certified copy of any instrument or writing on file or recorded in the registrar of titles' office, \$10;

(10) for a noncertified copy of any CPT, other than the copies issued under clauses (2) and (3), any instrument or writing on file or recorded in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for a noncertified copy of any document submitted for recording, if the original document is accompanied by a copy or duplicate original, \$2. Upon receipt of the copy or duplicate original and payment of the fee, a registrar of titles shall return it marked "copy" or "duplicate," showing the recording date and, if available, the document number assigned to the original;

(12) for filing two copies of any plat in the office of the registrar, \$56. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and
- (iii) \$34 shall be deposited in the county general fund;

(13) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(14) for filing an amendment to a declaration in accordance with chapter 515, \$46 for each certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter; \$56 for an amended floor plan filed in accordance with chapter 515. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund for amendment to a declaration;
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used; and
- (v) \$34 shall be deposited in the county general fund for an amended floor plan;

(15) for issuance of a CECT pursuant to section 508.351, \$40;

(16) for filing an amendment to a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), and issuing a CECT if required, \$46 for each certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter; \$56 for the filing of the condominium or common interest community plat or amendment. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund for the filing of an amendment complying with section 515B.2-110, subsection (c);
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used; and
- (v) \$34 shall be deposited in the county general fund for the filing of a condominium or CIC plat or amendment;

(17) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, or common interest community plat with a minimum fee of \$10;

(18) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(19) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$56. Pursuant to clause (1), distribution of the fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$34 shall be deposited in the county general fund; and

(20) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$15.

Subd. 1a. [FEES TO RECORD INSTRUMENTS WITH REGISTRAR OF TITLES.] Notwithstanding any special law to the contrary, and pursuant to section 357.182, the established fees pursuant to subdivision 1 shall be the fee charged in all counties for the specified service, other than Uniform Commercial Code documents, and documents filed or recorded pursuant to sections 270.69, subdivision 2, paragraph (c); 272.481 to 272.488; 277.20; and 386.77.

Subd. 2. [VARIANCE FROM STANDARDS.] A document should conform to the standards in section 507.093, paragraph (a), but should not be rejected unless the document is not legible or cannot be archived. This subdivision applies only to documents dated after July 31, 1997, and does not apply to Minnesota uniform conveyancing blanks on file in the office of the commissioner of commerce provided for under section 507.09, certified copies, or any other form provided for under Minnesota Statutes.

Sec. 15. [CORRSS-1F] Laws 2005, chapter 136, article 14, section 11, is amended to read:

Sec. 11. Minnesota Statutes 2004, section 515B.1-116, is amended to read:

515B.1-116 [RECORDING.]

(a) A declaration, bylaws, any amendment to a declaration or bylaws, and any other instrument affecting a common interest community shall be entitled to be recorded. In those counties which have a tract index, the county recorder shall enter the declaration in the tract index for each unit affected. The registrar of titles shall file the declaration in accordance with section 508.351 or 508A.351.

(b) The recording officer shall upon request promptly assign a number (CIC number) to a common interest community to be formed or to a common interest community resulting from the merger of two or more common interest communities.

(c) Documents recorded pursuant to this chapter shall in the case of registered land be filed, and references to the recording of documents shall mean filed in the case of registered land.

(d) Subject to any specific requirements of this chapter, if a recorded document relating to a common interest community purports to require a certain vote or signatures approving any restatement or amendment of the document by a certain number or percentage of unit owners or secured parties, and if the amendment or restatement is to be recorded pursuant to this chapter, an affidavit of the president or secretary of the association stating that the required vote or signatures have been obtained shall be attached to the document to be recorded and shall constitute prima facie evidence of the representations contained therein.

(e) If a common interest community is located on registered land, the recording fee for any document affecting two or more units shall be ~~\$40~~ \$46 for the first ten affected certificates and \$10 for each additional affected certificate. This provision shall not apply to recording fees for deeds of conveyance, with the exception of deeds given pursuant to sections 515B.2-119 and 515B.3-112.

(f) Except as permitted under this subsection, a recording officer shall not file or record a declaration creating a new common interest community, unless the county treasurer has certified that the property taxes payable in the current year for the real estate included in the proposed common interest community have been paid. This certification is in addition to the certification for delinquent taxes required by section 272.12. In the case of preexisting common interest communities, the recording officer shall accept, file, and record the following instruments, without requiring a certification as to the current or delinquent taxes on any of the units in the common interest community: (i) a declaration subjecting the common interest community to this chapter; (ii) a declaration changing the form of a common interest community pursuant to section 515B.2-123; or (iii) an amendment to or restatement of the declaration, bylaws, or CIC plat. In order for an instrument to be accepted and recorded under the preceding sentence, the instrument must not create or change unit or common area boundaries.

Sec. 16. [CORRSS-2] Minnesota Statutes 2004, section 13.72, subdivision 14, as added by Laws 2005, chapter 163, section 48, is amended to read:

Subd. 14. [ACCOUNT DATA.] The following data pertaining to applicants for or users of toll facilities, and high-occupancy vehicle lanes for which a user fee is charged under section ~~169.03~~ 160.93, are classified as nonpublic data with regard to data not on individuals and as private data with regard to data on individuals: data contained in applications for the purchase, lease, or rental of a device such as an electronic vehicle transponder which automatically assesses charges for a vehicle's use of toll roads; personal and vehicle identification data; financial and credit data; and toll road usage data. Nothing in this subdivision prohibits the production of summary data as defined in section 13.02, subdivision 19.

Sec. 17. [CORRSS-3] Minnesota Statutes 2004, section 244.10, subdivision 5, as added by Laws 2005, chapter 136, article 16, section 4, is amended to read:

Subd. 5. [PROCEDURES IN CASES WHERE STATE INTENDS TO SEEK AN AGGRAVATED DEPARTURE.] (a) When the prosecutor provides reasonable notice under subdivision 4, the district court shall allow the state to prove beyond a reasonable doubt to a jury of 12 members the factors in support of the state's request for an aggravated departure from the Sentencing Guidelines as provided in paragraph (b) or (c).

(b) The district court shall allow a unitary trial and final argument to a jury regarding both evidence in support of the elements of the offense and evidence in support of aggravating factors when the evidence in support of the aggravating factors:

- (1) would be admissible as part of the trial on the elements of the offense; or
- (2) would not result in unfair prejudice to the defendant.

The existence of each aggravating factor shall be determined by use of a special verdict form.

Upon the request of the prosecutor, the court shall allow bifurcated argument and jury deliberations.

(c) The district court shall bifurcate the proceedings, or impanel a resentencing jury, to allow for the production of evidence, argument, and deliberations on the existence of factors in support of an aggravated departure after the return of a guilty verdict when the evidence in support of an aggravated departure:

(1) includes evidence that is otherwise inadmissible at a trial on the elements of the offense; and

(2) would result in unfair prejudice to the defendant.

Sec. 18. [CORRSS-4] [ELECTRONIC VOTING SYSTEM CERTIFICATION DEADLINE SUSPENDED.]

The requirement of Minnesota Rules, part 8220.0325, that applications for certification of electronic voting systems or software be submitted between December 1 of an even-numbered year and September 1 of the following odd-numbered year is suspended until December 1, 2006.

Sec. 19. [CORRSS-5] Minnesota Statutes 2004, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily upon public roads and highways, and not operated exclusively upon railroad tracks. It includes any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys that are propelled by electric power obtained from overhead trolley wires but not operated upon rails. It does not include snowmobiles, manufactured homes, or park trailers.

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, that (1) has at least four wheels, (2) is owned and operated by a physically disabled person, and (3) displays both physically disabled license plates and a physically disabled certificate issued under section 169.345, subdivision 3.

(c) "Motor vehicle" does not include an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985. The owner may continue to license an all-terrain vehicle described in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

(d) "Motor vehicle" does not include an electric personal assistive mobility device as defined in section 169.01, subdivision 90.

(e) "Motor vehicle" does not include a motorized foot scooter as defined in section 169.01, subdivision 4c.

Sec. 20. [CORRSS-5A] Minnesota Statutes 2004, section 168.012, subdivision 1, as amended by Laws 2005, chapter 135, section 3, is amended to read:

Subdivision 1. [VEHICLES EXEMPT FROM TAX, FEES, OR PLATE DISPLAY.] (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) ambulances owned by ambulance services licensed under section 144E.10, the general appearance of which is unmistakable; and

(6) ~~motorized foot scooters as defined in section 169.01, subdivision 4c; and~~

~~(7) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.~~

(b) Vehicles owned by the federal government, municipal fire apparatuses including fire-suppression support vehicles, police patrols, and ambulances, the general appearance of which is unmistakable, are not required to register or display number plates.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, or licensed commercial driving school, plainly displayed on both sides of the vehicle; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. This

identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 21. [CORRSS-6] Minnesota Statutes 2004, section 203B.12, subdivision 2, as amended by Laws 2005, chapter 156, article 6, section 26, is amended to read:

Subd. 2. [EXAMINATION OF RETURN ENVELOPES.] Two or more election judges shall examine each return envelope and shall mark it accepted or rejected in the manner provided in this subdivision. If a ballot has been prepared under section 204B.12, subdivision 2a, or 204B.41, the election judges shall not begin removing ballot envelopes from the return envelopes until 8:00 p.m. on election day, either in the polling place or at an absentee ballot board established under section 203B.13.

The election judges shall mark the return envelope "Accepted" and initial or sign the return envelope below the word "Accepted" if the election judges or a majority of them are satisfied that:

(1) the voter's name and address on the return envelope are the same as the information provided on the absentee ballot application;

(2) the voter's signature on the return envelope is the genuine signature of the individual who made the application for ballots and the certificate has been completed as prescribed in the directions for casting an absentee ballot, except that if a person other than the voter applied for the absentee ballot under applicable Minnesota Rules, the signature is not required to match;

(3) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the return envelope; and

(4) the voter has not already voted at that election, either in person or by absentee ballot.

There is no other reason for rejecting an absentee ballot. In particular, failure to place the ~~envelope~~ ballot within the security envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

The return envelope from accepted ballots must be preserved and returned to the county auditor.

If all or a majority of the election judges examining return envelopes find that an absent voter has failed to meet one of the requirements prescribed in clauses (1) to (4), they shall mark the return envelope "Rejected," initial or sign it below the word "Rejected," and return it to the county auditor.

Sec. 22. [CORRSS-6a] Minnesota Statutes 2004, section 203B.24, subdivision 1, as amended by Laws 2005, chapter 156, article 6, section 30, is amended to read:

Subdivision 1. [CHECK OF VOTER ELIGIBILITY; PROPER EXECUTION OF AFFIDAVIT.] Upon receipt of an absentee ballot returned as provided in sections 203B.16 to 203B.27, the election judges shall compare the voter's name with the names appearing on their copy of the application records to insure that the ballot is from a voter eligible to cast an absentee ballot under sections 203B.16 to 203B.27. The election judges shall mark the return envelope "Accepted" and initial or sign the return envelope below the word "Accepted" if the election judges are satisfied that:

(1) the voter's name on the return envelope appears in substantially the same form as on the application records provided to the election judges by the county auditor;

(2) the voter has signed the federal oath prescribed pursuant to section 705(b)(2) of the Help America Vote Act, Public Law 107-252;

(3) the voter has set forth the voter's military identification number or passport number or, if those numbers do not appear, a person authorized to administer oaths under federal law or the law of the place where the oath was administered or a witness who is military personnel with a rank at or above the rank of sergeant or its equivalent has signed the ballot; and

(4) the voter has not already voted at that election, either in person or by absentee ballot.

An absentee ballot case pursuant to sections 203B.16 to 203B.27 may only be rejected for the lack of one of clauses (1) to (4). In particular, failure to place the ~~envelope ballot~~ within the security envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

Election judges must note the reason for rejection on the back of the envelope in the space provided for that purpose.

Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the affidavit on the return envelope is not properly executed. In all other respects the provisions of the Minnesota Election Law governing deposit and counting of ballots shall apply.

Sec. 23. [CORRSS-7] Minnesota Statutes 2004, section 515B.4-106, as amended by Laws 2005, chapter 121, section 37, is amended to read:

515B.4-106 [PURCHASER'S RIGHT TO CANCEL.]

(a) A person required to deliver a disclosure statement pursuant to section 515B.4-101(b) shall provide at least one of the purchasers of the unit with a copy of the disclosure statement and all amendments thereto before conveyance of the unit. If a purchaser is not given a disclosure statement more than ten days before execution of the purchase agreement, the purchaser may, before conveyance, cancel the purchase agreement within ten days after first receiving the disclosure statement. If a purchaser is given the disclosure statement more than ten days before execution of the purchase agreement, the purchaser may not cancel the purchase agreement pursuant to this section. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the disclosure statement. The person required to deliver a disclosure statement may not condition the sale of the unit on the purchaser agreeing to modify or waive the purchaser's ten-day right of rescission, may not contractually obligate the purchaser to modify or waive the purchaser's ten-day right of rescission, and may not include a modification or waiver of the ten-day right of rescission in any purchase agreement for the unit. To be effective, a modification or waiver of a purchaser's ten-day right of rescission must be evidenced by an instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser ~~signs the purchase agreement~~ receives the disclosure statement.

(b) If an amendment to the disclosure statement materially and adversely affects a purchaser, then the purchaser shall have ten days after delivery of the amendment to cancel the purchase agreement in accordance with this section. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the ~~disclosure statement~~ amendment. To be effective, a modification or waiver of a purchaser's ten-day right of rescission under this section must be evidenced by a written instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser receives the amendment.

(c) If a purchaser elects to cancel a purchase agreement pursuant to this section, the purchaser may do so by giving notice thereof pursuant to section 515B.1-115. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded promptly. Notwithstanding anything in this section to the contrary, the purchaser's cancellation rights under this section terminate upon the purchaser's acceptance of a conveyance of the unit.

(d) If a declarant obligated to deliver a disclosure statement fails to deliver to the purchaser a disclosure statement which substantially complies with this chapter, the declarant shall be liable to the purchaser in the amount of \$1,000, in addition to any damages or other amounts recoverable under this chapter or otherwise. Any action brought under this subsection shall be commenced within the time period specified in section 515B.4-115, subsection (a).

Sec. 24. [CORRSS-7A] Minnesota Statutes 2004, section 515B.4-108, as amended by Laws 2005, chapter 121, section 39, is amended to read:

515B.4-108 [PURCHASER'S RIGHT TO CANCEL RESALE.]

(a) Unless a purchaser is given the information required to be delivered by section 515B.4-107, by a delivery method described in that section, more than ten days prior to the execution of the purchase agreement for the unit the purchaser may, prior to the conveyance, cancel the purchase agreement within ten days after receiving the information. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the information required to be delivered by section 515B.4-107. The person required to deliver the information required to be delivered by section 515B.4-107 may not condition the sale of the unit on the purchaser agreeing to modify or waive the purchaser's ten-day right of rescission, may not contractually obligate the purchaser to modify or waive the purchaser's ten-day right of rescission, and may not include a modification or waiver of the ten-day right of rescission in any purchase agreement for the unit. To be effective, a modification or waiver of a purchaser's ten-day right of rescission must be evidenced by an instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser ~~signs the purchase agreement~~ receives the resale disclosure certificate.

(b) A purchaser who elects to cancel a purchase agreement pursuant to subsection (a), may do so by hand delivering notice thereof or mailing notice by postage prepaid United States mail to the seller or the agent. Cancellation is without penalty and all payments made by the purchaser shall be refunded promptly.

Sec. 25. [CORRSS-8] Minnesota Statutes 2004, section 152.02, subdivision 6, as amended by Laws 2005, chapter 136, article 7, section 3, is amended to read:

Subd. 6. [SCHEDULE V; RESTRICTIONS ON METHAMPHETAMINE PRECURSOR DRUGS.] (a) As used in this subdivision, the following terms have the meanings given:

(1) "methamphetamine precursor drug" means any compound, mixture, or preparation intended for human consumption containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients; and

(2) "over-the-counter sale" means a retail sale of a drug or product but does not include the sale of a drug or product pursuant to the terms of a valid prescription.

(b) The following items are listed in Schedule V:

(1) any compound, mixture, or preparation containing any of the following limited quantities of narcotic drugs, which shall include one or more nonnarcotic active medicinal ingredients in sufficient proportion to confer upon the compound, mixture or preparation valuable medicinal qualities other than those possessed by the narcotic drug alone:

(i) not more than 100 milligrams of dihydrocodeine per 100 milliliters or per 100 grams;

(ii) not more than 100 milligrams of ethylmorphine per 100 milliliters or per 100 grams;

(iii) not more than 2.5 milligrams of diphenoxylate and not less than 25 micrograms of atropine sulfate per dosage unit; or

(iv) not more than 15 milligrams of anhydrous morphine per 100 milliliters or per 100 grams; and

(2) any compound, mixture, or preparation containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients.

(c) No person may sell in a single over-the-counter sale more than two packages of a methamphetamine precursor drug or a combination of methamphetamine precursor drugs or any combination of packages exceeding a total weight of six grams.

(d) Over-the-counter sales of methamphetamine precursor drugs are limited to:

(1) packages containing not more than a total of three grams of one or more methamphetamine precursor drugs, calculated in terms of ephedrine base or pseudoephedrine base; or

(2) for nonliquid products, sales in blister packs, where each blister contains not more than two dosage units, or, if the use of blister packs is not technically feasible, sales in unit dose packets or pouches.

(e) A business establishment that offers for sale methamphetamine precursor drugs in an over-the-counter sale shall ensure that all packages of the drugs are displayed behind a checkout counter where the public is not permitted and are offered for sale only by a licensed pharmacist, a registered pharmacy technician, or a pharmacy clerk. The establishment shall ensure that the person making the sale requires the buyer:

(1) to provide photographic identification showing the buyer's date of birth; and

(2) to sign a written or electronic document detailing the date of the sale, the name of the buyer, and the amount of the drug sold. Nothing in this paragraph requires the buyer to obtain a prescription for the drug's purchase.

(f) No person may acquire through over-the-counter sales more than six grams of methamphetamine precursor drugs within a 30-day period.

(g) No person may sell in an over-the-counter sale a methamphetamine precursor drug to a person under the age of 18 years. It is an affirmative defense to a charge under this paragraph if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

(h) A person who knowingly violates paragraph (c), (d), (e), (f), or (g) is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days, or to payment of a fine of not more than \$1,000, or both.

(i) An owner, operator, supervisor, or manager of a business establishment that offers for sale methamphetamine precursor drugs whose employee or agent is convicted of or charged with violating paragraph (c), (d), (e), (f), or (g) is not subject to the criminal penalties for violating any of those paragraphs if the person:

(1) did not have prior knowledge of, participate in, or direct the employee or agent to commit the violation; and

(2) documents that an employee training program was in place to provide the employee or agent with information on the state and federal laws and regulations regarding methamphetamine precursor drugs.

(j) Any person employed by a business establishment that offers for sale methamphetamine precursor drugs who sells such a drug to any person in a suspicious transaction shall report the transaction to the owner, supervisor, or manager of the establishment. The owner, supervisor, or manager may report the transaction to local law enforcement. A person who reports information under this subdivision in good faith is immune from civil liability relating to the report.

(k) Paragraphs ~~(e)~~ (b) to (j) do not apply to:

(1) pediatric products labeled pursuant to federal regulation primarily intended for administration to children under 12 years of age according to label instructions;

(2) methamphetamine precursor drugs that are certified by the Board of Pharmacy as being manufactured in a manner that prevents the drug from being used to manufacture methamphetamine;

(3) methamphetamine precursor drugs in gel capsule or liquid form; or

(4) compounds, mixtures, or preparations in powder form where pseudoephedrine constitutes less than one percent of its total weight and is not its sole active ingredient.

(l) The Board of Pharmacy, in consultation with the Department of Public Safety, shall certify methamphetamine precursor drugs that meet the requirements of paragraph (k), clause (2), and publish an annual listing of these drugs.

(m) Wholesale drug distributors licensed and regulated by the Board of Pharmacy pursuant to sections 151.42 to 151.51 and registered with and regulated by the United States Drug Enforcement Administration are exempt from the methamphetamine precursor drug storage requirements of this section.

(n) This section preempts all local ordinances or regulations governing the sale by a business establishment of over-the-counter products containing ephedrine or pseudoephedrine. All ordinances enacted prior to the effective date of this act are void.

Sec. 26. [CORRSS-9] [INSTRUCTION TO THE REVISOR.]

The revisor of statutes shall change the section or chapter references in the sections of Laws 2005, chapter 164, specified in column A from the number specified in column B to the number specified in column C.

<u>A</u>	<u>B</u>	<u>C</u>
<u>Section 4, para. (f)</u>	<u>517C</u>	<u>518</u>
<u>Section 5, subd. 1</u>	<u>518.773</u>	<u>518.729</u>
<u>Section 10, para. (b), clause (1)</u>	<u>518.551, subd. 5</u>	<u>518.725</u>
<u>Section 22, subd. 1</u>	<u>518.773</u>	<u>518.729</u>
<u>Section 25, clause (2)</u>	<u>518.713, clauses (1) to (15)</u>	<u>518.713, clauses (1) to (13)</u>

Sec. 27. [CORRSS-9A] Laws 2005, chapter 164, section 26, is amended to read:

Sec. 26. [518.725] [GUIDELINE USED IN CHILD SUPPORT DETERMINATIONS.]

Subdivision 1. [DETERMINATION OF SUPPORT OBLIGATION.] (a) The guideline in this section is a rebuttable presumption and shall be used in any judicial or administrative proceeding to establish or modify a support obligation under chapter 518.

(b) The basic child support obligation shall be determined by referencing the guideline for the appropriate number of joint children and the combined parental income for determining child support of the parents.

(c) If a child is not in the custody of either parent and a support order is sought against one or both parents, the basic child support obligation shall be determined by referencing the guideline for the appropriate number of joint children, and the parent's individual parental income for determining child support, not the combined parental incomes for determining child support of the parents.

(d) For combined parental incomes for determining child support exceeding \$15,000 per month, the presumed basic child support obligations shall be as for parents with combined parental income for determining child support of \$15,000 per month. A basic child support obligation in excess of this level may be demonstrated for those reasons set forth in section 518.714.

Subd. 2. [BASIC SUPPORT; GUIDELINE.] Unless otherwise agreed to by the parents and approved by the court, when establishing basic support, the court must order that basic support be divided between the parents based on their proportionate share of the parents' combined monthly parental income for determining child support, as determined under section ~~518.712, subdivision 8~~ 518.54, subdivision 15. Basic support must be computed using the following guideline:

Combined Parental Income for Determining Child Support		Number of Children					
		One	Two	Three	Four	Five	Six
\$0-	\$799	\$50	\$50	\$75	\$75	\$100	\$100
800-	899	80	129	149	173	201	233
900-	999	90	145	167	194	226	262
1,000-	1,099	116	161	186	216	251	291
1,100-	1,199	145	205	237	275	320	370
1,200-	1,299	177	254	294	341	396	459
1,300-	1,399	212	309	356	414	480	557
1,400-	1,499	251	368	425	493	573	664
1,500-	1,599	292	433	500	580	673	780
1,600-	1,699	337	502	580	673	781	905
1,700-	1,799	385	577	666	773	897	1,040
1,800-	1,899	436	657	758	880	1,021	1,183
1,900-	1,999	490	742	856	994	1,152	1,336
2,000-	2,099	516	832	960	1,114	1,292	1,498
2,100-	2,199	528	851	981	1,139	1,320	1,531
2,200-	2,299	538	867	1,000	1,160	1,346	1,561
2,300-	2,399	546	881	1,016	1,179	1,367	1,586
2,400-	2,499	554	893	1,029	1,195	1,385	1,608

2,500-	2,599	560	903	1,040	1,208	1,400	1,625
2,600-	2,699	570	920	1,060	1,230	1,426	1,655
2,700-	2,799	580	936	1,078	1,251	1,450	1,683
2,800-	2,899	589	950	1,094	1,270	1,472	1,707
2,900-	2,999	596	963	1,109	1,287	1,492	1,730
3,000-	3,099	603	975	1,122	1,302	1,509	1,749
3,100-	3,199	613	991	1,141	1,324	1,535	1,779
3,200-	3,299	623	1,007	1,158	1,344	1,558	1,807
3,300-	3,399	632	1,021	1,175	1,363	1,581	1,833
3,400-	3,499	640	1,034	1,190	1,380	1,601	1,857
3,500-	3,599	648	1,047	1,204	1,397	1,621	1,880
3,600-	3,699	657	1,062	1,223	1,418	1,646	1,909
3,700-	3,799	667	1,077	1,240	1,439	1,670	1,937
3,800-	3,899	676	1,018	1,257	1,459	1,693	1,963
			<u>1,081</u>				
3,900-	3,999	684	1,104	1,273	1,478	1,715	1,988
4,000-	4,099	692	1,116	1,288	1,496	1,736	2,012
4,100-	4,199	701	1,132	1,305	1,516	1,759	2,039
4,200-	4,299	710	1,147	1,322	1,536	1,781	2,064
4,300-	4,399	718	1,161	1,338	1,554	1,802	2,088
4,400-	4,499	726	1,175	1,353	1,572	1,822	2,111
4,500-	4,599	734	1,184	1,368	1,589	1,841	2,133
4,600-	4,699	743	1,200	1,386	1,608	1,864	2,160
4,700-	4,799	753	1,215	1,402	1,627	1,887	2,186
4,800-	4,899	762	1,231	1,419	1,645	1,908	2,212
4,900-	4,999	771	1,246	1,435	1,663	1,930	2,236
5,000-	5,099	780	1,260	1,450	1,680	1,950	2,260
5,100-	5,199	788	1,275	1,468	1,701	1,975	2,289
5,200-	5,299	797	1,290	1,485	1,722	1,999	2,317
5,300-	5,399	805	1,304	1,502	1,743	2,022	2,345
5,400-	5,499	812	1,318	1,518	1,763	2,046	2,372
5,500-	5,599	820	1,331	1,535	1,782	2,068	2,398
5,600-	5,699	829	1,346	1,551	1,801	2,090	2,424
5,700-	5,799	838	1,357	1,568	1,819	2,111	2,449
5,800-	5,899	847	1,376	1,583	1,837	2,132	2,473
5,900-	5,999	856	1,390	1,599	1,855	2,152	2,497
6,000-	6,099	864	1,404	1,614	1,872	2,172	2,520
6,100-	6,199	874	1,419	1,631	1,892	2,195	2,546
6,200-	6,299	883	1,433	1,645	1,912	2,217	2,572
6,300-	6,399	892	1,448	1,664	1,932	2,239	2,597
6,400-	6,499	901	1,462	1,682	1,951	2,260	2,621
6,500-	6,599	910	1,476	1,697	1,970	2,282	2,646
6,600-	6,699	919	1,490	1,713	1,989	2,305	2,673
6,700-	6,799	927	1,505	1,730	2,009	2,328	2,700
6,800-	6,899	936	1,519	1,746	2,028	2,350	2,727
6,900-	6,999	944	1,533	1,762	2,047	2,379	2,753
7,000-	7,099	952	1,547	1,778	2,065	2,394	2,779
7,100-	7,199	961	1,561	1,795	2,085	2,417	2,805
7,200-	7,299	971	1,574	1,812	2,104	2,439	2,830
7,300-	7,399	980	1,587	1,828	2,123	2,462	2,854
7,400-	7,499	989	1,600	1,844	2,142	2,483	2,879

7,500-	7,599	998	1,613	1,860	2,160	2,505	2,903
7,600-	7,699	1,006	1,628	1,877	2,180	2,528	2,929
7,700-	7,799	1,015	1,643	1,894	2,199	2,550	2,955
7,800-	7,899	1,023	1,658	1,911	2,218	2,572	2,981
7,900-	7,999	1,032	1,673	1,928	2,237	2,594	3,007
8,000-	8,099	1,040	1,688	1,944	2,256	2,616	3,032
8,100-	8,199	1,048	1,703	1,960	2,274	2,637	3,057
8,200-	8,299	1,056	1,717	1,976	2,293	2,658	3,082
8,300-	8,399	1,064	1,731	1,992	2,311	2,679	3,106
8,400-	8,499	1,072	1,746	2,008	2,328	2,700	3,130
8,500-	8,599	1,080	1,760	2,023	2,346	2,720	3,154
8,600-	8,699	1,092	1,780	2,047	2,374	2,752	3,191
8,700-	8,799	1,105	1,801	2,071	2,401	2,784	3,228
8,800-	8,899	1,118	1,822	2,094	2,429	2,816	3,265
8,900-	8,999	1,130	1,842	2,118	2,456	2,848	3,302
9,000-	9,099	1,143	1,863	2,142	2,484	2,880	3,339
9,100-	9,199	1,156	1,884	2,166	2,512	2,912	3,376
9,200-	9,299	1,168	1,904	2,190	2,539	2,944	3,413
9,300-	9,399	1,181	1,925	2,213	2,567	2,976	3,450
9,400-	9,499	1,194	1,946	2,237	2,594	3,008	3,487
9,500-	9,599	1,207	1,967	2,261	2,622	3,040	3,525
9,600-	9,699	1,219	1,987	2,285	2,650	3,072	3,562
9,700-	9,799	1,232	2,008	2,309	2,677	3,104	3,599
9,800-	9,899	1,245	2,029	2,332	2,705	3,136	3,636
9,900-	9,999	1,257	2,049	2,356	2,732	3,168	3,673
10,000-	10,099	1,270	2,070	2,380	2,760	3,200	3,710
10,100-	10,199	1,283	2,091	2,404	2,788	3,232	3,747
10,200-	10,299	1,295	2,111	2,428	2,815	3,264	3,784
10,300-	10,399	1,308	2,132	2,451	2,843	3,296	3,821
10,400-	10,499	1,321	2,153	2,475	2,870	3,328	3,858
10,500-	10,599	1,334	2,174	2,499	2,898	3,360	3,896
10,600-	10,699	1,346	2,194	2,523	2,926	3,392	3,933
10,700-	10,799	1,359	2,215	2,547	2,953	3,424	3,970
10,800-	10,899	1,372	2,236	2,570	2,981	3,456	4,007
10,900-	10,999	1,384	2,256	2,594	3,008	3,488	4,044
11,000-	11,099	1,397	2,277	2,618	3,036	3,520	4,081
11,100-	11,199	1,410	2,298	2,642	3,064	3,552	4,118
11,200-	11,299	1,422	2,318	2,666	3,091	3,584	4,155
11,300-	11,399	1,435	2,339	2,689	3,119	3,616	4,192
11,400-	11,499	1,448	2,360	2,713	3,146	3,648	4,229
11,500-	11,599	1,461	2,381	2,737	3,174	3,680	4,267
11,600-	11,699	1,473	2,401	2,761	3,202	3,712	4,304
11,700-	11,799	1,486	2,422	2,785	3,229	3,744	4,341
11,800-	11,899	1,499	2,443	2,808	3,257	3,776	4,378
11,900-	11,999	1,511	2,463	2,832	3,284	3,808	4,415
12,000-	12,099	1,524	2,484	2,856	3,312	3,840	4,452
12,100-	12,199	1,537	2,505	2,880	3,340	3,872	4,489
12,200-	12,299	1,549	2,525	2,904	3,367	3,904	4,526
12,300-	12,399	1,562	2,546	2,927	3,395	3,936	4,563
12,400-	12,499	1,575	2,567	2,951	3,422	3,968	4,600
12,500-	12,599	1,588	2,588	2,975	3,450	4,000	4,638

12,600-	12,699	1,600	2,608	2,999	3,478	4,032	4,675
12,700-	12,799	1,613	2,629	3,023	3,505	4,064	4,712
12,800-	12,899	1,626	2,650	3,046	3,533	4,096	4,749
12,900-	12,999	1,638	2,670	3,070	3,560	4,128	4,786
13,000-	13,099	1,651	2,691	3,094	3,588	4,160	4,823
13,100-	13,199	1,664	2,712	3,118	3,616	4,192	4,860
13,200-	13,299	1,676	2,732	3,142	3,643	4,224	4,897
13,300-	13,399	1,689	2,753	3,165	3,671	4,256	4,934
13,400-	13,499	1,702	2,774	3,189	3,698	4,288	4,971
13,500-	13,599	1,715	2,795	3,213	3,726	4,320	5,009
13,600-	13,699	1,727	2,815	3,237	3,754	4,352	5,046
13,700-	13,799	1,740	2,836	3,261	3,781	4,384	5,083
13,800-	13,899	1,753	2,857	3,284	3,809	4,416	5,120
13,900-	13,999	1,765	2,877	3,308	3,836	4,448	5,157
14,000-	14,009	1,778	2,898	3,332	3,864	4,480	5,194
	<u>14,099</u>						
14,100-	14,199	1,791	2,919	3,356	3,892	4,512	5,231
14,200-	14,299	1,803	2,939	3,380	3,919	4,544	5,268
14,300-	14,399	1,816	2,960	3,403	3,947	4,576	5,305
14,400-	14,499	1,829	2,981	3,427	3,974	4,608	5,342
14,500-	14,599	1,842	3,002	3,451	4,002	4,640	5,380
14,600-	14,699	1,854	3,022	3,475	4,030	4,672	5,417
14,700-	14,799	1,867	3,043	3,499	4,057	4,704	5,454
14,800-	14,899	1,880	3,064	3,522	4,085	4,736	5,491
14,900-	14,999	1,892	3,084	3,546	4,112	4,768	5,528
15,000, or		1,905	3,105	3,570	4,140	4,800	5,565
the amount							
in effect							
under subd. 4							

Subd. 3. [INCOME CAP ON DETERMINING BASIC SUPPORT.] (a) The basic support obligation for parents with a combined parental income for determining child support in excess of the income limit currently in effect under subdivision 2 must be the same dollar amount as provided for the parties with a combined parental income for determining child support equal to the income in effect under subdivision 2.

(b) A court may order a basic support obligation in a child support order in an amount that exceeds the income limit in subdivision 2 if it finds that a child has a disability or other substantial, demonstrated need for the additional support for those reasons set forth in section 518.714 and that the additional support will directly benefit the child.

(c) The dollar amount for the cap in subdivision 2 must be adjusted on July 1 of every even-numbered year to reflect cost-of-living changes. The Supreme Court must select the index for the adjustment from the indices listed in section 518.641, subdivision 1. The state court administrator must make the changes in the dollar amounts required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.

Subd. 4. [MORE THAN SIX CHILDREN.] If a child support proceeding involves more than six children, the court may derive a support order without specifically following the guidelines. However, the court must consider the basic principles encompassed by the guidelines and must consider both parents' needs, resources, and circumstances.

Sec. 28. [CORRSS-9B] Laws 2005, chapter 164, section 29, is amended to read:

Sec. 29. [INSTRUCTION TO THE REVISOR.]

The revisor of statutes shall create in the first edition of ~~or supplement to~~ Minnesota Statutes published after June 30, ~~2005~~ 2006, a new chapter which shall be comprised of the provisions of Minnesota Statutes, chapter 518, that relate to the provision of support for children. The transferred provisions shall be arranged as follows:

- (1) definitions;
- (2) computations of basic support and the related calculations, adjustments, and guidelines that may affect the computations;
- (3) child care support;
- (4) medical support;
- (5) ability to pay and self-support reserves;
- (6) deviation factors; and
- (7) collection, administrative, and other matters.

The new chapter shall be edited by the revisor in accordance with usual editorial practices as provided by Minnesota Statutes, section 3C.10. If the revisor determines that additional changes are necessary to assure the clarity and utility of the new chapter, the revisor shall draft and propose appropriate legislation to the legislature.

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

Sec. 29. [CORRSS-9C] [EFFECTIVE DATE.]

Laws 2005, chapter 164, sections 28 and 30, are effective July 1, 2005.

Sec. 30. [CORRSS-10A] Laws 2005, chapter 20, article 1, section 46, subdivision 1, is amended to read:

Subdivision 1. [WILLMAR REGIONAL TREATMENT CENTER.] (a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, or 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 Willmar Regional Treatment Center for public purposes consistent with the master plan and reuse study. The conveyance shall be in a form approved by the attorney general and subject to Minnesota Statutes, section 16A.695.

(b) The commissioner of administration 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 a local unit 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 the local unit of government sells any property conveyed under this section to a private entity, the sale must comply with Minnesota Statutes, section 16A.695, including the requirement that it be at fair market value, and the local unit of government may, notwithstanding Minnesota Statutes, section 16A.695, subdivision 3, retain up to \$568,000 of the sale proceeds to fund its repurchase of a portion of the property for public purposes. Upon the local unit of government's subsequent sale of any portion of the property that was acquired with the retained sale proceeds, the net proceeds of the subsequent sale must be paid to the commissioner of finance.

Sec. 31. [CORRSS-11A] Minnesota Statutes 2004, section 383B.217, subdivision 7, as amended by Laws 2005, chapter 125, article 2, section 7, is amended to read:

Subd. 7. [PURCHASING, CONTRACTING, MEETINGS, DATA.] (a) Contracting and purchasing made on behalf of the HMO, ambulatory health center, or other clinics authorized under section 383B.219, of goods, materials, supplies, equipment, and services that are incidental to or that are included as part of a contract for the purchase of goods, materials, supplies, or equipment are specifically exempted from sections 383B.141 to 383B.151 and 471.345 or other applicable laws related to public procurement. Contracting and purchasing of services shall comply with sections 383B.141 to 383B.151 or other applicable laws related to public procurement.

(b) Notwithstanding chapter 13D, the county board on behalf of the HMO or Hennepin Healthcare System, Inc., may meet in closed session to discuss and take action on specific products or services that are in direct competition with other providers of goods or services in the public or private sector, if disclosure of information pertaining to those matters would clearly harm the competitive position of the HMO or Hennepin Healthcare System, Inc.

(c) The HMO or Hennepin Healthcare System, Inc., shall inform the county board when there are matters that are appropriate for discussion or action under paragraph (b). The county administrator or the administrator's designee shall give the board an opinion on the propriety of discussion or action under paragraph (b) for each of the matters. The county board may, by a majority vote in a public meeting, decide to hold a closed meeting under paragraph (b). The purpose, time, and place of the meeting must be announced at a public meeting. A written roll of members present at a closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded at the expense of the county board and be preserved for not less than five years after the meeting. The data on the tape are nonpublic data under section 13.02, subdivision 9, until two years after the meeting. A contract entered into by the county board at a meeting held on behalf of the HMO is subject to section 471.345. All bids and any related materials that are considered at the meeting must be retained for a period of not less than five years. After the expiration of the term of any contract entered into pursuant to this subdivision or a period of two years, whichever is less, the contract, the bids, and any related materials are public data. The contract, the bids, and any related materials are subject to review by the state auditor at any time.

(d) Data concerning specific products or services that are in direct competition with other providers of goods or services in the public or private sector are trade secret information for purposes of section 13.37, to the extent disclosure of information pertaining to the matters would clearly harm the competitive position of the HMO. The data are trade secret information for the term of the contract or a two-year period, whichever is less.

(e) Notwithstanding section 471.345 or other applicable law, the county board on behalf of the HMO, ambulatory health center, or other clinics authorized under section 383B.219, may contract, except for services, by any means that the county board or at its direction the HMO, ambulatory health center, or other clinics authorized under section 383B.219, may determine. When contracting for services, the county board must comply with sections 383B.141 to 383B.151 and other applicable law, except that the board may contract with a private or public cooperative purchasing organization if it can be established that the purchasing organization's services that are purchased have been awarded through a competitive or request for proposal process.

(f) This subdivision applies to the HMO, Hennepin Healthcare System, Inc., ambulatory health centers, or other clinics authorized under section 383B.219, as well as any other organization, association, partnership, or corporation authorized by Hennepin County under section 144.581.

Sec. 32. [CORRSS-11B] Laws 2005, chapter 125, article 1, section 13, subdivision 5, is amended to read:

Subd. 5. [NO ADVERTISING OR BIDS.] The county may transfer and lease the assets and real property to the corporation as specified in subdivisions 2 and ~~3~~ 4 without first advertising for or soliciting any bids.

Sec. 33. [CORRSS-11C] Laws 2005, chapter 125, article 1, section 16, is amended to read:

Sec. 16. [383B.916] [FINANCING THROUGH COUNTY.]

In addition to the authority granted in section ~~46~~ 15, the county may finance any improvements, equipment, or other property to be operated by the corporation and may issue bonds for such purposes pursuant to and subject to the procedures and limitations set forth in section 373.40, 383B.117, 447.45, or other law, as appropriate, whether or not the capital improvement or equipment to be financed is to be owned by the county or the corporation.

Sec. 34. [CORRSS-11D] Laws 2005, chapter 125, article 1, section 29, is amended to read:

Sec. 29. [EFFECTIVE DATES.]

(a) Sections ~~3~~ 1 to 8, regarding governance and corporate powers; section 14, subdivision 1, regarding the establishment of personnel policies; and section 17, regarding the Minnesota Open Meeting Law and the Government Data Practices Act are effective when the initial board of the corporation is appointed by the county board.

(b) The remaining ~~sections~~ provisions of the ~~bill~~ article are effective the day after the county board files a certificate of local approval in compliance with Minnesota Statutes, section 645.021, subdivision 3, after which the corporation shall commence operation and management of Hennepin County Medical Center.

Sec. 35. [CORRSS-12] Minnesota Statutes 2004, section 168.27, subdivision 29, as amended by Laws 2005, First Special Session chapter 1, article 1, section 81, is amended to read:

Subd. 29. [FLEXIBLE FUEL VEHICLE NOTICE.] At the time a dealer delivers a new flexible fuel vehicle, the dealer must provide written notice to the consumer that the vehicle is capable of using alternative fuels, including E85 fuel.

[EFFECTIVE DATE.] This section is effective retroactively on July 1, 2005.

Sec. 36. [CORRSS-12A] (a) Laws 2005, First Special Session chapter 1, article 2, section 32, is effective October 1, 2005.

(b) Laws 2005, First Special Session chapter 1, article 2, sections 59 to 63, are effective December 13, 2005.

Sec. 37. [CORRSS-14] Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 4, is amended to read:

Subd. 4. Citizen Advisory Committee	10,000	10,000
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Summary by Fund

Trust Fund	10,000	10,000
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\$10,000 the first year and \$10,000 the second year are from the trust fund to the Legislative Commission on Minnesota Resources for expenses of the citizen advisory committee as provided in Minnesota Statutes, section 116P.06, and expenses of the advisory task force in article 2, section 156. Notwithstanding Minnesota Statutes, section 16A.281, the availability of \$15,000 of the appropriation from Laws 2003, chapter 128, article 1, section 9, subdivision 4, advisory committee, is extended to June 30, 2007."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Meslow and Simon moved to amend the Meslow and Simon amendment to H. F. No. 53 as follows:

Page 44, after line 17, insert:

"Sec. 38. [CORRSS-15] Minnesota Statutes 2004, section 290.01, subdivision 19a, as amended by Laws 2005, chapter 151, article 6, section 12, and 2005 First Special Session H. F. No. 138, if enacted, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income or sales and use taxes paid or accrued within the taxable year under this chapter and the amount of taxes based on net income paid or sales and use taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of ~~(i) the standard deduction as defined in section 63(c) of the Internal Revenue Code minus (ii) any~~ the addition which would have been required under clause (10) if the taxpayer had claimed the standard deduction. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income or sales and use tax is the last itemized deduction disallowed;

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law 99-514, applies;

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and taxes based on net income paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729;

(5) the amount of expense, interest, or taxes disallowed pursuant to section 290.10 other than expenses or interest used in computing net interest income for the subtraction allowed under subdivision 19b, clause (1);

(6) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(7) 80 percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed;

(8) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(9) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(10) for tax years beginning after December 31, 2004, to the extent deducted in computing federal taxable income, the amount by which the standard deduction allowed under section 63(c) of the Internal Revenue Code exceeds the standard deduction allowable under section 63(c) of the Internal Revenue Code of 1986, as amended through December 31, 2003; and

(11) the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies for prescription drug plans.

Sec. 39. [CORRSS-15A] Minnesota Statutes 2004, section 290.0675, subdivision 1, as amended by 2005 First Special Session H. F. No. 138, if enacted, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section the following terms have the meanings given.

(b) "Earned income" means the sum of the following, to the extent included in Minnesota taxable income:

(1) earned income as defined in section 32(c)(2) of the Internal Revenue Code;

(2) income received from a retirement pension, profit-sharing, stock bonus, or annuity plan; and

(3) Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code.

(c) "Taxable income" means net income as defined in section 290.01, subdivision 19.

(d) "Earned income of lesser-earning spouse" means the earned income of the spouse with the lesser amount of earned income as defined in paragraph (b) for the taxable year minus the sum of (i) the amount for one exemption under section 151(d) of the Internal Revenue Code and (ii) one-half the amount of the standard deduction under section 63(c)(2)(A) and (4) of the Internal Revenue Code minus one-half of any addition required under section 290.01, subdivision 19a, clause (10) and one-half of the addition which would have been required under section 290.01, subdivision 19a, clause (10), if the taxpayer had claimed the standard deduction."

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

The question recurred on the Meslow and Simon amendment, as amended, to H. F. No. 53. The motion prevailed and the amendment, as amended, was adopted.

Jaros was excused for the remainder of today's session.

Meslow and Simon moved to amend H. F. No. 53, as amended, as follows:

Page 5, after line 42, insert:

"Sec. 6. [ALBERT LEA SPECIAL ELECTION.] Notwithstanding the provisions of 2005 First Special Session H. F. No. 138, article 5, section 38, subdivision 3, if enacted, the Albert Lea City Council may submit the question to the voters at a special election on November 8, 2005."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Meslow moved to amend H. F. No. 53, as amended, as follows:

Page 5, after line 42, insert:

"Sec. 6. [CORRSS-16] Laws 2005, First Special Session H. F. No. 139, article 9, section 16, if enacted, is amended to read:

Sec. 16. [EFFECTIVE DATE; RELATIONSHIP TO OTHER APPROPRIATIONS.]

(a) Appropriations in this act are effective retroactively from July 1, 2005, and supersede and replace funding authorized by order of the Ramsey County District Court in Case No. C9-05-5928, as well as by Laws 2005, First Special Session chapter 2, which provided temporary funding through July 14, 2005. The other language in this article is effective August 1, 2005, and any sections in this act without a specific effective date are effective the day following final enactment."

The motion prevailed and the amendment was adopted.

H. F. No. 53, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2004, sections 13.72, subdivision 14, as added; 65A.08, subdivision 2, as amended, if enacted; 66A.02, as amended, if enacted; 152.02, subdivision 6, as amended; 168.011, subdivision 4; 168.012, subdivision 1, as amended; 168.27, subdivision 29, as amended; 203B.12, subdivision 2, as amended; 203B.24, subdivision 1, as amended; 244.10, subdivision 5, as added; 290.01, subdivision 19a, as amended; 290.0675, subdivision 1, as amended; 383B.217, subdivision 7, as amended; 515B.4-106, as amended; 515B.4-108, as amended; Laws 2003, First Special Session chapter 11, article 2, section 21, as amended; Laws 2005, chapter 20, article 1, section 7, subdivision 15; Laws 2005, chapter 20, article 1, section 21, subdivision 5; Laws 2005, chapter 20, article 1, section 46, subdivision 1; Laws 2005, chapter 125, article 1, section 13, subdivision 5; Laws 2005, chapter 125, article 1, sections 16, 29; Laws 2005, chapter 136, article 1, section 9, subdivisions 3, 6; Laws 2005, chapter 136, article 14, sections 6, 9, 10, 11; Laws 2005, chapter 164, sections 26, 29; Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 4; Laws 2005, First Special Session H. F. No. 139, article 9, section 16, if enacted; 2005 H. F. No. 1, article 1, sections 1, if enacted, 9, subdivisions 1, 7, if enacted; 2005 S. F. No. 917, section 2, if enacted.

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 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens Heidgerken Krinkie

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

MOTIONS AND RESOLUTIONS, Continued

Dean moved that the name of Dittrich be added as an author on H. F. No. 105. The motion prevailed.

Bernardy moved that the names of Hilstrom; Nelson, M.; Carlson and Peterson, S., be added as authors on H. F. No. 131. The motion prevailed.

Johnson, J., moved that the names of Peterson, N.; Beard; Westerberg and Davids be added as authors on H. F. No. 132. The motion prevailed.

The Speaker called Abrams to the Chair.

Paulsen introduced:

House Concurrent Resolution No. 9, A House concurrent resolution relating to the start of the 2006 regular session of the 84th Legislature.

SUSPENSION OF RULES

Paulsen moved that the rules be so far suspended that House Concurrent Resolution No. 9 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 9

A House concurrent resolution relating to the start of the 2006 regular session of the 84th Legislature.

Be It Resolved, by the House of Representatives of the State of Minnesota, the Senate concurring:

The House of Representatives and Senate declare their intent to convene the 2006 regular session of the 84th Legislature on Wednesday, March 1, 2006, at 12:00 noon.

Paulsen moved that House Concurrent Resolution No. 9 be now adopted. The motion prevailed and House Concurrent Resolution No. 9 was adopted.

Paulsen moved that the Chief Clerk be and is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is about to adjourn this 2005 Special Session sine die. The motion prevailed.

Paulsen moved that the Chief Clerk be and is hereby authorized to correct and approve the Journal of the House, 2005 Special Session, for today, Wednesday, July 13, 2005, and that he be authorized to include in the Journal for today any subsequent proceedings. The motion prevailed.

MOTION TO ADJOURN SINE DIE

Krinkie moved that the House adjourn sine die for the 2005 Special Session.

A roll call was requested and properly seconded.

The question was taken on the Krinkie motion and the roll was called. There were 36 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Garofalo	Klinzing	Nornes	Seifert
Anderson, I.	DeLaForest	Gazelka	Knoblach	Olson	Simpson
Beard	Demmer	Heidgerken	Kohls	Opatz	Soderstrom
Blaine	Eastlund	Holberg	Krinkie	Pelowski	Urdahl
Bradley	Erickson	Hoppe	Magnus	Peppin	Westerberg
Buesgens	Finstad	Johnson, J.	Nelson, P.	Peterson, N.	Wilkin

Those who voted in the negative were:

Abeler	Dorn	Hortman	Loeffler	Peterson, S.	Sykora
Abrams	Eken	Hosch	Mahoney	Poppe	Thao
Atkins	Ellison	Huntley	Marquart	Powell	Thissen
Bernardy	Entenza	Johnson, R.	McNamara	Rukavina	Tingelstad
Brod	Erhardt	Johnson, S.	Meslow	Ruth	Vandever
Carlson	Fritz	Juhnke	Moe	Ruud	Wagenius
Clark	Goodwin	Kelliher	Mullery	Sailer	Walker
Cornish	Greiling	Koenen	Murphy	Samuelson	Wardlow
Cox	Gunther	Lanning	Nelson, M.	Scalze	Welti
Cybart	Hackbarth	Larson	Newman	Sertich	Westrom
Davids	Hamilton	Latz	Otremba	Severson	Zellers
Davnie	Hansen	Lenczewski	Ozment	Sieben	Spk. Sviggum
Dempsey	Hausman	Lesch	Paulsen	Simon	
Dill	Hilstrom	Liebling	Paymar	Slawik	
Dittrich	Hilty	Lieder	Penas	Smith	
Dorman	Hornstein	Lillie	Peterson, A.	Solberg	

The motion did not prevail.

MOTIONS AND RESOLUTIONS, Continued

SUSPENSION OF RULES

Smith moved that the rules of the House be so far suspended that H. F. No. 44 be recalled from the Committee on Rules and Legislative Administration, be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Smith motion and the roll was called. There were 93 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeler	Clark	Dempsey	Entenza	Hamilton	Hosch
Abrams	Cornish	Dill	Erhardt	Hansen	Huntley
Anderson, I.	Cox	Dittrich	Fritz	Hausman	Johnson, R.
Atkins	Cybart	Dorman	Goodwin	Hilstrom	Johnson, S.
Bernardy	Davids	Dorn	Greiling	Hilty	Juhnke
Bradley	Davnie	Eken	Gunther	Hornstein	Kelliher
Carlson	Demmer	Ellison	Hackbarth	Hortman	Koenen

Lanning	Mahoney	Opatz	Powell	Sieben	Wagenius
Larson	Marquart	Otremba	Rukavina	Simon	Walker
Latz	McNamara	Ozment	Ruth	Slawik	Wardlow
Lenczewski	Meslow	Paymar	Ruud	Smith	Wolti
Lesch	Moe	Pelowski	Sailer	Solberg	Zellers
Liebling	Mullery	Penas	Samuelson	Thao	Spk. Sviggum
Lieder	Murphy	Peterson, A.	Scalze	Thissen	
Lillie	Nelson, M.	Peterson, S.	Sertich	Tingelstad	
Loeffler	Newman	Poppe	Severson	Vandever	

Those who voted in the negative were:

Anderson, B.	DeLaForest	Heidgerken	Kohls	Paulsen	Sykora
Beard	Eastlund	Holberg	Krinkie	Peppin	Urdahl
Blaine	Erickson	Hoppe	Magnus	Peterson, N.	Westerberg
Brod	Finstad	Johnson, J.	Nelson, P.	Seifert	Westrom
Buesgens	Garofalo	Klinzing	Nornes	Simpson	Wilkin
Dean	Gazelka	Knoblach	Olson	Soderstrom	

The motion prevailed.

H. F. No. 44 was reported to the House.

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Smith moved that the rule therein be suspended and an urgency be declared so that H. F. No. 44 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Buesgens and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Davnie	Fritz	Hortman	Lenczewski	Nornes
Abrams	Dean	Garofalo	Hosch	Liebling	Olson
Anderson, B.	DeLaForest	Gazelka	Huntley	Lieder	Opatz
Anderson, I.	Demmer	Goodwin	Johnson, J.	Lillie	Otremba
Beard	Dempsey	Greiling	Johnson, R.	Loeffler	Ozment
Bernardy	Dill	Gunther	Johnson, S.	Magnus	Paulsen
Blaine	Dittrich	Hackbarth	Juhnke	Mahoney	Paymar
Bradley	Dorman	Hamilton	Kelliher	Marquart	Pelowski
Brod	Dorn	Hansen	Klinzing	McNamara	Penas
Buesgens	Eastlund	Hausman	Knoblach	Meslow	Peppin
Carlson	Eken	Heidgerken	Koenen	Moe	Peterson, A.
Clark	Ellison	Hilstrom	Kohls	Mullery	Peterson, N.
Cornish	Entenza	Hilty	Krinkie	Murphy	Peterson, S.
Cox	Erhardt	Holberg	Lanning	Nelson, M.	Poppe
Cybart	Erickson	Hoppe	Larson	Nelson, P.	Powell
Davids	Finstad	Hornstein	Latz	Newman	Rukavina

Ruth	Seifert	Simpson	Sykora	Vandever	Westerberg
Ruud	Sertich	Slawik	Thao	Wagenius	Westrom
Sailer	Severson	Smith	Thissen	Walker	Wilkin
Samuelson	Sieben	Soderstrom	Tingelstad	Wardlow	Zellers
Scalze	Simon	Solberg	Urdahl	Walti	Spk. Sviggum

Paulsen moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Atkins was excused for the remainder of today's session.

The question recurred on the Smith motion and the roll was called. There were 90 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Abeler	Eken	Hosch	Loeffler	Penas	Slawik
Abrams	Ellison	Huntley	Mahoney	Peterson, A.	Smith
Anderson, I.	Entenza	Johnson, R.	Marquart	Peterson, S.	Solberg
Bernardy	Erhardt	Johnson, S.	McNamara	Poppe	Sykora
Carlson	Fritz	Juhnke	Meslow	Powell	Thao
Clark	Goodwin	Kelliher	Moe	Rukavina	Thissen
Cornish	Greiling	Koenen	Mullery	Ruth	Tingelstad
Cox	Gunther	Lanning	Murphy	Ruud	Urdahl
Davids	Hackbarth	Larson	Nelson, M.	Sailer	Wagenius
Davnie	Hansen	Latz	Newman	Samuelson	Walker
Dempsey	Hausman	Lenczewski	Opatz	Scalze	Wardlow
Dill	Hilstrom	Lesch	Otremba	Sertich	Walti
Dittrich	Hilty	Liebling	Ozment	Sieben	Westrom
Dorman	Hornstein	Lieder	Paymar	Simon	Zellers
Dorn	Hortman	Lillie	Pelowski	Simpson	Spk. Sviggum

Those who voted in the negative were:

Anderson, B.	Cybart	Garofalo	Klinzing	Olson	Vandever
Beard	Dean	Gazelka	Knoblach	Paulsen	Westerberg
Blaine	DeLaForest	Hamilton	Kohls	Peppin	Wilkin
Bradley	Demmer	Heidgerken	Krinkie	Peterson, N.	
Brod	Eastlund	Holberg	Magnus	Seifert	
Buesgens	Erickson	Hoppe	Nelson, P.	Severson	
Charron	Finstad	Johnson, J.	Nornes	Soderstrom	

The motion prevailed.

H. F. No. 44 was read for the second time.

Smith and Murphy moved to amend H. F. No. 44 as follows:

Delete everything after the enacting clause and insert:

"2005 OMNIBUS RETIREMENT BILL

ARTICLE 1

CLARIFICATION AND RECODIFICATION OF STATEWIDE SPECIALTY RETIREMENT PLANS

Section 1. Minnesota Statutes 2004, section 3A.01, subdivision 1, is amended to read:

Subdivision 1. [PURPOSES.] Each of the terms defined in this section, for the purposes of this chapter shall be given has the meanings meaning ascribed to them.

Sec. 2. Minnesota Statutes 2004, section 3A.01, is amended by adding a subdivision to read:

Subd. 1a. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one allowance or benefit having an equal actuarial present value to another allowance or benefit, determined by the actuary retained under section 356.214 as of a given date at a specified age with each actuarial present value based on the mortality table applicable for the plan and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 3. Minnesota Statutes 2004, section 3A.01, is amended by adding a subdivision to read:

Subd. 1b. [AVERAGE MONTHLY SALARY.] "Average monthly salary" means the average of the member's highest five successive years of salary that was received as a member of the legislature and upon which the member has made contributions under section 3A.03, subdivision 1, or for which the member of the legislature has made payments for past service under Minnesota Statutes 2004, section 3A.02, subdivision 2, or has made, before July 1, 1994, payments in lieu of contributions under Minnesota Statutes 1992, section 3A.031.

Sec. 4. Minnesota Statutes 2004, section 3A.01, is amended by adding a subdivision to read:

Subd. 1c. [CONSTITUTIONAL OFFICER.] "Constitutional officer" means a person who was duly elected, qualifies for, and serves as the governor, the lieutenant governor, the attorney general, the secretary of state, or the state auditor of the state of Minnesota.

Sec. 5. Minnesota Statutes 2004, section 3A.01, subdivision 2, is amended to read:

Subd. 2. [DEPENDENT CHILD.] (a) "Dependent child" means any natural or adopted child of a deceased member of the legislature or a former legislator who is under the age of 18, or who is under the age of 22 and is a full-time student, and who, in either case, is unmarried and was actually dependent for more than one-half of support upon such the legislator for a period of at least 90 days immediately prior to before the legislator's death. It

(b) The term also includes any child of the member of the legislature or former legislator who was conceived during the lifetime of, and who was born after the death of, the member or former legislator. This subdivision shall be retroactive as to any dependent child under the age of 22 years as of April 1, 1975.

Sec. 6. Minnesota Statutes 2004, section 3A.01, subdivision 6, is amended to read:

Subd. 6. [DIRECTOR.] "Director" means the executive director of the Minnesota State Retirement System who was appointed under section 352.03, subdivision 5.

Sec. 7. Minnesota Statutes 2004, section 3A.01, is amended by adding a subdivision to read:

Subd. 6b. [FORMER LEGISLATOR.] "Former legislator" means a legislator who has ceased to be a member of the legislature for any reason, including, but not limited to, the expiration of the term for which a member of the legislature was elected or the death of the member.

Sec. 8. Minnesota Statutes 2004, section 3A.01, is amended by adding a subdivision to read:

Subd. 6c. [MEMBER OF THE LEGISLATURE.] "Member of the legislature" means a person who was a member of the House of Representatives or of the Senate of the state of Minnesota who has subscribed to the oath of office after July 1, 1965, and who was first elected to a legislative office before July 1, 1997, and retained coverage by the plan under Laws 1997, chapter 233, article 2, section 15.

Sec. 9. Minnesota Statutes 2004, section 3A.01, subdivision 8, is amended to read:

Subd. 8. [NORMAL RETIREMENT AGE.] "Normal retirement age" means the age of 60 years with regard to any member of the legislature whose service terminates prior to the beginning of the 1981 legislative session, and the age of 62 years with regard to any member of the legislature whose service terminates after the beginning of the 1981 session.

Sec. 10. Minnesota Statutes 2004, section 3A.01, is amended by adding a subdivision to read:

Subd. 9. [RETIREMENT.] "Retirement" means the period of time after which a former legislator is entitled to a retirement allowance.

Sec. 11. Minnesota Statutes 2004, section 3A.01, is amended by adding a subdivision to read:

Subd. 10. [SALARY.] (a) "Salary" means the regular compensation payable under law to a member of the legislature and paid to the person for service as a legislator.

(b) The term includes the monthly compensation paid to the member of the legislature and the per diem payments paid during a regular or special session to the member of the legislature.

(c) The term does not include per diem payments paid to a member of the legislature other than during the regular or special session; additional compensation attributable to a leadership position under section 3.099, subdivision 3; living expense payments under section 3.101; and special session living expense payments under section 3.103.

Sec. 12. Minnesota Statutes 2004, section 3A.011, is amended to read:

3A.011 [ADMINISTRATION OF PLAN.]

The executive director and the board of directors of the Minnesota State Retirement System shall administer the legislators retirement plan in accordance with this chapter and chapter 356A.

Sec. 13. Minnesota Statutes 2004, section 3A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] (a) A former legislator is entitled, upon written application to the director, to receive a retirement allowance monthly, if the person:

(1) has either served at least six full years, without regard to the application of section 3A.10, subdivision 2, or has served during all or part of four regular sessions as a member of the legislature, which service need not be continuous;

(2) has attained the normal retirement age;

(3) has retired as a member of the legislature; and

(4) has made all contributions provided for in section 3A.03, has made payments for past service under subdivision 2, or has made payments in lieu of contributions under Minnesota Statutes 1992, section 3A.031, ~~prior to~~ before July 1, 1994.

~~(b) This paragraph applies to members of the legislature who terminate service as a legislator before July 1, 1997. For service rendered before the beginning of the 1979 legislative session, but not to exceed eight years of service, the retirement allowance is an amount equal to five percent per year of service of that member's average monthly salary. For service in excess of eight years rendered before the beginning of the 1979 legislative session, and for service rendered after the beginning of the 1979 legislative session, Unless the former legislator has legislative service before January 1, 1979, the retirement allowance is an amount equal to 2-1/2 percent per year of service of that member's average monthly salary.~~

~~(c) This paragraph applies to members of the legislature who terminate service as a legislator after June 30, 1997. The retirement allowance is an amount equal to the applicable rate or rates under paragraph (b) per year of service of the member's average monthly salary and adjusted for that person on an actuarial equivalent basis to reflect the change in the postretirement interest rate actuarial assumption under section 356.215, subdivision 8, from five percent to six percent. The adjustment must be calculated by or, alternatively, the adjustment procedure must be specified by, the actuary retained by the Legislative Commission on Pensions and Retirement under section 356.214. The purpose of this adjustment is to ensure that the total amount of benefits that the actuary predicts an individual member will receive over the member's lifetime under this paragraph will be the same as the total amount of benefits the actuary predicts the individual member would receive over the member's lifetime under the law in effect before enactment of this paragraph. If the former legislator has legislative service before January 1, 1979, the person's benefit must include the additional benefit amount in effect on January 1, 1979, and adjusted as otherwise provided in this paragraph.~~

~~(d)~~ (c) The retirement allowance accrues beginning with the first day of the month of receipt of the application, but not before age 60, and for the remainder of the former legislator's life, if the former legislator is not serving as a member of the legislature or as a constitutional officer ~~or commissioner~~ as defined in ~~section 352C.021, subdivisions 2 and 3~~ section 3A.01, subdivision 1c. The annuity does not begin to accrue ~~prior to~~ before the person's retirement as a legislator. No annuity payment may be made retroactive for more than 180 days before the date that the annuity application is filed with the director.

~~(e)~~ (d) Any member who has served during all or part of four regular sessions is considered to have served eight years as a member of the legislature.

~~(f)~~ (e) The retirement allowance ceases with the last payment that accrued to the retired legislator during the retired legislator's lifetime, except that the surviving spouse, if any, is entitled to receive the retirement allowance of the retired legislator for the calendar month in which the retired legislator died.

Sec. 14. Minnesota Statutes 2004, section 3A.02, subdivision 1b, is amended to read:

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] (a) Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age set by the board of directors of the Minnesota State Retirement System and who is otherwise qualified ~~in accordance with~~ under

subdivision 1 is entitled, upon making written application on ~~forms supplied~~ a form prescribed by the director, to a reduced retirement allowance ~~in~~. The reduced retirement allowance is an amount equal to the retirement allowance specified in subdivision 1, paragraph (b), that is reduced so that the reduced annuity allowance is the actuarial equivalent of the annuity allowance that would be payable if the former member of the legislature deferred receipt of the annuity allowance and the annuity allowance amount were was augmented at an annual rate of three percent compounded annually from the date the annuity allowance begins to accrue until age 62.

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

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

(d) The executive director of the Minnesota State Retirement System shall report to the Legislative Commission on Pensions and Retirement on the utilization of this provision annually on or before September 1, ~~2000~~.

Sec. 15. Minnesota Statutes 2004, section 3A.02, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] The amounts required for payment of retirement allowances provided by this section are appropriated annually to the director from the participation of the legislators retirement plan in the Minnesota postretirement investment fund ~~and shall~~. The retirement allowance must be paid monthly to the recipients entitled ~~thereto~~ to those retirement allowances.

Sec. 16. Minnesota Statutes 2004, section 3A.02, subdivision 4, is amended to read:

Subd. 4. [DEFERRED ANNUITIES AUGMENTATION.] (a) The deferred ~~annuity~~ retirement allowance of any former legislator must be augmented as provided herein.

(b) The required reserves applicable to the deferred ~~annuity~~ retirement allowance, determined as of the date the benefit begins to accrue using an appropriate mortality table and an interest assumption of six percent, must be augmented from the first of the month following the termination of active service, or July 1, 1973, whichever is later, to the first day of the month in which the ~~annuity allowance~~ retirement allowance begins to accrue, at the following annually compounded rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually until January 1 of the year in which the former legislator attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually. or rates:

<u>rate</u>	<u>period</u>
<u>(1) five percent</u>	<u>until January 1, 1981</u>
<u>(2) three percent</u>	<u>from January 1, 1981, or from the first day of the month following the termination of active service, whichever is later, until January 1 of the year in which the former legislator attains age 55</u>
<u>(3) five percent</u>	<u>from the period end date under clause (2) to the effective date of retirement.</u>

~~(b) The retirement allowance of, or the survivor benefit payable on behalf of, a former member of the legislature who terminated service before July 1, 1997, which is not first payable until after June 30, 1997, must be increased on an actuarial equivalent basis to reflect the change in the postretirement interest rate actuarial assumption under section 356.215, subdivision 8, from five percent to six percent under a calculation procedure and tables adopted by the board of directors of the Minnesota State Retirement System and approved by the actuary retained by the Legislative Commission on Pensions and Retirement.~~

Sec. 17. Minnesota Statutes 2004, section 3A.02, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL ANNUITIES.] (a) The board of directors shall establish an optional retirement annuity in the form of a joint and survivor annuity and an optional retirement annuity in the form of a period certain and life thereafter. Except as provided in paragraph (b), these optional annuity forms must be actuarially equivalent to the normal ~~annuity allowance~~ computed under this section, plus the actuarial value of any surviving spouse benefit otherwise potentially payable at the time of retirement under section 3A.04, subdivision 1. An individual selecting an optional annuity under this subdivision ~~waives and the person's spouse waive~~ any rights to surviving spouse benefits under section 3A.04, subdivision 1.

(b) If a retired legislator selects the joint and survivor annuity option, the retired legislator must receive a normal single-life ~~annuity allowance~~ if the designated optional annuity beneficiary dies before the retired legislator and no reduction may be made in the annuity to provide for restoration of the normal single-life ~~annuity allowance~~ in the event of the death of the designated optional annuity beneficiary.

(c) The surviving spouse of a legislator who has attained at least age 60 and who dies while a member of the legislature may elect an optional joint and survivor annuity under paragraph (a), in lieu of surviving spouse benefits under section 3A.04, subdivision 1.

Sec. 18. Minnesota Statutes 2004, section 3A.03, subdivision 1, is amended to read:

Subdivision 1. [PERCENTAGE.] (a) Every member of the legislature shall contribute nine percent of total salary.

(b) The contribution must be made by payroll deduction, to and must be paid into the state treasury and deposited in the general fund. It shall be the duty of

(c) The director to must record the periodic contributions of each member of the legislature and must credit such each contribution to the member's account.

Sec. 19. Minnesota Statutes 2004, section 3A.03, subdivision 2, is amended to read:

Subd. 2. [REFUND.] (a) A former member who has made contributions under subdivision 1 and who is no longer a member of the legislature is entitled to receive, upon written application to the executive director on a form prescribed by the executive director, a refund from the general fund of all contributions credited to the member's account with interest computed as provided in section 352.22, subdivision 2.

(b) The refund of contributions as provided in paragraph (a) terminates all rights of a former member of the legislature and the survivors of the former member under this chapter.

(c) If the former member of the legislature again becomes a member of the legislature after having taken a refund as provided in paragraph (a), the member ~~must be considered is a new member of this plan~~ the unclassified employees retirement program of the Minnesota State Retirement System.

(d) However, the member may reinstate the rights and credit for service previously forfeited under this chapter if the member repays all refunds taken, plus interest at an annual rate of 8.5 percent compounded annually from the date on which the refund was taken to the date on which the refund is repaid.

~~(d)~~ (e) No person may be required to apply for or to accept a refund.

Sec. 20. Minnesota Statutes 2004, section 3A.04, subdivision 1, is amended to read:

Subdivision 1. [SURVIVING SPOUSE.] (a) Upon the death of a member of the legislature while serving as ~~such a member after June 30, 1973,~~ or upon the death of a former member of the legislature with at least ~~the number of six full~~ years of service ~~as required by section 3A.02, subdivision 1, clause (1) or service in all or part of four regular legislative sessions,~~ the surviving spouse ~~shall be paid~~ is entitled to a survivor benefit ~~in the amount of~~.

(b) The surviving spouse benefit is one-half of the retirement allowance of the member of the legislature computed as though the member were at least normal retirement age on the date of death and based upon the member's allowable service or upon eight years, whichever is greater. The augmentation provided in section 3A.02, subdivision 4, if applicable, ~~shall~~ must be applied for the period up to, and including, the month of death.

(c) Upon the death of a former legislator receiving a retirement allowance, the surviving spouse ~~shall be~~ is entitled to one-half of the amount of the retirement allowance being paid to the legislator. ~~Such~~

(d) The surviving spouse benefit ~~shall be paid during~~ is payable for the lifetime of the surviving spouse.

Sec. 21. Minnesota Statutes 2004, section 3A.04, subdivision 2, is amended to read:

Subd. 2. [DEPENDENT CHILDREN.] (a) Upon the death of a member of the legislature while serving as a member, or upon the death of a former member of the legislature who has rendered at least ~~the number of six full~~ years of service ~~as required by section 3A.02, subdivision 1, clause (1) or service in all or part of four regular legislative sessions~~ and who was not receiving a retirement allowance, each dependent child of the member or former legislator ~~shall be~~ is entitled to receive a survivor benefit in the following amount:

(1) for the first dependent child, a monthly allowance which equals benefit equal to 25 percent of the monthly retirement allowance of the member of the legislature or the former legislator computed as though the member or the former legislator had attained at least the normal retirement age on the date of death and based upon the average monthly salary as of the date of death or as of the date of termination, whichever ~~is applicable~~ applies, and the member's allowable service or eight years, whichever is greater;

(2) for each additional dependent child, a monthly ~~allowance which equals benefit equal to~~ 12-1/2 percent of the monthly retirement allowance of the member or the former legislator computed as provided in the case of the first child clause (1); but and

(3) the total amount paid to the surviving spouse and to the dependent child or children ~~shall~~ may not exceed, in any one month, 100 percent of the monthly retirement allowance of the member or of the former legislator computed as provided in the case of the first child clause (1).

(b) The augmentation provided in section 3A.02, subdivision 4, if applicable, ~~shall be applied~~ applies from the first day of the month next following the date of the termination of the person from service as a member of the legislature to the month of the death of the person.

(c) Upon the death of a former legislator who was receiving a retirement allowance, ~~the~~ a surviving dependent child ~~shall be~~ is entitled to the applicable percentage specified ~~above in paragraph (a), clause (1) or (2), whichever applies,~~ of the amount of the allowance which was paid to the former legislator for the month immediately ~~prior to~~ before the date of death ~~of the former legislator.~~

(d) The payments for dependent children ~~shall~~ must be made to the surviving spouse or to the guardian of the estate of the dependent children, if there is one.

Sec. 22. Minnesota Statutes 2004, section 3A.04, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The surviving ~~spouse's~~ spouse and dependent ~~children's~~ child or children survivor benefits payable under this section ~~shall be paid~~ are payable by the director monthly in the same manner as retirement allowances are authorized to be paid by this chapter.

Sec. 23. Minnesota Statutes 2004, section 3A.04, subdivision 4, is amended to read:

Subd. 4. [DEATH REFUNDS.] (a) Upon the death of a member of the legislature or of a former legislator who was not receiving a retirement allowance, without leaving either a surviving spouse or a dependent child or dependent children, the last designated beneficiary named on a form that was filed with the director before the death of the legislator, or if no designation is filed, the estate of the member or the former legislator, upon application, ~~shall be~~ is entitled to a refund.

(b) The refund is the amount of contributions credited to the person's account plus interest as provided in section 3A.03, subdivision 2, clause (2) paragraph (a).

Sec. 24. Minnesota Statutes 2004, section 3A.04, is amended by adding a subdivision to read:

Subd. 5. [APPROPRIATION.] The survivor benefits and the death refunds authorized by this section are appropriated to the director from the general fund when they are due and payable.

Sec. 25. Minnesota Statutes 2004, section 3A.05, is amended to read:

3A.05 [APPLICATION FOR SURVIVOR BENEFIT.]

(a) Applications for survivor benefits ~~pursuant to~~ under section 3A.04 ~~shall~~ must be filed with the director by the surviving spouse and dependent child or children entitled to benefits ~~pursuant to~~ under section 3A.04, or by the guardian of the estate, if there is one, of the dependent child or children.

(b) Survivor benefits ~~shall~~ accrue as of the first day of the month following the death of the member of the legislature or former legislator and payments ~~shall~~ commence as of the first of the month next following the filing of the application, and ~~shall be~~ are retroactive to the date the benefit accrues; ~~provided, however, that no payment shall be retroactive for more than or the first of the month occurring 12 months prior to before the month in which the application is filed with the director, whichever is earlier.~~

Sec. 26. Minnesota Statutes 2004, section 3A.07, is amended to read:

3A.07 [APPLICATION.]

(a) Except as provided in paragraph (b), this chapter applies to members of the legislature in service after July 1, 1965, who otherwise meet the requirements of this chapter.

(b) Members of the legislature who were elected for the first time after June 30, 1997, or members of the legislature who were elected before July 1, 1997, and who, after July 1, 1998, elect not to be members of the plan established by this chapter are covered by the unclassified employees retirement program governed by chapter 352D.

(c) The post-July 1, 1998, coverage election under paragraph (b) is irrevocable and must be made on a form prescribed by the director. The second chance referendum election under Laws 2002, chapter 392, article 15, also is irrevocable.

Sec. 27. Minnesota Statutes 2004, section 3A.10, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT FOR LEGISLATIVE TERM.] (a) In the case of a member of the house of representatives, one full term of office ~~shall~~ must be considered two full years of service, notwithstanding the fact that the oath of office ~~may be~~ was taken on different days each biennium.

(b) In the case of a member of the senate, one full term of office ~~shall~~ must be considered four full years of service, notwithstanding the fact that the oath of office ~~may be~~ was taken on different days at the start of each term.

(c) For purposes of this chapter, a legislative term ~~shall~~ must be deemed to commence on January ~~1st~~ 1 and to end on December ~~31st~~ 31.

Sec. 28. Minnesota Statutes 2004, section 3A.12, is amended to read:

3A.12 [COVERAGE BY MORE THAN ONE RETIREMENT SYSTEM OR ASSOCIATION.]

Subdivision 1. [ENTITLEMENT TO ANNUITY.] (a) Any legislator who has been ~~an employee covered by a member of a retirement plan listed in paragraph (b) is entitled, when otherwise qualified, to a retirement allowance or annuity from each plan if the total allowable service in all plans or in any two of these plans totals ten or more years.~~

(b) This section applies to any retirement plan or program administered by the Minnesota State Retirement System, or a member of any retirement plan administered by the Public Employees Retirement Association, including the Public Employees Retirement Association police and fire fund, or the Teachers Retirement Association, or the Minneapolis employees retirement Fund plan, or the State Patrol retirement fund plan, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all.

(c) This section does not apply to other funds retirement plans providing benefits for police or firefighters, shall be entitled when qualified to an annuity from each fund if the total allowable service for which the legislator has credit in all funds or in any two of these funds totals ten or more years, provided.

(d) No portion of the allowable service upon which the retirement annuity from one ~~fund plan~~ is based is again used in the computation for benefits from another ~~fund plan~~. The annuity from each ~~fund shall plan must~~ be determined by the appropriate provisions of the law, except that the requirement that a person must have ~~at least ten a minimum number of years of~~ allowable service in the respective system or association ~~shall does not apply for the purposes of this section provided if~~ the combined service in two or more of these ~~funds plans~~ equals ten or more years. The augmentation of deferred annuities provided in section 3A.02, subdivision 4, ~~shall apply applies~~ to the annuities accruing ~~hereunder under this section.~~

Subd. 2. [REFUND REPAYMENT.] ~~Any A~~ former legislator who has received a refund as provided in section 3A.03, subdivision 2, who is a currently contributing member of a retirement ~~fund plan~~ specified in subdivision 1, paragraph (b), may repay the refund as provided in section 3A.03, subdivision 2. ~~Any A~~ member of the legislature

who has received a refund from any of the ~~funds~~ retirement plans specified in subdivision 1, may repay the refund to the respective ~~fund~~ plan under such terms and conditions consistent with the law governing ~~such fund~~ the retirement plan if the law governing ~~such fund~~ the plan permits the repayment of refunds. If the total amount to be repaid, including principal and interest exceeds \$2,000, repayment may be made in three equal installments over a period of 18 months, with the interest accrued during the period of the repayment added to the final installment.

Sec. 29. Minnesota Statutes 2004, section 3A.13, is amended to read:

3A.13 [EXEMPTION FROM PROCESS AND TAXATION; HEALTH PREMIUM DEDUCTION.]

(a) The provisions of section 352.15 ~~shall~~ apply to the legislators retirement plan, chapter 3A.

(b) The executive director of the Minnesota State Retirement System must, at the request of a retired legislator who is enrolled in a health insurance plan covering state employees, deduct the person's health insurance premiums from the person's annuity and transfer the amount of the premium to a health insurance carrier covering state employees.

Sec. 30. [352C.001] [RETIREMENT PLAN; APPLICATION.]

(a) The retirement plan applicable to a former constitutional officer who was first elected to a constitutional office after July 1, 1967, and before July 1, 1997, is the applicable portions of this chapter and chapter 356 in effect on the date on which the person terminated active service as a constitutional officer.

(b) Nothing in this section or section 352C.091, subdivision 1, or 490.125, subdivision 2, is intended to reduce the benefits of former constitutional officers or to adversely modify their eligibility for benefits in effect as of the day before the effective date of this section.

Sec. 31. Minnesota Statutes 2004, section 352C.091, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] ~~This chapter~~ (a) The elected officers retirement plan must be administered by the board of directors and the executive director of the Minnesota State Retirement System.

(b) The elected state officers retirement plan must be administered consistent with this chapter the applicable statutory provisions governing the plan and chapters 356 and 356A.

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

352C.10 [BENEFIT ADJUSTMENTS.]

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

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

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), and (6) to (14), if they are in the unclassified service of the state or Metropolitan Council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified plan under this chapter unless the employee gives notice to the executive director of the Minnesota State Retirement System within

one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Persons referenced in paragraph (c), ~~clauses (4) and~~ clause (5), are participants in the unclassified program under this chapter unless the person is eligible to elect different coverage under section 3A.07 ~~or 352C.011~~ and, ~~after July 1, 1998, elects~~ elected retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified program under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

- (1) the governor, the lieutenant governor, the secretary of state, the state auditor, and the attorney general;
- (2) an employee in the Office of the Governor, Lieutenant Governor, Secretary of State, State Auditor, Attorney General;
- (3) an employee of the State Board of Investment;
- (4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;
- (5) a member of the legislature;
- (6) a full-time unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota State Retirement System;
- (7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;
- (8) the regional administrator, or executive director of the Metropolitan Council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;
- (9) the executive director, associate executive director, and not to exceed nine positions of the Higher Education Services Office in the unclassified service, as designated by the Higher Education Services Office before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota State Retirement System, unless the person has elected coverage by the individual retirement account plan under chapter 354B;
- (10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;
- (11) the chief executive officers of correctional facilities operated by the Department of Corrections and of hospitals and nursing homes operated by the Department of Human Services;
- (12) an employee whose principal employment is at the state ceremonial house;

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

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

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

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

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

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

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

Sec. 36. Minnesota Statutes 2004, section 490.121, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For purposes of sections 490.121 to 490.132, unless the context clearly indicates otherwise, each of the terms defined in this section have has the meanings meaning given them unless the context clearly indicates otherwise it.

Sec. 37. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 2a. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of directors of the Minnesota State Retirement System based on the experience of the fund as recommended by the actuary retained under section 356.214 and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 38. Minnesota Statutes 2004, section 490.121, subdivision 4, is amended to read:

Subd. 4. [ALLOWABLE SERVICE.] (a) "Allowable service" means any calendar month, subject to the service credit limit in subdivision 22, served as a judge at any time, ~~or during which the judge received compensation for that service from the state, municipality, or county, whichever applies, and for which the judge made any required member contribution. It also includes any month~~ served as a referee in probate for all referees in probate who were in office ~~prior to~~ before January 1, 1974.

(b) "Allowable service" does not mean service as a retired judge.

Sec. 39. Minnesota Statutes 2004, section 490.121, subdivision 6, is amended to read:

Subd. 6. [ANNUITY.] "Annuity" means the payments that are made each year to an annuitant from the judges' retirement fund, ~~pursuant to the provisions of~~ under sections 490.121 to 490.132.

Sec. 40. Minnesota Statutes 2004, section 490.121, subdivision 7, is amended to read:

Subd. 7. [ANNUITANT.] "Annuitant" means a former judge, a surviving spouse, or a dependent child who is entitled to and is receiving an annuity under the provisions of sections 490.121 to 490.132.

Sec. 41. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 7a. [APPROVED ACTUARY.] "Approved actuary" means an actuary as defined in section 356.215, subdivision 1, paragraph (c).

Sec. 42. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 7b. [COURT.] "Court" means any court of this state that is established by the Minnesota Constitution.

Sec. 43. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 7c. [DEPENDENT SURVIVING CHILD.] "Dependent surviving child" means any natural or adopted child of a deceased judge who has not reached the age of 18 years, or having reached the age of 18, is under age 22 and who is a full-time student throughout the normal school year, is unmarried, and is actually dependent for more than one-half of the child's support upon the judge for a period of at least 90 days before the judge's death. It also includes any natural child of the judge who was born after the death of the judge.

Sec. 44. Minnesota Statutes 2004, section 490.121, subdivision 13, is amended to read:

Subd. 13. [DISABILITY.] "Disability" means the permanent inability of a judge to continue to perform the functions of judge by reason of a physical or mental impairment resulting from a sickness or an injury.

Sec. 45. Minnesota Statutes 2004, section 490.121, subdivision 14, is amended to read:

Subd. 14. [DISABILITY RETIREMENT DATE.] "Disability retirement date" means the last day of the first month after the date on which the governor determines, upon receipt of the voluntary application by the judge or otherwise, that a judge suffers from a disability.

Sec. 46. Minnesota Statutes 2004, section 490.121, subdivision 15, is amended to read:

Subd. 15. [DISABILITY RETIREMENT ANNUITY.] "Disability retirement annuity" means an annuity to which a judge is entitled under section 490.124, subdivisions 1 and 4, after the retirement for reason of the judge because of a disability.

Sec. 47. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 15a. [EARLY RETIREMENT DATE.] "Early retirement date" means the last day of the month after a judge attains the age of 60 but before the judge reaches the normal retirement date.

Sec. 48. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 15b. [EARLY RETIREMENT ANNUITY.] "Early retirement annuity" means an annuity to which a judge is entitled under section 490.124, subdivisions 1 and 3, upon retirement by the judge at an early retirement date.

Sec. 49. Minnesota Statutes 2004, section 490.121, subdivision 21, is amended to read:

Subd. 21. [FINAL AVERAGE COMPENSATION.] "Final average compensation" means the total amount of the salary payable to a judge in the highest five years out of the last ten years ~~prior to before the event of maturity of benefits termination of judicial service~~, divided by five; ~~provided, however, that~~ if the number of years of service by the judge equals or exceeds ten. If the number of years of service by the judge is less than ten, but more than five, the highest five shall years of salary must be counted, and. If the number of years of service by the judge is less than five, the aggregate salary in such for the period shall of service must be divided by the number of months in such the period and multiplied by 12.

Sec. 50. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 21a. [JUDGE.] "Judge" means a judge or a justice of any court as defined under subdivision 7b.

Sec. 51. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 21b. [JUDGES' RETIREMENT FUND; RETIREMENT FUND; FUND.] "Judges' retirement fund," "retirement fund," or "fund" means the fund created by section 490.123.

Sec. 52. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 21c. [MANDATORY RETIREMENT DATE.] "Mandatory retirement date" means the last day of the month in which a judge has attained 70 years of age.

Sec. 53. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 21d. [NORMAL RETIREMENT ANNUITY.] Except as otherwise provided in sections 490.121 to 490.132, "normal retirement annuity" means an annuity to which a judge is entitled under section 490.124, subdivision 1, upon retirement on or after the normal retirement date of the judge.

Sec. 54. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 21e. [NORMAL RETIREMENT DATE.] "Normal retirement date" means the last day of the month in which a judge attains the age of 65.

Sec. 55. Minnesota Statutes 2004, section 490.121, subdivision 22, is amended to read:

Subd. 22. [SERVICE CREDIT LIMIT.] "Service credit limit" means the greater of: (1) 24 years of allowable service under this chapter 490; or (2) for judges with allowable service rendered ~~prior to before~~ July 1, 1980, the number of years of allowable service under chapter 490, which, when multiplied by the percentage listed in section 356.315, subdivision 7 or 8, whichever is applicable to each year of service, equals 76.8.

Sec. 56. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 23. [SURVIVING SPOUSE.] "Surviving spouse" means the surviving legally married spouse of a deceased judge.

Sec. 57. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 24. [SURVIVOR'S ANNUITY.] "Survivor's annuity" means an annuity to which a surviving spouse or dependent child is entitled under section 490.124, subdivision 9.

Sec. 58. Minnesota Statutes 2004, section 490.122, is amended to read:

490.122 [ADMINISTRATION OF JUDGES' RETIREMENT.]

Subdivision 1. [ADMINISTRATION.] The policy-making, management, and administrative functions governing the operation of the judges' retirement fund and the administration of ~~sections 490.121 to 490.132~~ this chapter are vested in the board of directors and executive director of the Minnesota State Retirement System ~~with such.~~ In administering the plan and fund, the board and the director have the same duties, authority, and responsibility as are provided in chapter 352.

Subd. 2. [INAPPLICABILITY OF CERTAIN LAWS.] Except as otherwise specified, no provision of chapter 352 applies to the judges' retirement fund or any judge.

Subd. 3. [FIDUCIARY RESPONSIBILITY.] Fiduciary activities ~~of relating to the uniform judges' retirement and Survivors' Annuities for Judges plan~~ must be undertaken in a manner consistent with chapter 356A.

Sec. 59. Minnesota Statutes 2004, section 490.123, subdivision 1, is amended to read:

Subdivision 1. [FUND CREATION; REVENUE AND AUTHORIZED DISBURSEMENTS.] (a) There is created a special fund to be known as the "judges' retirement fund."

(b) The judges' retirement fund must be credited with all contributions; all interest, dividends, and other investment proceeds; and all other income authorized by this chapter or other applicable law.

(c) From this fund there are appropriated the payments authorized by sections 490.121 to 490.132, in the amounts and at the times provided, including the necessary and reasonable expenses of the Minnesota State Retirement System in administering the fund and the transfers to the Minnesota postretirement investment fund.

Sec. 60. Minnesota Statutes 2004, section 490.123, subdivision 1a, is amended to read:

Subd. 1a. [MEMBER CONTRIBUTION RATES.] (a) A judge who is covered by the federal Old Age, Survivors, Disability, and Health Insurance Program and whose service does not exceed the service credit limit in section 490.121, subdivision 22, shall contribute to the fund from each salary payment a sum equal to 8.00 percent of salary.

~~(b) A judge not so covered whose service does not exceed the service credit limit in section 490.121, subdivision 22, shall contribute to the fund from each salary payment a sum equal to 8.15 percent of salary.~~

~~(c)~~ The contribution under this subdivision is payable by salary deduction. The deduction must be made by the state court administrator under section 352.04, subdivisions 4, 5, and 8.

Sec. 61. Minnesota Statutes 2004, section 490.123, subdivision 1b, is amended to read:

Subd. 1b. [EMPLOYER CONTRIBUTION RATE.] (a) The employer contribution rate to the fund on behalf of a judge is 20.5 percent of salary ~~and~~. The employer obligation continues after a judge exceeds the service credit limit in section 490.121, subdivision 22.

(b) The employer contribution must be paid by the state court administrator ~~and~~. The employer contribution is payable at the same time as member contributions are made under subdivision 1a or as employee contributions are made to the unclassified plan in program governed by chapter 352D for judges whose service exceeds the limit in section 490.121, subdivision 22, are remitted.

Sec. 62. Minnesota Statutes 2004, section 490.123, subdivision 1c, is amended to read:

Subd. 1c. [ADDITIONAL EMPLOYER CONTRIBUTION.] ~~In the event that~~ If the employer contribution under subdivision 1b and the assets of the judges retirement fund are insufficient to meet reserve transfers to the Minnesota postretirement investment fund or payments of survivor benefits ~~before July 1, 1993 in a month~~, the necessary amount is appropriated from the general fund to the executive director of the Minnesota State Retirement System, upon the certification of the required amount by the executive director to the commissioner of finance.

Sec. 63. Minnesota Statutes 2004, section 490.123, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER OF FINANCE.] The commissioner of finance ~~shall be~~ is the ex officio treasurer of the judges' retirement fund ~~and the~~. The commissioner's general bond to the state ~~shall must~~ be so conditioned as to cover all liability for acting as the treasurer of ~~this the~~ fund. All ~~moneys~~ money received by the commissioner ~~pursuant to under~~ this section ~~shall must~~ be set aside in the state treasury to the credit of the judges' retirement fund. ~~The commissioner shall transmit monthly to the executive director described in section 352.03, subdivision 5, a detailed statement of all amounts so received and credited to the fund. The commissioner shall pay out the fund only upon vouchers signed by said executive director; provided that vouchers for investment may be signed by the secretary of the State Board of Investment.~~

Sec. 64. Minnesota Statutes 2004, section 490.123, subdivision 3, is amended to read:

Subd. 3. [INVESTMENT.] (a) The executive director ~~referred to in subdivision 2 of the Minnesota State Retirement System~~ shall, from time to time, certify to the State Board of Investment such portions of the judges' retirement fund as in the director's judgment may not be required for immediate use.

(b) Assets from the judges' retirement fund ~~shall must~~ be transferred to the Minnesota postretirement investment fund for retirement and disability benefits as provided in sections 11A.18 and 352.119.

(c) The State Board of Investment shall thereupon invest and reinvest sums so transferred, or certified, in such securities as are duly authorized legal investments for such purposes under section 11A.24 in compliance with sections 356A.04 and 356A.06.

Sec. 65. Minnesota Statutes 2004, section 490.124, subdivision 1, is amended to read:

Subdivision 1. [BASIC RETIREMENT ANNUITY.] (a) Except as qualified hereinafter from and after the mandatory retirement date, the normal retirement date, the early retirement date, or one year from the disability retirement date, as the case may be, a retiring judge is eligible to receive a retirement annuity ~~shall be payable to a retiring judge~~ from the judges' retirement fund ~~in~~.

(b) The retirement annuity is an amount equal to: (1) the percent specified in section 356.315, subdivision 7, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered ~~prior to before~~ July 1, 1980; plus (2) the percent specified in section 356.315, subdivision 8, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered after June 30, 1980.

(c) Service that exceeds the service credit limit in section 490.121, subdivision 22, must be excluded in calculating the retirement annuity, but the compensation earned by the judge during this period of judicial service must be used in determining a judge's final average compensation and calculating the retirement annuity.

Sec. 66. Minnesota Statutes 2004, section 490.124, subdivision 2, is amended to read:

Subd. 2. [MINIMUM SERVICE REQUIREMENT; ~~EXTENSION OF TERM.~~] ~~No~~ (a) Unless section 356.30 applies, a judge shall be is not eligible for an annuity at the normal retirement date or the early retirement date if the judge has less than five years of allowable service.

(b) A judge who ~~shall retire~~ retires on or, as permitted under sections 490.121 to 490.132, after the judge's mandatory retirement date, ~~shall be is~~ entitled to a proportionate annuity based upon the allowable service of the judge at the date of retirement.

~~A judge who was in office on December 31, 1973, and thereafter and who, by the date on which the current term expires, would not be eligible to retire with full benefits under statutes in effect on December 31, 1973, may apply to the governor for an extension to serve up to three additional years, stating the intention of the judge to retire upon attaining eligibility to receive a retirement allowance. Notwithstanding section 490.125, the governor shall forthwith make a written order accepting the retirement application, and extending the term of office of the judge for the period of time, not to exceed three years, as may be necessary to make the judge eligible for retirement, solely for purposes of computing benefits hereunder.~~

Sec. 67. Minnesota Statutes 2004, section 490.124, subdivision 3, is amended to read:

Subd. 3. [EARLY REDUCED RETIREMENT.] The retirement annuity ~~provided by under~~ subdivision 1 of any judge ~~electing who elects~~ to retire at an early retirement date ~~shall must~~ be reduced by one-half of one percent per month from the retirement date to the normal retirement date.

Sec. 68. Minnesota Statutes 2004, section 490.124, subdivision 4, is amended to read:

Subd. 4. [DISABILITY RETIREMENT.] (a) When the governor determines that a judge is disabled under section 490.121, subdivision 13, notice of the governor's determination must be sent to the judge, the chief justice of the Supreme Court, the state court administrator, and the executive director of the Minnesota State Retirement System.

(b) From and after disability retirement date, a disabled judge ~~shall be is~~ entitled to continuation of the judge's full salary payable by the judge's employer, as if the judge's office were not vacated by retirement, for a period of up to one full year, but in no event beyond the judge's mandatory retirement date. During this year the judge ~~will is~~ entitled to earn additional service credit in the judges' retirement plan. The salary ~~earned will be payable to a disabled judge is~~ subject to retirement deductions and ~~will must~~ be included in computing final average compensation of the judge. ~~Thereafter~~

(c) At the conclusion of the year of continued salary following a disability or upon the judge's mandatory retirement date, whichever is earlier, the disabled judge is entitled to a disability retirement annuity computed as provided in subdivision 1 shall be paid, provided that. If the computed retirement annuity is a smaller amount, the judge shall is entitled to receive a minimum annuity of 25 percent of the judge's final average compensation.

Sec. 69. Minnesota Statutes 2004, section 490.124, subdivision 5, is amended to read:

Subd. 5. [DEFERRED BENEFITS.] (a) ~~Any~~ A benefit to which a judge is entitled under this section may be deferred until the early or normal retirement date or later, notwithstanding the termination of ~~such~~ the judge's service prior thereto.

(b) The retirement annuity of, or the survivor benefit payable on behalf of, a former judge, who terminated service before July 1, 1997, which is not first payable until after June 30, 1997, must be increased on an actuarial equivalent basis to reflect the change in the postretirement interest rate actuarial assumption under section 356.215, subdivision 8, from five percent to six percent under a calculation procedure and tables adopted by the board of directors of the Minnesota State Retirement System and approved by the actuary retained ~~by the Legislative Commission on Pensions and Retirement under section 356.214.~~

Sec. 70. Minnesota Statutes 2004, section 490.124, subdivision 8, is amended to read:

Subd. 8. [EXCLUSIVE NORMAL RETIREMENT BENEFITS.] ~~Any (a) Except as provided in paragraph (b), a judge who retires after December 31, 1973, shall be~~ is entitled to a retirement pension, retirement compensation or other retirement payment under statutes applicable solely to judges ~~pursuant to under~~ under this section only; ~~except that any such.~~

~~(b) A judge who was in office prior to before~~ A judge who was in office prior to before January 1, 1974, who retires at or after normal retirement age may then elect to receive during the judge's lifetime a normal retirement annuity computed on the basis of retirement compensation provided for such judge under statutes in effect on December 31, 1973, in lieu of the amount of normal retirement annuity otherwise computed under sections 490.121 to 490.132.

~~For purposes of this subdivision, the Conciliation Court of the city of Duluth shall be deemed to have been a court of record by the statutes in effect on December 31, 1973.~~

Sec. 71. Minnesota Statutes 2004, section 490.124, subdivision 9, is amended to read:

Subd. 9. [SURVIVORS' ANNUITY.] ~~(a) Upon the death of a judge prior to before~~ (a) Upon the death of a judge prior to before retirement, or upon the death of a person who has qualified for an annuity under this section but who ceases to be a judge ~~prior to before~~ retirement and has who not received a refund of contributions ~~pursuant to under~~ under subdivision 12, a surviving spouse is entitled to, or, if there be no surviving spouse, dependent children, ~~shall be~~ are entitled to receive an annuity, payable monthly, equal in total to 60 percent of the normal retirement annuity which would have been payable to the judge or former judge had the date of death been the normal retirement date; ~~provided that the.~~

~~(b) The annuity payable to a surviving spouse or to dependent children shall receive an annuity is an amount of~~ (b) The annuity payable to a surviving spouse or to dependent children shall receive an annuity is an amount of not less than 25 percent of the judge's or the former judge's final average compensation.

~~If a judge, whose surviving spouse was not entitled to survivors benefits provided solely for judges under statutes in effect prior to January 1, 1974, shall have died prior to retirement on or after May 23, 1973 and before January 1, 1974, a surviving spouse and dependent children, if any, shall be entitled to survivors benefits as provided hereunder as if such judge had died on January 1, 1974.~~

Sec. 72. Minnesota Statutes 2004, section 490.124, subdivision 10, is amended to read:

Subd. 10. [PRIOR SURVIVORS' BENEFITS; LIMITATION.] ~~(a) Benefits provided pursuant to under~~ (a) Benefits provided pursuant to under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.1091, for a surviving spouse of a retired judge, payable after the death of the judge, ~~shall be~~ are limited to:

~~(a) spouses of judges who have retired prior to before~~ (a) spouses of judges who have retired prior to before January 1, 1974; ~~and.~~

~~(b) spouses of judges in office on December 31, 1973 and thereafter who elect to continue contributions pursuant to section 490.102, subdivision 6 or 490.109. The contributions shall be in addition to contributions pursuant to section 490.123, and upon retirement the judge may not elect to receive any optional annuity pursuant to subdivision 11 unless the judge and the spouse shall waive any benefits pursuant to section 490.102, subdivision 6 or 490.1091.~~

No other judge in office on or after January 1, 1974, ~~shall be~~ is required to contribute ~~pursuant to~~ under Minnesota Statutes 2004, section 490.102, subdivision 6, or 490.109.

Sec. 73. Minnesota Statutes 2004, section 490.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON SURVIVOR BENEFITS; OPTIONAL ANNUITIES.] (a) No survivor or death benefits may be paid in connection with the death of a judge who retires after December 31, 1973, except as otherwise provided in sections 490.121 to 490.132.

(b) Except as provided in subdivision 10, a judge may elect to receive, instead of the normal retirement annuity, an optional retirement annuity in the form of either (1) an annuity payable for a period certain and for life after that period, (2) a joint and survivor annuity without reinstatement ~~in the event of~~ if the designated beneficiary ~~predeceases~~ predeceases the retired judge, or (3) a joint and survivor annuity with reinstatement ~~in the event of~~ if the designated beneficiary ~~predeceases~~ predeceases the retired judge.

(c) An optional retirement annuity must be actuarially equivalent to a single-life annuity with no term certain and must be established by the board of directors of the Minnesota State Retirement System. In establishing these optional retirement annuity forms, the board shall obtain the written recommendation of the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214. The recommendations must be retained as a part of the permanent records of the board.

Sec. 74. Minnesota Statutes 2004, section 490.124, subdivision 12, is amended to read:

Subd. 12. [REFUND.] (a) A person who ceases to be a judge ~~but who does not qualify for a retirement annuity or other benefit under section 490.124~~ is entitled to a refund in an amount that is equal to all of the member's employee contributions to the judges' retirement fund plus interest computed under section 352.22, subdivision 2.

(b) A refund of contributions under paragraph (a) terminates all service credits and all rights and benefits of the judge and the judge's survivors under this chapter.

(c) A person who becomes a judge again after taking a refund under paragraph (a) may reinstate the previously terminated allowable service ~~credits~~ credit, rights, and benefits by repaying the total amount of the previously received refund. The refund repayment must include interest on the total amount previously received at an annual rate of 8.5 percent, compounded annually, from the date on which the refund was received until the date on which the refund is repaid.

Sec. 75. Minnesota Statutes 2004, section 490.124, subdivision 13, is amended to read:

Subd. 13. [DEATH REFUND.] If a judge who has not received other benefits under this chapter dies and there are no survivor benefits payable under this chapter, a refund plus interest as provided in subdivision 12 is payable to the last designated beneficiary named on a form filed with the director before the death of the judge, or, if no designation is on file, ~~the refund is payable~~ to the estate of the deceased judge.

Sec. 76. Minnesota Statutes 2004, section 490.125, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY RETIREMENT AGE.] Except as otherwise provided in sections 490.121 to 490.132, ~~each~~ a judge shall ~~retire~~ terminate active service as a judge on the judge's mandatory retirement date.

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

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

Sec. 78. Minnesota Statutes 2004, section 490.126, is amended to read:

490.126 [PROCEDURES.]

Subdivision 1. [COMPULSORY RETIREMENT.] Proceedings for compulsory retirement of a judge, if necessary, ~~shall must~~ be conducted in accordance with rules issued by the Supreme Court ~~pursuant to under~~ section ~~490.16 490A.02.~~

Subd. 2. [VACANCIES.] Any judge may make written application to the governor for retirement. The governor thereupon shall direct the judge's retirement by written order which, when filed in the Office of the Secretary of State, ~~shall effect~~ effects a vacancy in the office to be filled as provided by law.

Subd. 3. [APPLICATION FOR ANNUITY OR REFUND.] An application for an annuity or a refund under sections 490.121 to 490.132 may be made by the potential annuitant or by someone authorized to act for the potential annuitant. Every application for an annuity or refund, ~~with~~ accompanied by a proof of age and by a record of years of service when required, ~~shall must~~ be submitted to the ~~governing body~~ executive director of the Minnesota State Retirement System in a form prescribed by ~~it~~ the director.

Subd. 4. [MANNER OF PAYMENT.] Unless otherwise specifically provided by statute or agreed upon by the annuitant and the ~~governing body~~ board of directors of the Minnesota State Retirement System, annuities payable under sections 490.121 to 490.132 ~~shall must~~ be paid in the manner and at the intervals as prescribed by the executive director of the Minnesota State Retirement System. The annuity ~~shall cease~~ ceases with the last payment received by the annuitant while living.

Subd. 5. [EXEMPTION FROM PROCESS; NO ASSIGNMENT.] None of the money, annuities, or other benefits provided in this chapter is assignable either in law or equity or is subject to state estate tax, or to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111.

Sec. 79. Minnesota Statutes 2004, section 490.133, is amended to read:

490.133 [RETIREMENT; TRANSITION PROVISIONS; TRANSFER TO COURT OF APPEALS.]

(a) If a judge to whom or to whose survivors benefits would be payable under Minnesota Statutes 2004, sections 490.101 to 490.12, is elected or appointed to the Court of Appeals, that judge and the judge's survivors, ~~shall~~ continue to be eligible for benefits under those sections and not under sections 490.121 to 490.132.

(b) In ~~that the~~ case of a judge to whom paragraph (a) applies, the service of the judge in the Court of Appeals ~~shall must~~ be added to the prior service as district judge, probate judge, or judge of any other court of record in determining eligibility and the compensation of a judge of the Court of Appeals at the time of the judge's death, disability, or retirement ~~shall be~~ is the "compensation allotted to the office" for the purposes of calculating benefit amounts.

(c) All other judges of the Court of Appeals and their survivors ~~shall be~~ are subject to the retirement and survivor's annuity provisions of sections 490.121 to 490.132.

Sec. 80. [490A.01] [BOARD OF JUDICIAL STANDARDS; ESTABLISHMENT.]

Subdivision 1. [ESTABLISHMENT; COMPOSITION.] The Board on Judicial Standards is established. The Board on Judicial Standards is a continuation of the board established by Laws 1971, chapter 909, sections 1 and 2, as amended. For the purposes of this chapter, "board" means the Board on Judicial Standards.

Subd. 2. [COMPOSITION; APPOINTMENT.] (a) The board consists of one judge of the Court of Appeals, three trial court judges, two lawyers who have practiced law in the state for at least ten years, and four citizens who are not judges, retired judges, or lawyers.

(b) All members must be appointed by the governor with the advice and consent of the senate. Senate confirmation is not required for judicial members.

Subd. 3. [TERM MAXIMUM; MEMBERSHIP TERMINATION.] No member may serve more than two full four-year terms or their equivalent. Membership terminates if a member ceases to hold the position that qualified the member for appointment.

Subd. 4. [MEMBER TERMS; COMPENSATION; REMOVAL.] The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575.

Subd. 5. [EXECUTIVE SECRETARY APPOINTMENT; SALARY.] (a) The board shall appoint the executive secretary.

(b) The salary of the executive secretary of the board is 85 percent of the maximum salary provided for an administrative law judge under section 15A.083, subdivision 6a.

Sec. 81. [490A.02] [JUDICIAL STANDARDS BOARD; POWERS.]

Subdivision 1. [JUDICIAL DISQUALIFICATION.] A judge is disqualified from acting as a judge, without a loss of salary, while there is pending an indictment or any information charging the judge with a crime that is punishable as a felony under either Minnesota law or federal law, or while there is pending a recommendation to the Supreme Court by the Board on Judicial Standards for the judge's removal or retirement.

Subd. 2. [JUDICIAL SUSPENSION.] On receipt of a recommendation of the Board on Judicial Standards or on its own motion, the Supreme Court may suspend a judge from office without salary when the judge pleads guilty to or no contest to or is found guilty of a crime that is punishable as a felony under either Minnesota law or federal law or any other crime that involves moral turpitude. If the conviction is reversed, the suspension terminates and the judge must be paid a salary for the period of suspension. If the judge is suspended and the conviction becomes final, the Supreme Court shall remove the judge from office.

Subd. 3. [JUDICIAL DISABILITY.] On receipt of a recommendation of the Board on Judicial Standards, the Supreme Court may retire a judge for a disability that the court determines seriously interferes with the performance of the judge's duties and is or is likely to become permanent, and censure or remove a judge for an action or inaction that may constitute persistent failure to perform the judge's duties, incompetence in performing the judge's duties, habitual intemperance, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

Subd. 4. [AUTHORITY TO REOPEN MATTERS.] The board is specifically empowered to reopen any matter wherein any information or evidence was previously precluded by a statute of limitations or by a previously existing provision of time limitation.

Subd. 5. [RETIREMENT STATUS.] (a) A judge who is retired by the Supreme Court must be considered to have retired voluntarily.

(b) This section and section 490A.01 must not affect the right of a judge who is suspended, retired, or removed under this section from qualifying for any pension or other retirement benefits to which the judge would otherwise be entitled by law to receive.

Subd. 6. [ELIGIBILITY FOR JUDICIAL OFFICE; PRACTICE LAW.] A judge removed by the Supreme Court is ineligible for any future service in a judicial office. The question of the right of a removed judge to practice law in this state must be referred to the proper authority for review.

Subd. 7. [SUPREME COURT RULES.] The Supreme Court shall make rules to implement this section.

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

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

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

525.05 [JUDGE OR REFEREE; GROUNDS FOR DISQUALIFICATION.]

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

Sec. 84. [REPEALER; EFFECT ON BENEFIT COVERAGE.]

Subdivision 1. [LEGISLATORS RETIREMENT PLAN; REPEALED AS OBSOLETE.] Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, and 7; 3A.02, subdivision 2; 3A.04, subdivision 1a; and 3A.09, are repealed.

Subd. 2. [ELECTIVE STATE OFFICERS RETIREMENT PLAN; REPEALED AS OBSOLETE.] Minnesota Statutes 2004, sections 352C.01; 352C.011; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; and 352C.091, subdivisions 2 and 3, are repealed.

Subd. 3. [JUDICIAL RETIREMENT PLANS; REPEALED AS OBSOLETE.] Minnesota Statutes 2004, sections 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, and 20; 490.124, subdivision 6; and 490.132, are repealed.

Subd. 4. [JUDICIAL STANDARDS BOARD; REPEALED FOR RELOCATION AS MINNESOTA STATUTES, CHAPTER 490A.] Minnesota Statutes 2004, sections 490.15, 490.16, and 490.18, are repealed.

Subd. 5. [UNIFORM JUDICIAL RETIREMENT PLAN; NO BENEFIT DIMINISHMENT INTENDED; PROCEDURE.] Sections 32 to 76 are not intended to reduce or increase the entitlement of active, deferred, or retired judges to retirement annuities or benefits as of July 1, 2005, as reflected in the records of the Minnesota State Retirement System. If the executive director of the Minnesota State Retirement System determines that any provisions of sections 32 to 76 functions to modify, impair, or diminish the retirement annuity or benefit entitlement of any judge that had accrued or earned before July 1, 2005, the executive director shall certify that determination and a recommendation as to the required legislative correction to the chair of the Legislative Commission on Pensions and Retirement, the chair of the senate State and Local Governmental Operations Committee, the chair of the house Governmental Operations and Veterans Affairs Policy Committee, and the executive director of the Legislative Commission on Pensions and Retirement on or before the October 1 next following that determination.

Sec. 85. [REVISOR INSTRUCTIONS.]

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

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

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

Sec. 86. [EFFECTIVE DATE.]

This article is effective July 1, 2005.

ARTICLE 2

COVERED SALARY; AVERAGE SALARY

Section 1. Minnesota Statutes 2004, section 352.01, subdivision 13, is amended to read:

Subd. 13. [SALARY.] (a) Subject to the limitations of section 356.611, "salary" means wages, or other periodic compensation, paid to an employee before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) "Salary" does not include:

- (1) lump sum sick leave payments;
- (2) severance payments;
- (3) lump sum annual leave payments and overtime payments made at the time of separation from state service;
- (4) payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to an employee with single coverage;
- (5) payments made as an employer-paid fringe benefit;

(6) workers' compensation payments;

(7) employer contributions to a deferred compensation or tax sheltered annuity program; and

(8) amounts contributed under a benevolent vacation and sick leave donation program.

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations.

Sec. 2. Minnesota Statutes 2004, section 352.01, is amended by adding a subdivision to read:

Subd. 14a. [AVERAGE SALARY.] (a) "Average salary" means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions. Average salary must be based upon all allowable service if this service is less than five years.

(b) "Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum nor does it include the reduced salary, if any, paid during the period the employee is entitled to workers' compensation benefit payments for temporary disability.

(c) For an employee covered by the correctional state employees retirement plan, "average salary" means the average of the monthly salary during the employee's highest five successive years of salary as an employee covered by the general state employees retirement plan, or the correctional state employees retirement plan, or by a combination of the two. If the total of the covered service is less than five years, the determination of average salary must be based on all allowable service.

Sec. 3. Minnesota Statutes 2004, section 352.115, subdivision 2, is amended to read:

Subd. 2. [~~AVERAGE SALARY~~ NORMAL RETIREMENT ANNUITY.] The retirement annuity hereunder payable at normal retirement age or thereafter must be computed in accordance with the applicable provisions of the formula stated in subdivision 3, on the basis of the employee's average salary for the period of allowable service. This retirement annuity is known as the "normal" retirement annuity.

~~For each year of allowable service, "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions. Average salary must be based upon all allowable service if this service is less than five years.~~

~~"Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum nor does it include the reduced salary, if any, paid during the period the employee is entitled to workers' compensation benefit payments for temporary disability.~~

Sec. 4. Minnesota Statutes 2004, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person who became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) will apply. The employee's average salary, as

defined in section 352.01, subdivision 2 14a, multiplied by the percent specified in section 356.315, subdivision 1, per year of allowable service for the first ten years and the percent specified in section 356.315, subdivision 2, for each later year of allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

(b) This paragraph applies to a person who has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1. The employee's average salary, as defined in section 352.01, subdivision 2 14a, multiplied by the percent specified in section 356.315, subdivision 2, for each year of allowable service and pro rata for months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

Sec. 5. Minnesota Statutes 2004, section 352.87, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] A person specified in subdivision 1 ~~will have~~ is entitled to receive a retirement annuity applicable for allowable service credit under this section calculated by multiplying the employee's average salary, as defined in ~~section 352.115~~ section 352.01, subdivision 2 14a, by the percent specified in section 356.315, subdivision 2a, for each year or portions of a year of allowable service credit. No reduction for retirement ~~prior to~~ before the normal retirement age, as specified in section 352.01, subdivision 25, applies to service to which this section applies.

Sec. 6. Minnesota Statutes 2004, section 352.93, subdivision 1, is amended to read:

Subdivision 1. [BASIS OF ANNUITY; WHEN TO APPLY.] After separation from state service, an employee covered under section 352.91 who has reached age 55 years and has credit for at least three years of covered correctional service or a combination of covered correctional service and regular Minnesota general employees state retirement System plan service is entitled upon application to a retirement annuity under this section, based only on covered correctional employees' service. Application may be made no earlier than 60 days before the date the employee is eligible to retire by reason of both age and service requirements.

~~In this section, "average salary" means the average of the monthly salary during the employee's highest five successive years of salary as an employee covered by the Minnesota State Retirement System. Average salary must be based upon all allowable service if this service is less than five years.~~

Sec. 7. Minnesota Statutes 2004, section 352B.01, subdivision 11, is amended to read:

Subd. 11. [AVERAGE MONTHLY SALARY.] (a) Subject to the limitations of section 356.611, "average monthly salary" means the average of the highest monthly salaries for five years of service as a member upon which contributions were deducted from pay under section 352B.02, or upon which appropriate contributions or payments were made to the fund to receive allowable service and salary credit as specified under the applicable law. Average monthly salary must be based upon all allowable service if this service is less than five years.

(b) "Average monthly salary" means the salary of the member as defined in section 352.01, subdivision 13. "Average monthly salary" does not include any lump-sum annual leave payments and overtime payments made at the time of separation from state service, any amounts of severance pay, or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability.

(c) A member on leave of absence receiving temporary workers' compensation payments and a reduced salary or no salary from the employer who is entitled to allowable service credit for the period of absence may make payment to the fund for the difference between salary received, if any, and the salary the member would normally receive if

not on leave of absence during the period. The member shall pay an amount equal to the member and employer contribution rate under section 352B.02, subdivisions 1b and 1c, on the differential salary amount for the period of the leave of absence. The employing department, at its option, may pay the employer amount on behalf of the member. Payment made under this subdivision must include interest at the rate of 8.5 percent per year, and must be completed within one year of the return from the leave of absence.

Sec. 8. Minnesota Statutes 2004, section 352C.021, is amended by adding a subdivision to read:

Subd. 1a. [AVERAGE SALARY.] "Average salary," for purposes of calculating the normal retirement annuity under section 352C.031, subdivision 4, means the average of the highest five successive years of salary upon which contributions have been made under section 352C.09.

Sec. 9. Minnesota Statutes 2004, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] (a) Subject to the limitations of section 356.611, "salary" means:

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

(2) for a public employee who is covered by a supplemental retirement plan under section 356.24, subdivision 1, clause (8), (9), or (10), which require all plan contributions be made by the employer, the contribution to the applicable supplemental retirement plan when the contribution is from mandatory withholdings from employees' wages; and

~~(2)~~ (3) for a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the Public Employees Retirement Association or to which section 353.665 applies and who has elected coverage either under the public employees police and fire fund benefit plan under section 353A.08 following the consolidation or under section 353.665, subdivision 4, the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified by law and by bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure and the actual periodic compensation of the public employee after the effective date of consolidation.

(b) Salary does not mean:

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

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

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

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

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

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

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

(5) the amount of compensation that exceeds the limitation provided in section 356.611.

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations.

Sec. 10. Minnesota Statutes 2004, section 353.01, is amended by adding a subdivision to read:

Subd. 17a. [AVERAGE SALARY.] (a) "Average salary," for purposes of calculating a retirement annuity under section 353.29, subdivision 3, means an amount equivalent to the average of the highest salary of the member, police officer, or firefighter, whichever applies, upon which employee contributions were paid for any five successive years of allowable service, based on dates of salary periods as listed on salary deduction reports. Average salary must be based upon all allowable service if this service is less than five years.

(b) "Average salary" may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability, unless the average salary is higher, including this period.

Sec. 11. Minnesota Statutes 2004, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c, applies to any member who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) will apply. The average salary as defined in section 353.01, subdivision 2 17a, multiplied by the percent specified in section 356.315, subdivision 3, for each year of allowable service for the first ten years and thereafter by the percent specified in section 356.315, subdivision 4, per year of allowable service and completed months less than a full year for the "basic member," and the percent specified in section 356.315, subdivision 1, for each year of allowable service for the first ten years and thereafter by the percent specified in section 356.315, subdivision 2, per year of allowable service and completed months less than a full year for the "coordinated member," shall determine the amount of the "normal" retirement annuity.

(b) This paragraph applies to a member who has become at least 55 years old and first became a public employee after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c. The average salary, as defined in section 353.01,

subdivision ~~2~~ 17a, multiplied by the percent specified in section 356.315, subdivision 4, for each year of allowable service and completed months less than a full year for a basic member and the percent specified in section 356.315, subdivision 2, per year of allowable service and completed months less than a full year for a coordinated member, shall determine the amount of the normal retirement annuity.

Sec. 12. Minnesota Statutes 2004, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] This disability benefit is an amount equal to the normal annuity payable to a member who has reached normal retirement age with the same number of years of allowable service and the same average salary, as provided in section 353.01, subdivision 17a, and section 353.29, ~~subdivisions 2 and subdivision 3~~.

A basic member shall receive a supplementary monthly benefit of \$25 to age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later.

If the disability benefits under this subdivision exceed the average salary as defined in section ~~353.29~~ 353.01, subdivision ~~2~~ 17a, the disability benefits must be reduced to an amount equal to ~~said~~ the average salary.

Sec. 13. Minnesota Statutes 2004, section 353.651, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary as defined in section 353.01, subdivision ~~2~~ 17a, multiplied by the percent specified in section 356.315, subdivision 6, per year of allowable service determines the amount of the normal retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or firefighter, the annuity representing ~~such~~ that service is must be computed under sections 353.29 and 353.30.

Sec. 14. Minnesota Statutes 2004, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] A member of the police and fire plan who becomes disabled and physically unfit to perform duties as a police officer, firefighter, or paramedic as defined under section 353.64, subdivision 10, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which has or is expected to render the member physically or mentally unable to perform the duties as a police officer, firefighter, or paramedic as defined under section 353.64, subdivision 10, for a period of at least one year, shall receive disability benefits during the period of such disability. The benefits must be in an amount equal to 60 percent of the "average salary" as defined in section ~~353.651~~ 353.01, subdivision ~~2~~ 17a, plus an additional percent specified in section 356.315, subdivision 6, of that average salary for each year of service in excess of 20 years. If the disability under this subdivision occurs before the member has at least five years of allowable service credit in the police and fire plan, the disability benefit must be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 15. Minnesota Statutes 2004, section 353B.02, subdivision 10, is amended to read:

Subd. 10. [SALARY.] (a) "Salary" under this chapter is subject to the limitations of section 356.611.

(b) "Salary" for benefit computation and contribution purposes means the salary of a first class or first grade firefighter or patrol officer, whichever applies, for the former members of the following consolidating relief associations:

- (1) Anoka Police Relief Association;
- (2) Austin Firefighters Relief Association;

- (3) Austin Police Relief Association;
- (4) Columbia Heights Fire Department Relief Association, Paid Division;
- (5) Fairmont Police Benefit Association;
- (6) Faribault Fire Department Relief Association;
- (7) Mankato Fire Department Relief Association;
- (8) Minneapolis Fire Department Relief Association;
- (9) Minneapolis Police Relief Association;
- (10) Richfield Fire Department Relief Association;
- (11) Rochester Fire Department Relief Association;
- (12) Rochester Police Relief Association;
- (13) St. Cloud Fire Department Relief Association;
- (14) St. Cloud Police Relief Association;
- (15) St. Paul Fire Department Relief Association;
- (16) South St. Paul Firefighters Relief Association;
- (17) West St. Paul Firefighters Relief Association;
- (18) West St. Paul Police Relief Association; and
- (19) Winona Fire Department Relief Association.

~~(b)~~ (c) "Salary" for benefit computation purposes means the salary of a first grade patrol officer for the second month of the previous fiscal year and for contribution purposes means the current salary of a first grade patrol officer, for the former members of the following consolidating relief associations:

- (1) Bloomington Police Relief Association;
- (2) Crystal Police Relief Association;
- (3) Fridley Police Pension Association;
- (4) Richfield Police Relief Association;
- (5) St. Louis Park Police Relief Association; and
- (6) Winona Police Relief Association.

~~(d)~~ (d) "Salary" for benefit computation purposes means the final salary and for contribution purposes means the current salary for the former members of the following consolidating relief associations:

- (1) Albert Lea Firefighters Relief Association;
- (2) Albert Lea Police Relief Association;
- (3) Buhl Police Relief Association;
- (4) Chisholm Firefighters Relief Association;
- (5) Crookston Fire Department Relief Association;
- (6) Crookston Police Relief Association;
- (7) Faribault Police Benefit Association;
- (8) Red Wing Police Relief Association; and
- (9) Virginia Fire Department Relief Association.

~~(e)~~ (e) "Salary" for benefit computation purposes means the average earnings or salary for the final six months of employment before retirement and for contribution purposes means the current salary for the former members of the following consolidating relief associations:

- (1) Chisholm Police Relief Association;
- (2) Hibbing Firefighters Relief Association; and
- (3) Hibbing Police Relief Association.

~~(f)~~ (f) "Salary" for benefit computation purposes means the greater of the final salary at retirement or the highest salary of a patrol officer and for contribution purposes means the greater of the current salary or the current highest salary of a patrol officer for the former members of the following consolidating relief associations:

- (1) Brainerd Police Benefit Association; and
- (2) New Ulm Police Relief Association.

~~(g)~~ (g) "Salary" for benefit computation and contribution purposes means the following for the former members of the consolidating relief associations as indicated:

- (1) salary of a top grade patrol officer, including longevity pay and education incentive pay in an amount not to exceed \$235 per month, Columbia Heights Police Relief Association;
- (2) maximum pay of a firefighter, including overtime payments for a regular workweek of a firefighter mandated by the federal Fair Labor Standards Act of 1938, as amended, Duluth Firefighters Relief Association;
- (3) salary of a first class patrol officer with 16 years of service, Duluth Police Pension Association;

(4) base salary for the rank currently held, plus longevity pay, pay for eligibility for next higher rank and pay for first aid care, Mankato Police Benefit Association;

(5) average annual salary for highest three paid years for benefit computation purposes and current salary for contribution purposes, Red Wing Fire Department Relief Association;

(6) pay of the highest grade full-time firefighter, St. Louis Park Fire Department Relief Association;

(7) maximum monthly pay of a patrol officer, St. Paul Police Relief Association;

(8) prevailing base pay of rank held at retirement for benefit computation purposes and current salary for contribution purposes, South St. Paul Police Relief Association; and

(9) prevailing pay for rank held for at least six months before retirement for benefit computation purposes and current salary for contribution purposes, Virginia Police Relief Association.

Sec. 16. Minnesota Statutes 2004, section 354.05, is amended by adding a subdivision to read:

Subd. 13a. [AVERAGE SALARY.] (a) "Average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made for the highest five successive years of formula service credit.

(b) "Average salary" may not include any more than the equivalent of 60 monthly salary payments.

(c) "Average salary" must be based upon all years of formula service credit if this service credit is less than five years.

Sec. 17. Minnesota Statutes 2004, section 354.05, subdivision 35, is amended to read:

Subd. 35. [SALARY.] (a) Subject to the limitations of section 356.611, "salary" means the periodic compensation, upon which member contributions are required before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) "Salary" does not mean:

(1) lump sum annual leave payments;

(2) lump sum wellness and sick leave payments;

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

(4) any form of payment made in lieu of any other employer-paid fringe benefit or expense;

(5) any form of severance payments;

(6) workers' compensation payments;

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

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

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

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

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations.

Sec. 18. Minnesota Statutes 2004, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

~~For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit provided, however, that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of formula service credit if this service credit is less than five years.~~

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in ~~paragraph (a)~~ section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	the percent specified in section 356.315, subdivision 1, per year	the percent specified in section 356.315, subdivision 3, per year
Each year of service thereafter	the percent specified in section 356.315, subdivision 2, per year	the percent specified in section 356.315, subdivision 4, per year

(c)(i) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(ii) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c). The average salary, as defined in ~~paragraph (a) section 354.05, subdivision 13a,~~ multiplied by the percent specified by section 356.315, subdivision 4, for each year of service for a basic member and by the percent specified in section 356.315, subdivision 2, for each year of service for a coordinated member shall determine the amount of the retirement annuity to which the member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b), in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in paragraph (d) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

(f) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

Sec. 19. Minnesota Statutes 2004, section 354A.011, is amended by adding a subdivision to read:

Subd. 7a. [AVERAGE SALARY.] "Average salary," for purposes of computing a normal coordinated program retirement annuity under section 354A.31, subdivision 4 or 4a, means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit but may not, in any event, include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.

Sec. 20. Minnesota Statutes 2004, section 354A.011, subdivision 24, is amended to read:

Subd. 24. [SALARY; COVERED SALARY.] (a) Subject to the limitations of section 356.611, "salary" or "covered salary" means the entire compensation, upon which member contributions are required and made, that is paid to a teacher before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) "Salary" does not mean:

(1) lump sum annual leave payments;

(2) lump sum wellness and sick leave payments;

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

(4) any form of payment that is made in lieu of any other employer-paid fringe benefit or expense;

(5) any form of severance payments;

(6) workers' compensation payments;

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

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

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

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

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations.

Sec. 21. Minnesota Statutes 2004, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY; MINNEAPOLIS AND ST. PAUL FUNDS.] (a) This subdivision applies to the coordinated programs of the Minneapolis Teachers Retirement Fund Association and the St. Paul Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity ~~shall be~~ is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage. ~~Average salary for purposes of this section shall mean an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but which shall not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.~~

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) will apply. The

retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 1, per year for each year of coordinated service for the first ten years and the percent specified in section 356.315, subdivision 2, for each year of coordinated service thereafter.

(d) This paragraph applies to a person who has become at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (c), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 2, for each year of coordinated service.

Sec. 22. Minnesota Statutes 2004, section 354A.31, subdivision 4a, is amended to read:

Subd. 4a. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY; DULUTH FUND.] (a) This subdivision applies to the new law coordinated program of the Duluth Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage. ~~Average salary for purposes of this section means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but may not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.~~

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) applies. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 1, per year for each year of coordinated service for the first ten years and the percent specified in section 356.315, subdivision 2, for each subsequent year of coordinated service.

(d) This paragraph applies to a person who is at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who is at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7, is higher than it is when calculated under paragraph (c) in conjunction with subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 2, for each year of coordinated service.

Sec. 23. Minnesota Statutes 2004, section 356.611, subdivision 1, is amended to read:

Subdivision 1. [STATE SALARY LIMITATIONS.] (a) Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements, or retirement plan contracts to the contrary, the covered salary for pension purposes for a plan participant of a covered retirement fund enumerated in section 356.30, subdivision 3, may not exceed ~~95~~ 110 percent of the salary established for the governor under section 15A.082 at the time the person received the salary.

(b) This section does not apply to a salary paid:

(1) to the governor or to a judge;

(2) to an employee or an elected official who is not subject to the limit as specified under section 43A.17, subdivision 9;

(3) to an employee of a political subdivision in a position that is excluded from the limit as specified under section 43A.17, subdivision 9;

~~(3)~~ (4) to a state employee as defined under section 43A.02, subdivision 21;

~~(4)~~ (5) to an employee of Gillette Hospital who is covered by the general state employees retirement plan of the Minnesota State Retirement System;

~~(5)~~ (6) to an employee of the Minnesota Crop Improvement Council; ~~or~~

~~(6)~~ (7) to an employee of the Minnesota Historical Society;

(8) to an employee of the Southern Minnesota Municipal Power Association; or

(9) to the director of the Duluth Port Authority.

(c) The limited covered salary determined under this section must be used in determining employee and employer contributions and in determining retirement annuities and other benefits under the respective covered retirement fund and under this chapter.

Sec. 24. Minnesota Statutes 2004, section 422A.01, is amended by adding a subdivision to read:

Subd. 4a. [AVERAGE SALARY.] (a) "Average salary" means the arithmetic average annual salary, wages, or compensation of the member from the city for any five calendar years out of the last ten calendar years of service, except as provided for in section 422A.16, which may include the year in which the employee retires, as selected by the employee.

(b) A member with more than five calendar years of service, but less than ten calendar years, may select any five calendar years of service to determine the average salary. A member with less than five years of service with the city shall use all earnings to determine the average salary.

Sec. 25. Minnesota Statutes 2004, section 422A.01, is amended by adding a subdivision to read:

Subd. 13a. [COVERED SALARY.] "Salary" is subject to the limitations of section 356.611.

Sec. 26. Minnesota Statutes 2004, section 422A.15, subdivision 1, is amended to read:

Subdivision 1. [FORMULA PENSION AND ANNUITY.] Except as otherwise provided in subdivision 3, each contributing member who, at the time of retirement, fulfills the conditions necessary to enable the member to retire, shall be entitled to receive what shall be known as a "formula pension and annuity" equal to two percent for each year of allowable service for the first ten years and thereafter 2.5 percent per year of allowable service of the arithmetic average annual salary, wages or compensation of the member from the city for any five calendar years out of the last ten calendar years of service except as provided for in section 422A.16, which may include the year in which the employee retires, as selected by the employee, multiplied by the years of service credited by the retirement fund. The formula pension and annuity shall must be computed on the single life plan but subject to the option selections provided for in section 422A.17.

In order to be entitled to the formula pension and annuity herein provided for, the retiring employee at the time of cessation of employment and of actual retirement shall must have attained the age of 60 years or have been employed by the city not less than 30 years, or meet the qualifications provided for in section 422A.16, and in addition thereto have contributed to the retirement fund at the percentage rate prescribed by the retirement law

applicable when the salary, wages or compensation was paid on all salaries, wages, or compensation received from the city or from an applicable employing unit. The years of service to be applied in the formula pension and annuity ~~shall must~~ be found and determined by the retirement board, except that no credit ~~shall may~~ be allowed for any year in which a back charge is owing at time of retirement and the earnings from any year in which a back charge is owing ~~shall may~~ not be used in determining the average ~~annual~~ salary.

Sec. 27. Minnesota Statutes 2004, section 422A.16, subdivision 9, is amended to read:

Subd. 9. [INCOMPETENCY OR DEATH OF MEMBER.] Any member of the contributing class who becomes permanently separated from the service of the city under subdivision 8, may, by an instrument in writing, filed with the municipal employees retirement board within 30 days after ~~such the~~ separation becomes permanent, elect to allow the member contributions to ~~such the~~ fund to the date of separation to remain on deposit in ~~such the~~ fund, and in ~~such the~~ event the member ~~shall be is~~ entitled to receive a retirement allowance at age 65, provided the member, or someone acting in the member's behalf if the member be incompetent, ~~shall must~~ make a written application for ~~such the~~ retirement allowance in the same manner provided for in section 422A.17 and in accordance with the provisions of section 422A.15, subdivision 1, except for determining average ~~annual~~ salary. ~~A member with more than five calendar years of service but less than ten calendar years may select any five calendar years of service to determine the average annual salary. A member with less than five years of service with the city shall use all earnings to determine the average annual salary.~~

If the contributing member dies before reaching the age of 65 years, or having attained the age of 65 years without having made the election provided for herein, the net accumulated amount of deductions from the member's salary, pay or compensation, plus interest, to the member's credit on date of death ~~shall be paid is payable~~ to ~~such the~~ person or persons as have been nominated by written designation filed with the retirement board, in ~~such the~~ form as ~~that~~ the retirement board ~~shall require requires~~.

If the employee fails to make a designation, or if the person or persons designated by ~~such the~~ employee predeceases ~~such the~~ employee, the net accumulated credit to ~~such the~~ employee's account on date of death ~~shall be paid is payable~~ to ~~such the~~ employee's estate.

The provisions of subdivisions 4, 5, and 6 ~~shall~~ also apply to any member qualifying for benefits under this subdivision, except for purposes of this subdivision the age referred to in subdivision 4 ~~shall be is~~ 65 years.

Sec. 28. Minnesota Statutes 2004, section 423B.01, is amended by adding a subdivision to read:

Subd. 22. [COVERED SALARY.] "Salary" is subject to the limitations of section 356.611.

Sec. 29. Minnesota Statutes 2004, section 423C.01, is amended by adding a subdivision to read:

Subd. 29. [COVERED SALARY.] "Salary" is subject to the limitations of section 356.611.

Sec. 30. Minnesota Statutes 2004, section 490.121, subdivision 21, is amended to read:

Subd. 21. [FINAL AVERAGE COMPENSATION.] "Final average compensation" means the total amount of salary payable to a judge in the highest five years ~~out of the last ten years prior to before the event of maturity of benefits termination of judicial service,~~ divided by five; ~~provided, however, that~~ if the number of years of service by the judge equals or exceeds ten. If the number of years of service by the judge is less than ten, but more than five, the highest five ~~shall years of salary must~~ be counted, ~~and.~~ If the number of years of service by the judge is less than five, the aggregate salary in such for the period shall of service must be divided by the number of months in ~~such the~~ period and multiplied by 12.

Sec. 31. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 21a. [COVERED SALARY LIMITATION.] "Final average compensation" is subject to the limitations of section 356.611.

Sec. 32. [REPEALER.]

Minnesota Statutes 2004, sections 352C.031, subdivision 3; 353.29, subdivision 2; and 353.651, subdivision 2, are repealed.

Sec. 33. [EFFECTIVE DATE.]

This article is effective on the day following final enactment except that section 23 applies retroactively from April 28, 1994.

ARTICLE 3

ALLOWABLE SERVICE CREDIT

Section 1. [356.195] [SERVICE CREDIT PURCHASE PROCEDURES FOR STRIKE PERIODS.]

Subdivision 1. [COVERED PLANS.] This section applies to all defined benefit plans specified in section 356.30, subdivision 3.

Subd. 2. [PURCHASE PROCEDURE FOR STRIKE PERIODS.] (a) An employee covered by a plan specified in subdivision 1 may purchase allowable service credit in the applicable plan for any period of time during which the employee was on a public employee strike without pay, not to exceed a period of one year, if the employee makes a payment in lieu of salary deductions as specified in paragraph (b) or (c), whichever applies. The employing unit, at its option, may pay the employer portion of the amount specified in paragraph (b) on behalf of its employees.

(b) If payment is received by the applicable pension plan executive director within one year from the end of the strike, the payment amount is equal to the applicable employee and employer contribution rates specified in law for the applicable plan during the strike period, applied to the employee's rate of salary in effect at the conclusion of the strike for the period of the strike without pay, plus compound interest at a monthly rate of 0.71 percent from the last day of the strike period until the date payment is received.

(c) If payment is received by the applicable pension fund director after one year and before five years from the end of the strike, the payment amount is the amount determined under section 356.551.

(d) Payments may not be made more than five years after the end of the strike.

Sec. 2. Minnesota Statutes 2004, section 490.121, subdivision 4, is amended to read:

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

(b) "Allowable service" also means a period of authorized leave of absence for which the judge has made a payment in lieu of contributions, not in an amount in excess of the service credit limit under subdivision 22. To obtain the service credit, the judge shall pay an amount equal to the normal cost of the judges retirement plan on the date of return from the leave of absence, as determined in the most recent actuarial report for the plan filed with the

Legislative Commission on Pensions and Retirement, multiplied by the judge's average monthly salary rate during the authorized leave of absence and multiplied by the number of months of the authorized leave of absence, plus annual compound interest at the rate of 8.5 percent from the date of the termination of the leave to the date on which payment is made. The payment must be made within one year of the date on which the authorized leave of absence terminated. Service credit for an authorized leave of absence is in addition to a uniformed service leave under section 490.1211.

Sec. 3. Laws 1999, chapter 222, article 16, section 16, as amended by Laws 2002, chapter 392, article 7, section 1, and Laws 2003, First Special Session chapter 12, article 6, section 2, and Laws 2004, chapter 267, article 17, section 6, is amended to read:

Sec. 16. [REPEALER.]

(a) Sections 2 to 6 and 8 to 13 are repealed on May 16, 2004.

(b) Sections 1 and 7 are repealed on May 16, ~~2006~~ 2007.

Sec. 4. Laws 2000, chapter 461, article 4, section 4, as amended by Laws 2003, First Special Session chapter 12, article 6, section 3, and Laws 2004, chapter 267, article 17, section 7, is amended to read:

Sec. 4. [EFFECTIVE DATE; SUNSET REPEALER.]

(a) Sections 1, 2, and 3 are effective ~~on~~ the day following final enactment.

(b) Sections 1, 2, and 3, are repealed ~~on~~ May 16, ~~2006~~ 2007.

Sec. 5. [METRO TRANSIT STRIKE PROVISION.]

Notwithstanding the payment deadline specified in Minnesota Statutes, section 356.195, subdivision 2, paragraph (b), a Metro Transit employee covered by the general state employees retirement plan of the Minnesota State Retirement System who was on strike on or after January 1, 2004, and before the effective date of this section, is authorized to make a payment under that paragraph on or before one year after the effective date of this section.

Sec. 6. [CROSBY-IRONTON PUBLIC SCHOOL STRIKE PROVISION.]

Notwithstanding the payment deadline specified in Minnesota Statutes, section 356.195, subdivision 2, paragraph (b), a Crosby-Ironton public school teacher covered by the Teachers Retirement Association who was on strike during a period that included April 1, 2005, and before the effective date of this section, is authorized to make a payment under that paragraph on or before one year after the effective date of this section.

Sec. 7. [UNIVERSITY OF MINNESOTA STRIKE PROVISION.]

Notwithstanding the payment deadline specified in Minnesota Statutes, section 356.195, subdivision 2, paragraph (b), a University of Minnesota employee covered by the Minnesota State Retirement System who was on strike on or after October 21, 2003, and before the effective date of this section, is authorized to make a payment under that paragraph on or before one year after the effective date of this section.

Sec. 8. [EFFECTIVE DATE.]

(a) Sections 1 and 3 to 7 are effective the day following final enactment.

(b) Section 2 is effective retroactively from January 1, 2005, and applies to any person who was in active service as a judge on or after that date and applies to an authorized leave of absence that occurred before or after that date. For a person for whom section 2 is retroactive, the equivalent contribution payment must be made on or before July 1, 2006.

ARTICLE 4

ACTUARIAL FINANCIAL REPORTING AND OTHER GENERALLY APPLICABLE ADMINISTRATIVE CHANGES

Section 1. Minnesota Statutes 2004, section 352.01, subdivision 12, is amended to read:

Subd. 12. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date at a specified age with each actuarial present value based on the appropriate mortality table adopted by the board of directors based on the experience of the fund as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 2. Minnesota Statutes 2004, section 353.01, subdivision 14, is amended to read:

Subd. 14. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 3. Minnesota Statutes 2004, section 354.05, subdivision 7, is amended to read:

Subd. 7. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the association as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

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

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] (a) Upon granting any extended leave of absence under section 122A.46 or 136F.43, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. A member granted an extended leave of absence under section 122A.46 or 136F.43 may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave, provided that the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave. The employer may enter into an agreement with the exclusive bargaining representative of the teachers in the district under which, for an individual teacher, all or a portion of the employee's contribution is paid by the employer. Any such agreement must include a sunset of eligibility to qualify for the payment and must not be a part of the collective bargaining agreement. The leave period must not exceed five years. A member may not receive more than five years of allowable service credit under this section. The employee and employer contributions must be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave.

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

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

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

Sec. 5. Minnesota Statutes 2004, section 354A.011, subdivision 3a, is amended to read:

Subd. 3a. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the appropriate board of trustees based on the experience of that retirement fund association as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 6. Minnesota Statutes 2004, section 356.20, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF FINANCIAL REPORT.] (a) The financial report required by this section must contain financial statements and disclosures that indicate the financial operations and position of the retirement plan and fund. The report must conform with generally accepted governmental accounting principles, applied on a consistent basis. The report must be audited. The report must include, as part of its exhibits or ~~its~~ footnotes, an actuarial disclosure item based on the actuarial valuation calculations prepared by the ~~commission retained~~ retained under section 356.214 or by the actuary retained by the retirement fund or plan, ~~if applicable~~ whichever applies, according to applicable actuarial requirements enumerated in section 356.215, and specified in the most recent standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement. The accrued assets, the accrued liabilities, including accrued reserves, and the unfunded actuarial accrued liability of the fund or plan must be disclosed. The disclosure item must contain a declaration by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214 or the actuary retained by the fund or plan, whichever applies, specifying that the required reserves for any retirement, disability, or survivor benefits provided under a benefit formula are computed in accordance with the entry age actuarial cost method and in accordance with the most recent applicable standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

(b) Assets of the fund or plan contained in the disclosure item must include the following statement of the actuarial value of current assets as defined in section 356.215, subdivision 1:

	Value at cost	Value at market
Cash, cash equivalents, and short-term securities	
Accounts receivable	
Accrued investment income	
Fixed income investments	
Equity investments other than real estate	
Real estate investments	
Equipment	
<u>Equity Participation</u> in the Minnesota postretirement investment fund <u>or the retirement benefit fund</u>	
Other	
Total assets		
Value at cost	
Value at market	
<u>Actuarial</u> value of current assets	

(c) The unfunded actuarial accrued liability of the fund or plan contained in the disclosure item must include the following measures of unfunded actuarial accrued liability, using the actuarial value of current assets:

(1) the unfunded actuarial accrued liability, determined by subtracting the current assets and the present value of future normal costs from the total current and expected future benefit obligations; and

(2) the unfunded pension benefit obligation, determined by subtracting the current assets from the actuarial present value of credited projected benefits.

If the current assets of the fund or plan exceed the actuarial accrued liabilities, the excess must be disclosed and indicated as a surplus.

(d) The pension benefit obligations schedule included in the disclosure must contain the following information on the benefit obligations:

(1) the pension benefit obligation, determined as the actuarial present value of credited projected benefits on account of service rendered to date, separately identified as follows:

- (i) for annuitants;
 - retirement annuities;
 - disability benefits;
 - surviving spouse and child benefits;
- (ii) for former members without vested rights;
- (iii) for deferred annuitants' benefits, including any augmentation;

- (iv) for active employees;
 - accumulated employee contributions,
 - including allocated investment income;
 - employer-financed benefits vested;
 - employer-financed benefits nonvested;

total pension benefit obligation; and

(2) if there are additional benefits not appropriately covered by the foregoing items of benefit obligations, a separate identification of the obligation.

(e) The report must contain an itemized exhibit describing the administrative expenses of the plan, including, but not limited to, the following items, classified on a consistent basis from year to year, and with any further meaningful detail:

- (1) personnel expenses;
- (2) communication-related expenses;
- (3) office building and maintenance expenses;
- (4) professional services fees; and
- (5) other expenses.

(f) The report must contain an itemized exhibit describing the investment expenses of the plan, including, but not limited to, the following items, classified on a consistent basis from year to year, and with any further meaningful detail:

- (1) internal investment-related expenses; and
- (2) external investment-related expenses.

(g) Any additional statements or exhibits or more detailed or subdivided itemization of a disclosure item that will enable the management of the fund to portray a true interpretation of the fund's financial condition must be included in the additional statements or exhibits.

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

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

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

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

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

Sec. 8. Minnesota Statutes 2004, section 422A.01, subdivision 6, is amended to read:

Subd. 6. [PRESENT WORTH OR PRESENT VALUE.] "Present worth" or "present value" means that the present amount of money if increased at the applicable postretirement or preretirement interest rate assumption specified in section 356.215, subdivision 8, and based on the mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, will at retirement equal the actuarial accrued liability of the annuity already earned.

Sec. 9. Minnesota Statutes 2004, section 490.121, subdivision 20, is amended to read:

Subd. 20. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of ~~trustees~~ directors of the Minnesota State Retirement System based on the experience of the fund as recommended by the ~~commission-retained~~ actuary retained under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 10. [EFFECTIVE DATE.]

(a) Sections 1 to 5, 8, and 9 are effective July 1, 2005.

(b) Section 6 is effective the day following final enactment and applies to annual financial reporting occurring on or after June 30, 2005.

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

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

ARTICLE 5

MEMBERSHIP INCLUSIONS AND EXCLUSIONS

Section 1. Minnesota Statutes 2004, section 69.011, is amended by adding a subdivision to read:

Subd. 2c. [INELIGIBILITY OF CERTAIN POLICE OFFICERS.] A police officer employed by the University of Minnesota who is required by the Board of Regents to be a member of the University of Minnesota faculty retirement plan is not eligible to be included in any police state-aid certification under this section.

Sec. 2. Minnesota Statutes 2004, section 352.01, subdivision 2a, is amended to read:

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

(1) employees of the Minnesota Historical Society;

- (2) employees of the State Horticultural Society;
- (3) employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed before July 1, 1963;
- (4) employees of the Minnesota Crop Improvement Association;
- (5) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (6) employees of the Minnesota State Colleges and Universities employed under the university or college activities program;
- (7) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);
- (8) employees of the Armory Building Commission;
- (9) employees of the legislature appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;
- (10) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
- (11) employees of the Minnesota Safety Council;
- (12) any employees on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;
- (13) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, Metropolitan Mosquito Control Commission, or Metropolitan Radio Board unless excluded or covered by another public pension fund or plan under section 473.415, subdivision 3;
- (14) judges of the Tax Court;
- (15) personnel employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization; ~~and~~
- (16) seasonal help in the classified service employed by the Department of Revenue; and
- (17) persons employed by the Department of Commerce as a peace officer in the Insurance Fraud Prevention Division under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4.

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

Sec. 3. Minnesota Statutes 2004, section 352.91, is amended by adding a subdivision to read:

Subd. 4a. [PROCESS FOR EVALUATING AND RECOMMENDING POTENTIAL EMPLOYMENT POSITIONS FOR MEMBERSHIP INCLUSION.] (a) The Department of Corrections and the Department of Human Services must establish a procedure for evaluating periodic requests by department employees for qualification for recommendation by the commissioner for inclusion of the employment position in the correctional facility or human services facility in the correctional retirement plan and for periodically determining employment positions that no longer qualify for continued correctional retirement plan coverage.

(b) The procedure must provide for an evaluation of the extent of the employee's working time spent in direct contact with patients or inmates, the extent of the physical hazard that the employee is routinely subjected to in the course of employment, and the extent of intervention routinely expected of the employee in the event of a facility incident. The percentage of routine direct contact with inmates or patients may not be less than 75 percent.

(c) The applicable commissioner shall notify the employee of the determination of the appropriateness of recommending the employment position for inclusion in the correctional retirement plan, if the evaluation procedure results in a finding that the employee:

(1) routinely spends 75 percent of the employee's time in direct contact with inmates or patients; and

(2) is regularly engaged in the rehabilitation, treatment, custody, or supervision of inmates or patients.

(d) After providing the affected employee an opportunity to dispute or clarify any evaluation determinations, if the commissioner determines that the employment position is appropriate for inclusion in the correctional retirement plan, the commissioner shall forward that recommendation and supporting documentation to the chair of the Legislative Commission on Pensions and Retirement, the chair of the State and Local Governmental Operations Committee of the senate, the chair of the Governmental Operations and Veterans Affairs Policy Committee of the house of representatives, and the executive director of the Legislative Commission on Pensions and Retirement in the form of the appropriate proposed legislation. The recommendation must be forwarded to the legislature before January 15 for the recommendation to be considered in that year's legislative session.

Sec. 4. Minnesota Statutes 2004, section 352B.01, subdivision 2, is amended to read:

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

(1) a State Patrol member currently employed after June 30, 1943, under section 299D.03 by the state, who is a peace officer under section 626.84, and whose salary or compensation is paid out of state funds;

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

(3) a crime bureau officer who was employed by the crime bureau and was a member of the Highway Patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds;

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

(5) a public safety employee defined as a peace officer in section 626.84, subdivision 1, paragraph (c), and employed with the Division of Alcohol and Gambling Enforcement under section 299L.01; ~~and~~

(6) a Fugitive Apprehension Unit officer after October 31, 2000, employed by the Office of Special Investigations of the Department of Corrections who is a peace officer under section 626.84; and

(7) an employee of the Department of Commerce defined as a peace officer in section 626.84, subdivision 1, paragraph (c), who is employed by the Division of Insurance Fraud Prevention under section 45.0135 after January 1, 2005, and who has not attained the mandatory retirement age specified in section 43A.34, subdivision 4.

Sec. 5. Minnesota Statutes 2004, section 353.01, subdivision 6, is amended to read:

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

(b) Governmental subdivision also means the Public Employees Retirement Association, the League of Minnesota Cities, the Association of Metropolitan Municipalities, public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions, the Association of Minnesota Counties, the Metropolitan Intercounty Association, the Minnesota Municipal Utilities Association, the Metropolitan Airports Commission, the University of Minnesota with respect to police officers covered by the public employees police and fire retirement plan, the Minneapolis Employees Retirement Fund for employment initially commenced after June 30, 1979, the Range Association of Municipalities and Schools, soil and water conservation districts, economic development authorities created or operating under sections 469.090 to 469.108, the Port Authority of the city of St. Paul, the Spring Lake Park Fire Department, incorporated, the Lake Johanna Volunteer Fire Department, incorporated, the Red Wing Environmental Learning Center, and the Dakota County Agricultural Society.

(c) Governmental subdivision does not mean any municipal housing and redevelopment authority organized under the provisions of sections 469.001 to 469.047; or any port authority organized under sections 469.048 to 469.089 other than the Port Authority of the city of St. Paul; or any hospital district organized or reorganized prior to July 1, 1975, under sections 447.31 to 447.37 or the successor of the district, nor the Minneapolis Community Development Agency.

Sec. 6. Minnesota Statutes 2004, section 353.64, is amended by adding a subdivision to read:

Subd. 6a. [UNIVERSITY OF MINNESOTA POLICE OFFICERS; INCLUSIONS AND EXCLUSIONS.] (a) Unless paragraph (b) applies, a person who is employed as a peace officer by the University of Minnesota at any campus or facility of the university, who is required by the university to be and is licensed as a peace officer by the Minnesota Peace Officer Standards and Training Board under sections 626.84 to 626.863, and who has the full power of arrest is a member of the public employees police and fire retirement plan.

(b) A police officer employed by the University of Minnesota who is required by the Board of Regents to contribute to the University of Minnesota faculty retirement plan is not eligible to be a member of the public employees police and fire retirement plan.

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. [EFFECTIVE DATE.]

(a) Sections 1, 3, 5, and 6 are effective July 1, 2005.(b) Sections 2 and 4 are effective retroactively from January 1, 2005.(c) Sections 7 and 8 are effective the day following final enactment.

ARTICLE 6

RETIREMENT CONTRIBUTIONS

Section 1. Minnesota Statutes 2004, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] (a) The employee contribution is the following applicable percentage of the total salary amount for a "basic member" and for a "coordinated member":

	Basic Program	Coordinated Program
Before January 1, 2002	8.75	4.75
Effective January 1, 2002		
<u>Effective before January 1, 2006</u>	<u>9.10</u>	<u>5.10</u>
<u>Effective January 1, 2006</u>	<u>9.10</u>	<u>5.50</u>
<u>Effective January 1, 2007</u>	<u>9.10</u>	<u>5.75</u>
<u>Effective January 1, 2008</u>	<u>9.10</u>	<u>6.00 plus any contribution rate adjustment under subdivision 3b</u>

(b) These contributions must be made by deduction from salary as defined in section 353.01, subdivision 10, in the manner provided in subdivision 4. ~~Where~~ If any portion of a member's salary is paid from other than public funds, ~~such~~ the member's employee contribution must be based on the total salary received by the member from all sources.

Sec. 2. Minnesota Statutes 2004, section 353.27, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION.] (a) The employer contribution is the following applicable percentage of the total salary amount for "basic members" and for "coordinated members":

	Basic Program	Coordinated Program
Before January 1, 2002	8.75	4.75
Effective January 1, 2002		

<u>Effective before January 1, 2006</u>	<u>9.10</u>	<u>5.10</u>
<u>Effective January 1, 2006</u>	<u>9.10</u>	<u>5.50</u>
<u>Effective January 1, 2007</u>	<u>9.10</u>	<u>5.75</u>
<u>Effective January 1, 2008</u>	<u>9.10</u>	<u>6.00 plus any contribution rate adjustment under subdivision 3b</u>

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

Sec. 3. Minnesota Statutes 2004, section 353.27, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL EMPLOYER CONTRIBUTION.] (a) An additional employer contribution must be made equal to ~~(1) 2.68 percent of the following applicable percentage of the total salary of each amount for "basic member members"; and (2) .43 percent of the total salary of each for "coordinated member members";~~

	<u>Basic Program</u>	<u>Coordinated Program</u>
<u>Effective before January 1, 2006</u>	<u>2.68</u>	<u>.43</u>
<u>Effective January 1, 2006</u>	<u>2.68</u>	<u>.50</u>
<u>Effective January 1, 2009</u>	<u>2.68</u>	<u>.75</u>
<u>Effective January 1, 2010</u>	<u>2.68</u>	<u>1.00</u>

These contributions must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

(b) The coordinated program contribution rates set forth in paragraph (a) effective for January 1, 2009, or January 1, 2010, must not be implemented if, following receipt of the July 1, 2008, or July 1, 2009, annual actuarial valuation reports under section 356.215, respectively, the actuarially required contributions are equal to or less than the total rates under this section in effect as of January 1, 2008.

(c) This subdivision is repealed once the actuarial value of the assets of the plan equal or exceed the actuarial accrued liability of the plan as determined by the actuary retained by the Legislative Commission on Pensions and Retirement under section 356.215. The repeal is effective on the first day of the first full pay period occurring after March 31 of the calendar year following the issuance of the actuarial valuation upon which the repeal is based.

Sec. 4. Minnesota Statutes 2004, section 353.27, is amended by adding a subdivision to read:

Subd. 3b. [CHANGE IN EMPLOYEE AND EMPLOYER CONTRIBUTIONS IN CERTAIN INSTANCES.] (a) For purposes of this section, a contribution sufficiency exists if the total of the employee contribution under subdivision 2, the employer contribution under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision exceeds the total of the

normal cost, the administrative expenses, and the amortization contribution of the retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement. For purposes of this section, a contribution deficiency exists if the total of the employee contributions under subdivision 2, the employer contributions under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision is less than the total of the normal cost, the administrative expenses, and the amortization contribution of the retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement.

(b) Employee and employer contributions under subdivisions 2 and 3 must be adjusted:

(1) if, after July 1, 2010, the regular actuarial valuations of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicate that there is a contribution sufficiency under paragraph (a) equal to or greater than 0.5 percent of covered payroll for two consecutive years, the coordinated program employee and employer contribution rates must be decreased as determined under paragraph (c) to a level such that the sufficiency equals no more than 0.25 percent of covered payroll based on the most recent actuarial valuation; or

(2) if, after July 1, 2010, the regular actuarial valuations of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicate that there is a deficiency equal to or greater than 0.5 percent of covered payroll for two consecutive years, the coordinated program employee and employer contribution rates must be increased as determined under paragraph (c) to a level such that no deficiency exists based on the most recent actuarial valuation.

(c) The contribution rate increase or decrease must be determined by the executive director of the Public Employees Retirement Association, must be reported to the chair and the executive director of the Legislative Commission on Pensions and Retirement on or before the next February 1, and, if the Legislative Commission on Pensions and Retirement does not recommend against the rate change or does not recommend a modification in the rate change, is effective on the next July 1 following the determination by the executive director that a contribution deficiency or sufficiency has existed for two consecutive fiscal years based on the most recent actuarial valuations under section 356.215. If the actuarially required contribution exceeds or is less than the total support provided by the combined employee and employer contribution rates by more than 0.5 percent of covered payroll, the coordinated program employee and employer contribution rates must be adjusted incrementally over one or more years to a level such that there remains a contribution sufficiency of no more than 0.25 percent of covered payroll.

(d) No incremental adjustment may exceed 0.25 percent for either the coordinated program employee and employer contribution rates per year in which any adjustment is implemented. A contribution rate adjustment under this subdivision must not be made until at least two years have passed since fully implementing a previous adjustment under this subdivision.

Sec. 5. Minnesota Statutes 2004, section 353.28, subdivision 5, is amended to read:

Subd. 5. [~~INTEREST CHARGES CHARGEABLE ON AMOUNTS DUE.~~] Any amount due under this section or section 353.27, subdivision 4, is payable with interest at an annual compound rate of 8.5 percent ~~compounded annually~~ from the date due until the date payment is received by the association, with a minimum interest charge of \$10. ~~Interest for past due payments of excess police state aid under section 69.031, subdivision 5, must be charged at an annual rate of 8.5 percent compounded annually.~~

Sec. 6. Minnesota Statutes 2004, section 353.28, subdivision 6, is amended to read:

Subd. 6. ~~[FAILURE TO PAY COLLECTION OF UNPAID AMOUNTS.]~~ (a) ~~If the a governmental subdivision which receives the direct proceeds of property taxation fails to pay amounts an amount due under chapters chapter 353, 353A, 353B, 353C, and or 353D or fails to make payments of excess police state aid to the public employees police and fire fund under section 69.031, subdivision 5, the executive director shall certify those amounts the amount to the governmental subdivision for payment. If the governmental subdivision fails to remit the sum so due in a timely fashion, the executive director shall certify amounts the amount to the applicable county auditor for collection. The county auditor shall collect such amounts the amount out of the revenue of the governmental subdivision, or shall add them the amount to the levy of the governmental subdivision and make payment directly to the association. This tax shall must be levied, collected, and apportioned in the manner that other taxes are levied, collected, and apportioned.~~

(b) If a governmental subdivision which is not funded directly from the proceeds of property taxation fails to pay an amount due under this chapter, the executive director shall certify the amount to the governmental subdivision for payment. If the governmental subdivision fails to pay the amount for a period of 60 days after certification, the executive director shall certify the amount to the commissioner of finance, who shall deduct the amount from any subsequent state-aid payment or state appropriation amount applicable to the governmental subdivision.

Sec. 7. Minnesota Statutes 2004, section 353.65, subdivision 2, is amended to read:

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

(b) For calendar year 2006, the employee contribution rate is 7.0 percent. For calendar year 2007, the employee contribution rate is 7.8 percent. For calendar year 2008, the employee contribution rate is 8.6 percent. For calendar year 2009 and thereafter, the employee contribution rate is 9.4 percent.

Sec. 8. Minnesota Statutes 2004, section 353.65, subdivision 3, is amended to read:

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

(b) For calendar year 2006, the employer contribution rate is 10.5 percent. For calendar year 2007, the employer contribution rate is 11.7 percent. For calendar year 2008, the employer contribution rate is 12.9 percent. For calendar year 2009 and thereafter, the employer contribution rate is 14.1 percent.

Sec. 9. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; INTEREST ON SERVICE CREDIT PURCHASE PAYMENT RETURN.]

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

Sec. 10. [RETURN OF PRIOR SERVICE CREDIT PURCHASE PAYMENT FOR CERTAIN MINNEAPOLIS CITY EMPLOYEES.]

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

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

Sec. 11. [EFFECTIVE DATE.]

(a) Sections 5 and 6 are effective retroactive to July 1, 2005.

(b) Sections 9 and 10 are effective the day following final enactment.

(c) Section 10 expires June 30, 2005.

ARTICLE 7

PENSION BENEFITS UPON PRIVATIZATION

Section 1. Minnesota Statutes 2004, section 353F.02, subdivision 4, is amended to read:

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

(1) Bridges Medical Services;

(2) the Fair Oaks Lodge, Wadena;

~~(2)~~ (3) the Glencoe Area Health Center;

~~(3)~~ (4) the Hutchinson Area Health Care;

(5) the Kanabec Hospital;

~~(4)~~ (6) the Luverne Public Hospital;

(7) the Northfield Hospital;

~~(5)~~ (8) the RenVilla Nursing Home;

~~(6)~~ (9) the Renville County Hospital in Olivia;

~~(7)~~ (10) the St. Peter Community Healthcare Center; and

~~(8)~~ (11) the Waconia-Ridgeview Medical Center.

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

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

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

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

Sec. 3. Laws 2004, chapter 267, article 12, section 4, is amended to read:

Sec. 4. [EFFECTIVE DATE.]

(a) Section 1, relating to the Fair Oaks Lodge, Wadena, is effective upon the latter of:

(1) the day after the governing body of Todd County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the day after the governing body of Wadena County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(b) Section 1, relating to the RenVilla Nursing Home, is effective upon the latter of:

(1) the day after the governing body of the city of Renville and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, except that the certificate of approval must be filed before January 1, 2006; and

(2) the first day of the month next following certification to the governing body of the city of Renville by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized RenVilla Nursing Home employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement, or the actuary retained under Minnesota Statutes, section 356.214, whichever is applicable.

(c) The cost of the actuarial calculations must be borne by the city of Renville or the purchaser of the RenVilla Nursing Home.

(d) Section 1, relating to the St. Peter Community Healthcare Center, is effective upon the later of:

(1) the day after the governing body of the city of St. Peter and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of St. Peter by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized St. Peter Community Healthcare Center employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement, or the actuary retained under Minnesota Statutes, section 356.214, whichever is applicable.

(e) The cost of the actuarial calculations must be borne by the city of St. Peter or the purchaser of the St. Peter Community Healthcare Center.

(f) If the required actions under paragraphs (b) and (c) occur, section 1 applies retroactively to the RenVilla Nursing Home as of the date of privatization.

(g) If the required actions under paragraph (a) occur, section 1 applies retroactively to Fair Oaks Lodge, Wadena, as of January 1, 2004.

(h) Sections 2 and 3 are effective ~~on~~ the day following final enactment.

Sec. 4. [EFFECTIVE DATE.]

(a) Section 1, relating to Bridges Medical Services, is effective upon the later of:

(1) the day after the governing body of the city of Ada and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of Ada by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Bridges Medical Services employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained under Minnesota Statutes, section 356.214.

(b) Section 1, relating to the Hutchinson Area Health Care, is effective upon the later of:

(1) the day after the governing body of the city of Hutchinson and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of Hutchinson by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Hutchinson Area Health Care employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement.

(c) Section 1, relating to the Northfield Hospital, is effective upon the later of:

(1) the day after the governing body of the city of Northfield and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of Northfield by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Northfield Hospital employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement.

(d) The cost of the actuarial calculations must be borne by the facility, the city in which the facility is located, or the purchaser of the facility.

(e) If the required actions in paragraphs (a), (b), or (c) and (d) occur, section 1 applies retroactively to the date of privatization.

(f) Section 3 is effective the day following final enactment.

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

ARTICLE 8

FIRST CLASS CITY TEACHER RETIREMENT FUND ASSOCIATIONS

Section 1. Minnesota Statutes 2004, section 354A.021, is amended by adding a subdivision to read:

Subd. 9. [UPDATED ARTICLES OF INCORPORATION AND BYLAWS; FILING.] (a) On or before July 1, 2006, and within six months of the date of the approval of any amendment to the articles of incorporation or bylaws, the chief administrative officer of each first class city teacher retirement fund association shall prepare and publish an updated compilation of the articles of incorporation and the bylaws of the association.

(b) The chief administrative officer of the first class city teacher retirement fund association must certify the accuracy and the completeness of the compilation.

(c) The compilation of the articles of incorporation and bylaws of a first class city teacher retirement fund association must contain an index.

(d) The compilation must be made available to association members and other interested parties. The association may charge a fee for a copy that reflects the price of printing or otherwise producing the copy. Two copies of the compilation must be filed, without charge, by each retirement fund association with the Legislation Commission on Pensions and Retirement, the Legislative Reference Library, the state auditor, the commissioner of education, the chancellor of the Minnesota State Colleges and Universities system, and the superintendent of the applicable school district.

(e) A first class city teacher retirement fund association may contract with the revisor of statutes for the preparation of the compilation.

(f) If a first class city teacher retirement fund association makes an updated copy of its articles of incorporation and bylaws available on its Web site, the retirement fund association is not obligated to file a hard copy of the documents under paragraph (d) for the applicable filing period.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 2005.

ARTICLE 9

MINNESOTA STATE COLLEGES AND UNIVERSITIES
INDIVIDUAL RETIREMENT ACCOUNT PLAN CHANGES

Section 1. Minnesota Statutes 2004, section 354B.25, subdivision 2, is amended to read:

Subd. 2. [INVESTMENT OPTIONS.] (a) The plan administrator shall arrange for the purchase of investment products.

(b) The investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board.

(c) Various investment accounts offered through the Minnesota supplemental investment fund established under section 11A.17 and administered by the State Board of Investment ~~is one of the~~ may be included as investment products for the individual retirement account plan. Direct access must also be provided to lower expense and no-load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

- (1) savings accounts at federally insured financial institutions;
- (2) life insurance contracts, fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;
- (3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;
- (4) investment options from a firm that is a registered investment advisor under the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and
- (5) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 10

SUPPLEMENTAL RETIREMENT PLANS

Section 1. Minnesota Statutes 2004, section 356.24, subdivision 1, is amended to read:

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

- (1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

- (2) to a plan that provides solely for group health, hospital, disability, or death benefits;
- (3) to the individual retirement account plan established by chapter 354B;
- (4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;
- (5) for employees other than personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and covered under the Higher Education Supplemental Retirement Plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee;
- (i) to the state of Minnesota deferred compensation plan under section 352.96; or
- (ii) in payment of the applicable portion of the contribution made to any investment eligible under section 403(b) of the Internal Revenue Code, if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year;
- (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;
- (7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;
- (8) to the laborer's national industrial pension fund or to a laborer's local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~\$2,000~~ \$5,000 per year per employee;
- (9) to the plumbers' and pipefitters' national pension fund or to a plumbers' and pipefitters' local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~\$2,000~~ \$5,000 per year per employee;
- (10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~\$2,000~~ \$5,000 per year per employee; or
- (11) to a supplemental plan organized and operated under the federal Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay at the date of retirement or the termination of active employment.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 11

VOLUNTEER FIREFIGHTER RELIEF
ASSOCIATION CHANGES

Section 1. Minnesota Statutes 2004, section 69.051, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL REPORT AND AUDIT.] The board of each salaried firefighters relief association, police relief association, and volunteer firefighters relief association as defined in section 424A.001, subdivision 4, with assets of at least \$200,000 or liabilities of at least \$200,000 in the prior year or in any previous year, according to the ~~most recent~~ applicable actuarial valuation or financial report if no valuation is required, shall:

(1) prepare a financial report covering the special and general funds of the relief association for the preceding fiscal year on a form prescribed by the state auditor. The financial report ~~shall~~ must contain financial statements and disclosures which present the true financial condition of the relief association and the results of relief association operations in conformity with generally accepted accounting principles and in compliance with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report ~~shall~~ must be countersigned by the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters relief association which is directly associated with a municipal fire department or is a police relief association, or countersigned by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation;

(2) file the financial report in its office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report ~~shall~~ must be furnished to the state auditor after the close of the fiscal year; and

(3) submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year. The state auditor may accept this report in lieu of the report required in clause (2).

Sec. 2. Minnesota Statutes 2004, section 69.051, subdivision 1a, is amended to read:

Subd. 1a. [FINANCIAL STATEMENT.] (a) The board of each volunteer firefighters relief association, as defined in section 424A.001, subdivision 4, ~~with assets of less than \$200,000 and liabilities less than \$200,000, according to the most recent financial report, shall~~ that is not required to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show the sources and amounts of all money received; all disbursements, accounts payable and accounts receivable; the amount of money remaining in the treasury; total assets including a listing of all investments; the accrued liabilities; and all items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement required under paragraph (a) must be certified by an independent public accountant or auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The independent accountant or auditor ~~shall~~ must have at least five years of public accounting, auditing, or similar experience, and ~~shall~~ must not be an active, inactive, or retired member of the relief association or the fire or police department.

(c) The detailed statement required under paragraph (a) must be countersigned by the municipal clerk or clerk-treasurer of the municipality, or, where applicable, by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation.

(d) The volunteer firefighters' relief association board must file the detailed statement required under paragraph (a) in the relief association office for public inspection and present it to the city council within 45 days after the close of the fiscal year, and must submit a copy of the detailed statement to the state auditor within 90 days of the close of the fiscal year.

Sec. 3. Minnesota Statutes 2004, section 69.771, is amended to read:

69.771 [VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION FINANCING GUIDELINES ACT; APPLICATION.]

Subdivision 1. [COVERED RELIEF ASSOCIATIONS.] The applicable provisions of sections 69.771 to 69.776 ~~shall~~ apply to any firefighters' relief association other than a relief association enumerated in section 69.77, subdivision 1a, which is organized under any laws of this state, which is composed of volunteer firefighters or is composed partially of volunteer firefighters and partially of salaried firefighters with retirement coverage provided by the public employees police and fire fund and which, in either case, operates subject to the service pension minimum requirements for entitlement and maximums contained in section 424A.02, or subject to a special law modifying those requirements or maximums.

Subd. 2. [AUTHORIZED EMPLOYER SUPPORT FOR A RELIEF ASSOCIATION.] Notwithstanding any law to the contrary, a municipality may lawfully contribute public funds, including the transfer of any applicable fire state aid, or may levy property taxes for the support of a firefighters' relief association specified in subdivision 1, however organized, which provides retirement coverage or pays a service pension to retired firefighter or a retirement benefit to a disabled firefighter or a surviving dependent of either an active or retired firefighter for the operation and maintenance of the relief association only if the municipality and the relief association both comply with the applicable provisions of sections 69.771 to 69.776.

Subd. 3. [REMEDY FOR NONCOMPLIANCE; DETERMINATION.] ~~Any (a)~~ A municipality in which there exists a firefighters' relief association as specified in subdivision 1 which does not comply with the applicable provisions of sections 69.771 to 69.776 or the provisions of any applicable special law relating to the funding or financing of the association ~~shall~~ does not qualify initially to receive, ~~or be and is not~~ entitled subsequently to retain, fire state aid ~~pursuant to~~ under sections 69.011 to 69.051 until the reason for the disqualification specified by the state auditor is remedied, whereupon the municipality or relief association, if otherwise qualified, ~~shall be~~ is entitled to again receive fire state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied.

(b) The state auditor shall determine if a municipality to which a firefighters' relief association is directly associated or a firefighters' relief association fails to comply with the provisions of sections 69.771 to 69.776 or the funding or financing provisions of any applicable special law based upon the information contained in the annual financial report of the firefighters' relief association required ~~pursuant to~~ under section 69.051, the actuarial valuation of the relief association, if applicable, the relief association officers' financial requirements of the relief association and minimum municipal obligation determination documentation under section 69.772, subdivisions 3 and 4; 69.773, subdivisions 4 and 5; or 69.774, subdivision 2, if requested to be filed by the state auditor, the applicable municipal or nonprofit firefighting corporation budget, if requested to be filed by the state auditor, and any other relevant documents or reports obtained by the state auditor.

(c) The municipality or nonprofit firefighting corporation and the associated relief association are not eligible to receive or to retain fire state aid if:

- (1) the relief association fails to prepare or to file the financial report or financial statement under section 69.051;
- (2) the relief association treasurer is not bonded in the manner and in the amount required by section 69.051, subdivision 2;
- (3) the relief association officers fail to determine or improperly determine the accrued liability and the annual accruing liability of the relief association under section 69.772, subdivisions 2, 2a, and 3, paragraph (c), clause (2), if applicable;
- (4) if applicable, the relief association officers fail to obtain and file a required actuarial valuation or the officers file an actuarial valuation that does not contain the special fund actuarial liability calculated under the entry age normal actuarial cost method, the special fund current assets, the special fund unfunded actuarial accrued liability, the special fund normal cost under the entry age normal actuarial cost method, the amortization requirement for the special fund unfunded actuarial accrued liability by the applicable target date, a summary of the applicable benefit plan, a summary of the membership of the relief association, a summary of the actuarial assumptions used in preparing the valuation, and a signed statement by the actuary attesting to its results and certifying to the qualifications of the actuary as an approved actuary under section 356.215, subdivision 1, paragraph (c);
- (5) the municipality failed to provide a municipal contribution, or the nonprofit firefighting corporation failed to provide a corporate contribution, in the amount equal to the minimum municipal obligation if the relief association is governed under section 69.772, or the amount necessary, when added to the fire state aid actually received in the plan year in question, to at least equal in total the calculated annual financial requirements of the special fund of the relief association if the relief association is governed under section 69.773, and, if the municipal or corporate contribution is deficient, the municipality failed to include the minimum municipal obligation certified under section 69.772, subdivision 3, or 69.773, subdivision 5, in its budget and tax levy or the nonprofit firefighting corporation failed to include the minimum corporate obligation certified under section 69.774, subdivision 2, in the corporate budget;
- (6) the relief association did not receive municipal ratification for the most recent plan amendment when municipal ratification was required under section 69.772, subdivision 6; 69.773, subdivision 6; or 424A.02, subdivision 10;
- (7) the relief association invested special fund assets in an investment security that is not authorized under section 69.775;
- (8) the relief association had an administrative expense that is not authorized under section 69.80 or 424A.05, subdivision 3, or the municipality had an expenditure that is not authorized under section 424A.08;
- (9) the relief association officers fail to provide a complete and accurate public pension plan investment portfolio and performance disclosure under section 356.219;
- (10) the relief association fails to obtain the acknowledgment from a broker of the statement of investment restrictions under section 356A.06, subdivision 8b;
- (11) the relief association officers permitted to occur a prohibited transaction under section 356A.06, subdivision 9, or 424A.001, subdivision 7, or failed to undertake correction of a prohibited transaction that did occur; or

(12) the relief association pays a defined benefit service pension in an amount that is in excess of the applicable service pension maximum under section 424A.02, subdivision 3.

Sec. 4. Minnesota Statutes 2004, section 69.772, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL REQUIREMENTS OF RELIEF ASSOCIATION; MINIMUM OBLIGATION OF MUNICIPALITY.] (a) During the month of July, the officers of the relief association shall determine the overall funding balance of the special fund for the current calendar year, the financial requirements of the special fund for the following calendar year and the minimum obligation of the municipality with respect to the special fund for the following calendar year in accordance with the requirements of this subdivision.

~~(1)~~ (b) The overall funding balance of the special fund for the current calendar year ~~shall~~ must be determined in the following manner:

~~(a)~~ (1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the current year ~~shall~~ must be calculated ~~pursuant to~~ under subdivisions 2 and 2a, if applicable.

~~(b)~~ (2) The total present assets of the special fund projected to December 31 of the current year, including receipts by and disbursements from the special fund anticipated to occur on or before December 31 ~~shall~~ must be calculated. To the extent possible, for those assets for which a market value is readily ascertainable, the current market value as of the date of the calculation for those assets ~~shall~~ must be utilized in making this calculation. For any asset for which no market value is readily ascertainable, the cost value or the book value, whichever is applicable, ~~shall~~ must be utilized in making this calculation.

~~(c)~~ (3) The amount of the total present assets of the special fund calculated ~~pursuant to~~ under clause ~~(b)~~ (2) ~~shall~~ must be subtracted from the amount of the total accrued liability of the special fund calculated ~~pursuant to~~ under clause ~~(a)~~ (1). If the amount of total present assets exceeds the amount of the total accrued liability, then the special fund ~~shall be~~ is considered to have a surplus over full funding. If the amount of the total present assets is less than the amount of the total accrued liability, then the special fund ~~shall be~~ is considered to have a deficit from full funding. If the amount of total present assets is equal to the amount of the total accrued liability, then the special fund ~~shall be~~ is considered to be fully funded.

~~(2)~~ (c) The financial requirements of the special fund for the following calendar year ~~shall~~ must be determined in the following manner:

~~(a)~~ (1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the calendar year next following the current calendar year ~~shall~~ must be calculated ~~pursuant to~~ under subdivisions 2 and 2a, if applicable.

~~(b)~~ (2) The increase in the total accrued liability of the special fund for the following calendar year over the total accrued liability of the special fund for the current year ~~shall~~ must be calculated.

~~(c)~~ (3) The amount of anticipated future administrative expenses of the special fund ~~shall~~ must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

~~(d)~~ (4) If the special fund is fully funded, the financial ~~requirement~~ requirements of the special fund for the following calendar year ~~shall be~~ are the ~~figure which represents the increase in the total accrued liability of the special fund as amounts~~ calculated pursuant to subclause (b) under clauses (2) and (3).

~~(e)~~ (5) If the special fund has a deficit from full funding, the financial requirements of the special fund for the following calendar year ~~shall be~~ are the financial requirements of the special fund calculated as though the special fund were fully funded ~~pursuant to subclause (d) under clause (4)~~ plus an amount equal to one-tenth of the original amount of the deficit from full funding of the special fund as determined pursuant to this section for the calendar year 1971 until that deficit from full funding is fully retired, and plus an amount equal to one-tenth of the increase in the deficit from full funding of the special fund under clause (2) resulting either from an increase in the amount of the service pension accruing after December 31, 1971 occurring in the last ten years or from a net annual investment loss occurring during the last ten years until each increase in the deficit from full funding is fully retired. The annual amortization contribution under this clause may not exceed the amount of the deficit from full funding.

~~(f)~~ (6) If the special fund has a surplus over full funding, the financial requirements of the special fund for the following calendar year ~~shall be~~ are the financial requirements of the special fund calculated as though the special fund were fully funded ~~pursuant to subclause (d) under clause (4)~~ reduced by an amount equal to one-tenth of the amount of the surplus over full funding of the special fund.

~~(3)~~ (d) The minimum obligation of the municipality with respect to the special fund ~~shall be~~ is the financial requirements of the special fund reduced by the amount of any fire state aid payable ~~pursuant to~~ under sections 69.011 to 69.051 reasonably anticipated to be received by the municipality for transmittal to the special fund during the following calendar year, an amount of interest on the assets of the special fund projected to the beginning of the following calendar year calculated at the rate of five percent per annum, and the amount of any ~~anticipated~~ contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

Sec. 5. Minnesota Statutes 2004, section 69.772, subdivision 4, is amended to read:

Subd. 4. [CERTIFICATION OF FINANCIAL REQUIREMENTS AND MINIMUM MUNICIPAL OBLIGATION; LEVY.] (a) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined ~~pursuant to~~ under subdivision 3 to the governing body of the municipality on or before August 1 of each year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 69.051.

(b) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue.

(c) The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied ~~pursuant to~~ under this section ~~shall~~ must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(d) If the municipality does not include the full amount of the minimum municipal obligations in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the certified minimum municipal obligation on the taxable property of the municipality.

(e) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 69.771, subdivision 3, paragraph (c), clause (5), the state auditor may request a copy of the certifications under this subdivision from the relief association or from the city. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

Sec. 6. Minnesota Statutes 2004, section 69.773, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REQUIREMENTS OF SPECIAL FUND.] ~~Prior to~~ (a) On or before August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision.

(b) The financial requirements of the relief association ~~shall~~ must be based on the most recent actuarial valuation of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be determined by adding the figures calculated ~~pursuant to under paragraph (d), clauses (a) (1), (b) (2), and (c) (3).~~ If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be an amount equal to the figure calculated ~~pursuant to under paragraph (d), clauses (a) (1) and (b) (2),~~ reduced by an amount equal to one-tenth of the amount of any assets in excess of the actuarial accrued liability of the relief association.

(c) The determination of whether or not the relief association has an unfunded actuarial accrued liability ~~shall~~ must be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

(a) (d) The components of the financial requirements of the relief association are the following:

(1) The normal level cost requirement for the following year, expressed as a dollar amount, ~~shall be~~ is the figure for the normal level cost of the relief association as reported in the actuarial valuation.

(b) (2) The amount of anticipated future administrative expenses of the special fund ~~shall~~ must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

(c) (3) The amortization contribution requirement to retire the current unfunded actuarial accrued liability by the established date for full funding ~~shall be~~ is the figure for the amortization contribution as reported in the actuarial valuation. If there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both, payable from the special fund, or a change in the actuarial cost method used to value all or a portion of the special fund which change or changes, which by themselves, without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund ~~since December 31, 1970,~~ the established date for full funding ~~shall be~~ is the December 31, 1990 occurring ten years later. If there has been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund ~~since December 31, 1970, but prior to January 1, 1979 within the past 20 years,~~ the established date for full funding ~~shall be~~ is the December 31, 1998, and if there has been a change since December 31, 1978, the established date for full funding ~~shall~~ must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the special fund attributable to experience losses that have occurred since the most recent prior actuarial valuation must be determined and the level annual dollar contribution needed to amortize the experience loss over a period of ten years ending on the December 31 occurring ten years later must be calculated;

(ii) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with the provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

~~(iii)~~ (iii) the level annual dollar contribution needed to amortize this unfunded actuarial accrued liability amount by the date for full funding in effect ~~prior to~~ before the change ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect before any applicable change;

~~(iii)~~ (iv) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with any new provisions governing service pensions, retirement benefits, and actuarial assumptions and the remaining provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

~~(iv)~~ (v) the level annual dollar contribution needed to amortize the difference between the unfunded actuarial accrued liability amount calculated ~~pursuant to subclause (i)~~ under item (ii) and the unfunded actuarial accrued liability amount calculated ~~pursuant to subclause (iii)~~ under item (iv) over a period of 20 years starting December 31 of the year in which the change is effective ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change;

~~(v)~~ (vi) the annual amortization contribution calculated ~~pursuant to subclause (iv)~~ shall under item (v) must be added to the annual amortization contribution calculated ~~pursuant to subclause (ii)~~ under items (i) and (iii);

~~(vi)~~ (vii) the period in which the unfunded actuarial accrued liability amount determined in ~~subclause (iii)~~ item (iv) will be amortized by the total annual amortization contribution computed ~~pursuant to subclause (v)~~ shall under item (vi) must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change, rounded to the nearest integral number of years, but which ~~shall~~ must not exceed a period of 20 years from the end of the year in which the determination of the date for full funding using this procedure is made and which ~~shall~~ must not be less than the period of years beginning in the year in which the determination of the date for full funding using this procedure is made and ending by the date for full funding in effect before the change;

~~(vii)~~ (viii) the period determined ~~pursuant to subclause (vi)~~ shall under item (vii) must be added to the date as of which the actuarial valuation was prepared and the resulting date ~~shall be~~ is the new date for full funding.

Sec. 7. Minnesota Statutes 2004, section 69.773, subdivision 5, is amended to read:

Subd. 5. [MINIMUM MUNICIPAL OBLIGATION.] (a) The officers of the relief association shall determine the minimum obligation of the municipality with respect to the special fund of the relief association for the following calendar year ~~prior to~~ on or before August 1 of each year in accordance with the requirements of this subdivision.

(b) The minimum obligation of the municipality with respect to the special fund ~~shall be~~ is an amount equal to the financial requirements of the special fund of the relief association determined ~~pursuant to~~ under subdivision 4, reduced by the estimated amount of any fire state aid payable ~~pursuant to~~ under sections 69.011 to 69.051 reasonably anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following year and the amount of any anticipated contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(c) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined ~~pursuant to~~ under subdivision 4 and this subdivision to the governing body of the municipality by August 1 of each year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 69.051.

(d) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue. The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law or charter upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied ~~pursuant to~~ under this section ~~shall~~ must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(e) If the municipality does not include the full amount of the minimum municipal obligation in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the minimum municipal obligation on the taxable property of the municipality.

(f) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 69.771, subdivision 3, paragraph (c), clause (5), the state auditor may request from the relief association or from the city a copy of the certifications under this subdivision. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

Sec. 8. Minnesota Statutes 2004, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

(a) The special fund assets of ~~the a relief associations~~ association governed by sections 69.771 to 69.776 must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7.

(b) Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the special fund, not including any money market mutual funds, may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment under section 356A.06, subdivision 7.

(c) Securities held by the associations before June 2, 1989, that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date.

(d) The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the State Board of Investment under section 11A.17.

(e) The governing board of the association may certify general fund assets of the relief association for investment by the State Board of Investment in fixed income pools or in a separately managed account at the discretion of the State Board of Investment as provided in section 11A.14.

(f) The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 9. Minnesota Statutes 2004, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) [AUTHORITY.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with this subdivision.

(b) [SECURITIES GENERALLY.] The covered pension plan has the authority to purchase, sell, lend, or exchange the securities specified in paragraphs (c) to ~~(g)~~ (h), including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned as units in commingled trusts that own the securities described in paragraphs (c) to ~~(g)~~ (h).

(c) [GOVERNMENT OBLIGATIONS.] The covered pension plan may invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph include guaranteed or insured issues of (1) the United States, its agencies, its instrumentalities, or organizations created and regulated by an act of Congress; (2) Canada and its provinces, provided the principal and interest is payable in United States dollars; (3) the states and their municipalities, political subdivisions, agencies, or instrumentalities; (4) the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, or any other United States government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars.

(d) [CORPORATE OBLIGATIONS.] The covered pension plan may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(1) the principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof must be payable in United States dollars; and

(2) obligations must be rated among the top four quality categories by a nationally recognized rating agency.

(e) [OTHER OBLIGATIONS.] (1) The covered pension plan may invest funds in bankers acceptances, certificates of deposit, deposit notes, commercial paper, mortgage participation certificates and pools, asset backed securities, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(i) bankers acceptances and deposit notes of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit are limited to those issued by (A) United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies; or (B) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;

(iii) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3;

(v) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(vi) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts are limited to those fully insured by federal agencies; and

(viii) asset backed securities must be rated in the top four quality categories by a nationally recognized rating agency.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), the covered pension plan may purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(f) [CORPORATE STOCKS.] The covered pension plan may invest funds in stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof, any corporation organized under the laws of the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange an exchange regulated by an agency of the United States or of the Canadian national government, if they conform to the following provisions:

(1) the aggregate value of corporate stock investments, as adjusted for realized profits and losses, must not exceed 85 percent of the market or book value, whichever is less, of a fund, less the aggregate value of investments according to ~~subdivision 6~~ paragraph (h);

(2) investments must not exceed five percent of the total outstanding shares of any one corporation.

(g) [EXCHANGE TRADED FUNDS.] The covered pension plan may invest funds in exchange traded funds, subject to the maximums, the requirements, and the limitations set forth in paragraph (d), (e), (f), or (h), whichever applies.

(h) [OTHER INVESTMENTS.] (1) In addition to the investments authorized in paragraphs (b) to ~~(f)~~ (g), and subject to the provisions in clause (2), the covered pension plan may invest funds in:

- (i) venture capital investment businesses through participation in limited partnerships and corporations;
 - (ii) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;
 - (iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;
 - (iv) resource investments through limited partnerships, private placements, and corporations; and
 - (v) international securities.
- (2) The investments authorized in clause (1) must conform to the following provisions:
- (i) the aggregate value of all investments made according to clause (1) may not exceed 35 percent of the market value of the fund for which the covered pension plan is investing;
 - (ii) there must be at least four unrelated owners of the investment other than the ~~state board~~ covered pension plan for investments made under clause (1), item (i), (ii), (iii), or (iv);
 - (iii) covered pension plan participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), (iii), or (iv); and
 - (iv) covered pension plan participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The covered pension plan may not engage in any activity as a limited partner which creates general liability.

Sec. 10. Minnesota Statutes 2004, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) Annually on or before August 1 as part of the certification of the financial requirements and minimum municipal obligation determined under section 69.772, subdivision 4, or 69.773, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated under section 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
42 <u>41</u>	.50
84 <u>81</u>	1.00
126 <u>122</u>	1.50
168 <u>162</u>	2.00
209 <u>203</u>	2.50
252 <u>243</u>	3.00
294 <u>284</u>	3.50
335 <u>324</u>	4.00
378 <u>365</u>	4.50
420 <u>405</u>	5.00
503 <u>486</u>	6.00
587 <u>567</u>	7.00
672 <u>648</u>	8.00
755 <u>729</u>	9.00
839 <u>810</u>	10.00
923 <u>891</u>	11.00
1007 <u>972</u>	12.00
1090 <u>1053</u>	13.00
1175 <u>1134</u>	14.00
1259 <u>1215</u>	15.00
1342 <u>1296</u>	16.00
1427 <u>1377</u>	17.00
1510 <u>1458</u>	18.00
1594 <u>1539</u>	19.00
1677 <u>1620</u>	20.00
1762 <u>1701</u>	21.00
1845 <u>1782</u>	22.00
1888 <u>1823</u>	22.50
1929 <u>1863</u>	23.00
2014 <u>1944</u>	24.00
2098 <u>2025</u>	25.00
2183 <u>2106</u>	26.00
2267 <u>2187</u>	27.00
2351 <u>2268</u>	28.00
2436 <u>2349</u>	29.00
2520 <u>2430</u>	30.00
2604 <u>2511</u>	31.00
2689 <u>2592</u>	32.00
2773 <u>2673</u>	33.00
2857 <u>2754</u>	34.00
2942 <u>2834</u>	35.00
3026 <u>2916</u>	36.00
3110 <u>2997</u>	37.00
3194 <u>3078</u>	38.00
3278 <u>3159</u>	39.00
3362 <u>3240</u>	40.00

3446 <u>3321</u>	41.00
3530 <u>3402</u>	42.00
3614 <u>3483</u>	43.00
3698 <u>3564</u>	44.00
3782 <u>3645</u>	45.00
3866 <u>3726</u>	46.00
3950 <u>3807</u>	47.00
4034 <u>3888</u>	48.00
4118 <u>3969</u>	49.00
4202 <u>4050</u>	50.00
4286 <u>4131</u>	51.00
4370 <u>4212</u>	52.00

~~Effective beginning December 31, 2003:~~

4454 <u>4293</u>	53.00
4538 <u>4374</u>	54.00
4622 <u>4455</u>	55.00
4706 <u>4536</u>	56.00

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, the maximum lump sum service pension amount for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
\$..	\$10
11	20
16	30
23	40
27	50
32	60
43	80
54	100
65	120
77	140
86	160
97	180
108	200
131	240
151	280
173	320
194	360
216	400
239	440
259	480

281	520
302	560
324	600
347	640
367	680
389	720
410	760
432	800
486	900
540	1000
594	1100
648	1200
702	1300
756	1400
810	1500
864	1600
918	1700
972	1800
1026	1900
1080	2000
1134	2100
1188	2200
1242	2300
1296	2400
1350	2500
1404	2600
1458	2700
1512	2800
1566	2900
1620	3000
1672	3100
1726	3200
1753	3250
1780	3300
1820	3375
1834	3400
1888	3500
1942	3600
1996	3700
2023	3750
2050	3800
2104	3900
2158	4000
2212	4100
2265	4200
2319	4300
2373	4400
2427	4500
2481	4600
2535	4700
2589	4800

2643	4900
2697	5000
2751	5100
2805	5200
2859	5300
2913	5400
2967	5500
3021	5600
3075	5700
3129	5800
3183	5900
3237	6000
3291	6100
3345	6200
3399	6300
3453	6400
3507	6500
3561	6700
3669	6800
3723	6900
3777	7000

~~Effective beginning December 31, 2003:~~

3831	7100
3885	7200
3939	7300
3993	7400
4047	7500

(e) For a relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than the largest applicable flexible service pension maximum amount even if the amount of available financing per firefighter is greater than the financing amount associated with the largest applicable flexible service pension maximum.

Sec. 11. Minnesota Statutes 2004, section 424A.02, subdivision 4, is amended to read:

Subd. 4. [DEFINED CONTRIBUTION LUMP SUM SERVICE PENSIONS.] (a) If the bylaws governing the relief association so provide exclusively, the relief association may pay a defined contribution lump sum service pension in lieu of any defined benefit service pension governed by subdivision 2.

(b) An individual account for each firefighter who is a member of the relief association ~~shall~~ must be established. To each individual active member account ~~shall~~ must be credited ~~a right to~~ an equal share of: ~~(a)~~ (1) any amounts of fire state aid received by the relief association; ~~(b)~~ (2) any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid; and ~~(c)~~ (3) any amounts equal to the share of the assets of the special fund to the credit of: ~~(1)~~ (i) any former member who terminated active service with the fire department to which the relief association is associated ~~prior to~~ before meeting the minimum service requirement provided for in subdivision 1 and has not returned to active service with the fire department for a period no shorter than five years; or ~~(2)~~ (ii) any retired member who retired ~~prior to~~ before obtaining a full nonforfeitable interest in the amounts credited to the individual member account ~~pursuant to~~ under subdivision 2 and any applicable provision of the bylaws of the relief association. In addition, any ~~interest or investment income earned~~ return on the assets of the special fund ~~shall~~ must be credited in proportion to the share of the assets of the special fund to the credit of each individual active member account through the date on which the investment return is recognized by and credited to the special fund.

(c) At the time of retirement ~~pursuant to~~ under subdivision 1 and any applicable provision of the bylaws of the relief association, a retiring member ~~shall be~~ is entitled to that portion of the assets of the special fund to the credit of the member in the individual member account which is nonforfeitable ~~pursuant to~~ under subdivision 2 and any applicable provision of the bylaws of the relief association based on the number of years of service to the credit of the retiring member.

Sec. 12. Minnesota Statutes 2004, section 424A.02, subdivision 7, is amended to read:

Subd. 7. [DEFERRED SERVICE PENSIONS.] (a) A member of a relief association ~~to which this section applies~~ is entitled to a deferred service pension if the member:

(1) has completed the lesser of the minimum period of active service with the fire department specified in the bylaws or 20 years of active service with the fire department;

(2) has completed at least five years of active membership in the relief association; and

(3) separates from active service and membership before reaching age 50 or the minimum age for retirement and commencement of a service pension specified in the bylaws governing the relief association if that age is greater than age 50.

(b) The deferred service pension ~~starts~~ is payable when the former member reaches age 50₁ or the minimum age specified in the bylaws governing the relief association if that age is greater than age 50₁ and when the former member makes a valid written application.

(c) A relief association that provides a lump sum service pension governed by subdivision 3 may, when its governing bylaws so provide, pay interest on the deferred lump sum service pension during the period of deferral. If provided for in the bylaws, interest must be paid in one of the following manners:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association or if the deferred benefit amount is invested in a separate investment vehicle held by the relief association;

(2) at ~~the~~ an interest rate of up to five percent, compounded annually, as set by the board of directors and approved as provided in subdivision 10; or

(3) at a rate equal to the actual time weighted total rate of return investment performance of the special fund as reported by the Office of the State Auditor under section 356.219, up to five percent, compounded annually, and applied consistently for all deferred service pensioners.

~~(d)~~ A relief association may not use the method provided for in ~~paragraph (c)~~, clause (3), until it has modified its bylaws to be consistent with that clause.

(d) Interest under paragraph (c), clause (2) or (3), is payable from the first day of the month next following the date on which the municipality has approved the deferred service pension interest rate established by the board of trustees or from the first day of the month next following the date on which the member separated from active fire department service and relief association membership, whichever is later, to the last day of the month immediately before the month in which the deferred member becomes eligible to begin receipt of the service pension and applies for the deferred service pension.

(e) A relief association that provides a defined contribution service pension may, if its governing bylaws so provide, credit interest or additional investment performance on the deferred lump sum service pension during the period of deferral. If provided for in the bylaws, the interest must be paid in one of the manners specified in paragraph (c) or alternatively the relief association may credit any investment return on the assets of the special fund of the defined contribution volunteer firefighter relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account through the date on which the investment return is recognized by and credited to the special fund.

(f) For a deferred service pension that is transferred to a separate account established and maintained by the relief association or separate investment vehicle held by the relief association, the deferred member bears the full investment risk subsequent to transfer and in calculating the accrued liability of the volunteer firefighters relief association that pays a lump sum service pension, the accrued liability for deferred service pensions is equal to the separate relief association account balance or the fair market value of the separate investment vehicle held by the relief association.

~~(g)~~ (g) The deferred service pension is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.

Sec. 13. [424A.021] [CREDIT FOR BREAK IN SERVICE TO PROVIDE UNIFORMED SERVICE.]

Subdivision 1. [AUTHORIZATION.] Subject to restrictions stated in this section, a volunteer firefighter who is absent from firefighting service due to service in the uniformed services, as defined in United States Code, title 38, section 4303(13), may obtain service credit if the relief association is a defined benefit plan or an allocation of any fire state aid, any municipal contributions, and any investment return received by the relief association if the relief association is a defined contribution plan for the period of the uniformed service, not to exceed five years, unless a longer period is required under United States Code, title 38, section 4312.

Subd. 2. [LIMITATIONS.] (a) To be eligible for service credit or an investment return allocation under this section, the volunteer firefighter must return to firefighting service with coverage by the same relief association or by the successor to that relief association upon discharge from service in the uniformed service within the time frame required in United States Code, title 38, section 4312(e).

(b) Service credit or an investment return allocation is not authorized if the firefighter separates from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(c) Service credit or an investment return allocation is not authorized if the firefighter fails to provide notice to the fire department that the individual is leaving to provide service in the uniformed service, unless it is not feasible to provide that notice due to the emergency nature of the situation.

Sec. 14. Minnesota Statutes 2004, section 424A.04, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) ~~Every~~ A relief association that is directly associated with a municipal fire department ~~shall~~ must be managed by a board of trustees consisting of nine members. Six trustees ~~shall~~ must be elected from the membership of the relief association and three trustees ~~shall~~ must be drawn from the officials of the municipalities served by the fire department to which the relief association is directly associated. The bylaws of a relief association which provides a monthly benefit service pension may provide that one of the six trustees elected from the relief association membership may be a retired member receiving a monthly pension who is elected by the membership of the relief association. The three ~~ex-officio municipal~~ trustees ~~shall be the mayor, the clerk, clerk-treasurer or finance director,~~ must be one elected municipal official and one elected or appointed municipal official who are designated as municipal representatives by the municipal governing board annually and the chief of the municipal fire department.

(b) ~~Every~~ A relief association that is a subsidiary of an independent nonprofit firefighting corporation ~~shall~~ must be managed by a board of trustees consisting of ~~ten~~ nine members. Six trustees ~~shall~~ must be elected from the membership of the relief association, ~~three~~ two trustees ~~shall~~ must be drawn from the officials of the municipalities served by the fire department to which the relief association is directly associated, and one trustee shall be the fire chief serving with the independent nonprofit firefighting corporation. The bylaws of a relief association may provide that one of the six trustees elected from the relief association membership may be a retired member receiving a monthly pension who is elected by the membership of the relief association. The ~~three ex-officio two municipal~~ trustees ~~who are the elected officials shall~~ must be elected or appointed municipal officials, selected as follows:

(1) if only one municipality contracts with the independent nonprofit firefighting corporation, the ~~ex-officio municipal~~ trustees ~~shall~~ must be three elected two officials of the contracting municipality who are designated annually by the governing body of the municipality;

(2) if two municipalities contract with the independent nonprofit firefighting corporation, the ~~ex-officio~~ trustees ~~shall be two elected officials of the largest municipality in population and one elected official of the next largest municipality in population who are designated by the governing bodies of the applicable municipalities;~~ or

~~(3)~~ (2) if ~~three~~ two or more municipalities contract with the independent nonprofit corporation, the ~~ex-officio municipal~~ trustees ~~shall~~ must be one ~~elected~~ official ~~of~~ from each of the ~~three~~ two largest municipalities in population who are designated annually by the governing bodies of the applicable municipalities.

(c) The municipal trustees for a relief association that is directly associated with a fire department operated as or by a joint powers entity must be designated annually by the joint powers board. The municipal trustees for a relief association that is directly associated with a fire department service area township must be designated by the township board.

(d) If a relief association lacks the ~~ex-officio municipal~~ board members provided for in paragraph (a), (b), or (b) (c) because the fire department is not located in or associated with an organized municipality, joint powers entity, or township, the ex-officio municipal board members must be appointed from the fire department service area by the board of commissioners of the applicable county.

(e) The term of these appointed ~~ex-officio municipal~~ board members is ~~three years~~ one year or until the person's successor is qualified, whichever is later.

~~(d) An ex-officio~~ (f) A municipal trustee under paragraph (a), (b), ~~or~~ (c) ~~shall have,~~ or (d) has all the rights and duties accorded to any other trustee, except the right to be an officer of the relief association board of trustees.

~~(e)~~ (g) A board ~~shall~~ must have at least three officers, ~~which shall be who are~~ a president, a secretary and a treasurer. These officers ~~shall~~ must be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws, ~~and~~. In no event ~~shall~~ may any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board ~~shall~~ must be specified in the bylaws of the relief association, but ~~shall~~ may not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership ~~shall initially and shall thereafter continue to must~~ be staggered on as equal a basis as is practicable.

Sec. 15. Minnesota Statutes 2004, section 424B.10, subdivision 1, is amended to read:

Subdivision 1. [BENEFITS.] (a) Notwithstanding any provision of section 424A.02, subdivision 3, to the contrary, the service pension of the subsequent relief association as of the effective date of consolidation is either the service pension amount specified in clause (1) or the service pension amounts specified in clause (2), as provided for in the consolidated relief association's articles of incorporation or bylaws:

(1) the highest dollar amount service pension amount of any prior volunteer firefighters relief association in effect immediately before the consolidation initiation if the pension amount was implemented consistent with section 424A.02; or

(2) for service rendered by each individual volunteer firefighter before consolidation, the service pension amount under the consolidating volunteer firefighters relief association that the firefighter belonged to immediately before the consolidation if the pension amount was implemented consistent with section 424A.02 and for service rendered after the effective date of the consolidation, the highest dollar amount service pension of any of the consolidating volunteer firefighters relief associations in effect immediately before the consolidation if the pension amount was implemented consistent with section 424A.02.

(b) Any increase in the service pension amount beyond the amount implemented under paragraph (a) must conform with the requirements and limitations of sections 69.771 to 69.775 and 424A.02.

Sec. 16. [STUDY OF STATEWIDE LUMP-SUM VOLUNTEER FIREFIGHTER RETIREMENT PLAN; CREATION OF TASK FORCE.]

Subdivision 1. [TASK FORCE MEMBERSHIP.] (a) A statewide Volunteer Firefighter Retirement Plan Study Task Force is created.

(b) The task force members are:

(1) four members who are appointed by the president of the Minnesota Area Relief Association coalition;

(2) four members who are appointed by the president of the Minnesota State Fire Department Association;

(3) four members who are appointed by the president of the Minnesota State Fire Chiefs Association;

(4) four members who are appointed by the board of directors of the League of Minnesota Cities;

(5) two members who are appointed by the board of directors of the Insurance Federation of Minnesota;

(6) two members who are appointed by the board of directors of the Minnesota Association of Farm Mutual Insurance Companies; and

(7) the Minnesota state auditor or the auditor's designee.

(c) Appointments must be made on or before July 1, 2005. If the appointment is not made in a timely manner, or if there is a vacancy, the state auditor shall appoint the task force member or the replacement member.

(d) The chair of the task force shall be selected by the task force.

(e) Administrative services for the task force must be provided by the Department of Public Safety.

Subd. 2. [TASK FORCE DUTIES.] (a) The task force shall conduct fact finding regarding the creation of a statewide volunteer firefighter retirement plan.

(b) The task force shall recommend whether or not a statewide volunteer firefighter retirement plan should be created. If the task force concludes a statewide volunteer firefighter retirement plan has merit, the task force shall recommend the investment vehicle or vehicles to be utilized by the plan, the administration and corporate governance structure of the plan, the incentives needed to formulate the plan, the limitations applicable to the plan, and the state resources needed to be dedicated to the plan. The task force may also consider creation of regional volunteer firefighter retirement plans.

Subd. 3. [REPORT.] The task force shall prepare a report detailing its findings about a potential statewide or regional volunteer firefighter retirement plan or plans. The report is due January 15, 2006, and must be filed with the Legislative Reference Library; the chair of the Legislative Commission on Pensions and Retirement; the chair of the State and Local Governmental Operations Committee of the senate; the chair of the State Government Budget Division of the senate Finance Committee; the chair of the Governmental Operations and Veterans Affairs Committee of the house of representatives; and the chair of the State Government Finance Committee of the house of representatives.

Sec. 17. [EFFECTIVE DATE.]

(a) Sections 1 to 12, 14, and 15 are effective July 1, 2005.

(b) Section 13 is effective July 1, 2005, and applies to breaks in service that end on or after that date.

(c) Section 16 is effective the day following final enactment.

ARTICLE 12

VARIOUS CORRECTIONS AND CLARIFICATIONS

Section 1. Minnesota Statutes 2004, section 3A.13, is amended to read:

3A.13 [EXEMPTION FROM PROCESS AND TAXATION; HEALTH PREMIUM DEDUCTION.]

(a) The provisions of section ~~352.15~~ shall ~~356.401~~ apply to the legislators retirement plan, ~~chapter 3A.~~

(b) The executive director of the Minnesota State Retirement System must, at the request of a retired legislator who is enrolled in a health insurance plan covering state employees, deduct the person's health insurance premiums from the person's annuity and transfer the amount of the premium to a health insurance carrier covering state employees.

Sec. 2. Minnesota Statutes 2004, section 69.011, subdivision 2b, is amended to read:

Subd. 2b. [DEPARTMENTS OF NATURAL RESOURCES AND PUBLIC SAFETY.] (a) ~~On or before July 1, 1997, the commissioner of natural resources shall certify one half of the number of peace officers as defined in subdivision 1, clause (g), employed by the Enforcement Division during calendar year 1996 and the commissioner of public safety shall certify one half of the number of peace officers as defined in subdivision 1, clause (g), employed by the Bureau of Criminal Apprehension, the Gambling Enforcement Division, and the State Patrol Division during calendar year 1996.~~

~~(b) On or before March 15, 1998, the commissioner of natural resources shall certify seven tenths of the number of peace officers as defined in subdivision 1, clause (g), employed by the Enforcement Division and the commissioner of public safety shall certify seven tenths of the number of peace officers as defined in subdivision 1, clause (g), employed by the Bureau of Criminal Apprehension, the Gambling Enforcement Division, and the State Patrol Division.~~

~~(c) On or before March 15, 1999, and annually on or before each March 15 thereafter, the commissioner of natural resources shall certify the number of peace officers as defined in subdivision 1, clause (g), employed by the Enforcement Division and the commissioner of public safety shall certify the number of peace officers as defined in subdivision 1, clause (g), employed by the Bureau of Criminal Apprehension, the Gambling Enforcement Division, and the State Patrol Division.~~

~~(d)~~ (b) The certification must be on a form prescribed by the commissioner. Peace officers certified under this paragraph must be included in the total certifications under subdivision 2.

Sec. 3. Minnesota Statutes 2004, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] (a) The amount of fire state aid available for apportionment, before the addition of the minimum fire state aid allocation amount under subdivision 7, is equal to 107 percent of the amount of premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. This amount ~~shall~~ must be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.

The total amount for apportionment in respect to fire state aid must not be less than two percent of the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the following amounts:

(1) the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations; and

(2) one percent of the premiums reported by town and farmers' mutual insurance companies and mutual property and casualty companies with total assets of \$5,000,000 or less.

(b) The total amount for apportionment as police state aid is equal to 104 percent of the amount of premium taxes paid to the state on the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report, reduced by the amount required to pay the costs and expenses of the state auditor for audits or exams of police relief associations. The total amount for apportionment in respect to the police state aid program must not be less than two percent of the amount of premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's cost and expenses of the audits or exams of the police relief associations.

(c) The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

~~(d) The amount for apportionment in respect to peace officer state aid under paragraph (b) must be further reduced by \$1,779,000 in fiscal year 1999, \$2,077,000 in fiscal year 2000, and \$2,404,000 in fiscal year 2001. These reductions in this paragraph cancel to the general fund.~~

~~(e)~~ In addition to the amount for apportionment of police state aid under paragraph (b), each year \$100,000 ~~shall~~ must be apportioned for police state aid. An amount sufficient to pay this increase is annually appropriated from the general fund.

Sec. 4. Minnesota Statutes 2004, section 69.021, subdivision 11, is amended to read:

Subd. 11. [EXCESS POLICE STATE-AID HOLDING ACCOUNT.] (a) The excess police state-aid holding account is established in the general fund. The excess police state-aid holding account must be administered by the commissioner.

(b) Excess police state aid determined according to subdivision 10, must be deposited in the excess police state-aid holding account.

(c) From the balance in the excess police state-aid holding account, \$900,000 is appropriated to and must be transferred annually to the ambulance service personnel longevity award and incentive suspense account established by section 144E.42, subdivision 2.

(d) If a police officer stress reduction program is created by law and money is appropriated for that program, an amount equal to that appropriation must be transferred to the administrator of that program from the balance in the excess police state-aid holding account.

~~(e) On October 1, 1997, and annually on each subsequent October 1 of each year, one-half of the balance of the excess police state-aid holding account remaining after the deductions under paragraphs (c) and (d) is appropriated for additional amortization aid under section 423A.02, subdivision 1b.~~

(f) Annually, the remaining balance in the excess police state-aid holding account, after the deductions under paragraphs (c), (d), and (e), cancels to the general fund.

Sec. 5. Minnesota Statutes 2004, section 69.33, is amended to read:

69.33 [NAMES OF ASSOCIATIONS REPORTED TO INSURANCE COMPANIES.]

The commissioner shall enclose in the annual statement blank that is sent to all fire insurance companies doing business in this state a blank form containing the names of ~~all firefighters' relief associations in all cities of the first class and the names of the cities~~ and require these companies, at the time of making their annual statements to the commissioner, to state on these blanks the amount of premiums received by them upon properties insured within the corporate limits of the cities named thereon during the year ending December 31st last past. Thereafter, before July first each year, the commissioner shall certify to the commissioner of finance the information thus obtained, together with the amount of the tax for the benefit of the relief association pension plans covering firefighters in cities of the first class paid in such year by these companies upon these insurance premiums.

Sec. 6. Minnesota Statutes 2004, section 69.773, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REQUIREMENTS OF SPECIAL FUND.] ~~Prior to~~ Before August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision. The financial requirements of the relief association ~~shall~~ must be based on the most recent actuarial valuation of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be determined by adding the figures calculated ~~pursuant to~~ under clauses (a), (b), and (c). If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be an amount equal to the figure calculated ~~pursuant to~~ under clauses (a) and (b), reduced by an amount equal to one-tenth of the amount of any assets in excess of the actuarial accrued liability of the relief association. The determination of whether or not the relief association has an unfunded actuarial accrued liability ~~shall~~ must be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, ~~shall be~~ is the figure for the normal level cost of the relief association as reported in the actuarial valuation.

(b) The amount of anticipated future administrative expenses of the special fund ~~shall~~ must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent year by the factor of 1.035.

(c) The amortization contribution requirement to retire the current unfunded actuarial accrued liability by the established date for full funding ~~shall be~~ is the figure for the amortization contribution as reported in the actuarial valuation. ~~If there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund which change or changes, which by themselves without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund since December 31, 1970, the established date for full funding shall be December 31, 1990. If there has been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund since December 31, 1970, but prior to January 1, 1979, the established date for full funding shall be December 31, 1998, and if there has been a change since December 31, 1978, the established date for full funding shall~~ must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with the provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution needed to amortize this unfunded actuarial accrued liability amount by the date for full funding in effect ~~prior to~~ before the change ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect before any applicable change;

(iii) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with any new provisions governing service pensions, retirement benefits, and actuarial assumptions and the remaining provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(iv) the level annual dollar contribution needed to amortize the difference between the unfunded actuarial accrued liability amount calculated ~~pursuant to~~ under subclause (i) and the unfunded actuarial accrued liability amount calculated ~~pursuant to~~ under subclause (iii) over a period of 20 years starting December 31 of the year in which the change is effective ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change;

(v) the annual amortization contribution calculated ~~pursuant to~~ under subclause (iv) ~~shall~~ must be added to the annual amortization contribution calculated ~~pursuant to~~ under subclause (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in subclause (iii) will be amortized by the total annual amortization contribution computed ~~pursuant to~~ under subclause (v) ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change, rounded to the nearest integral number of years, but which ~~shall~~ does not exceed a period of 20 years from the end of the year in which the determination of the date for full funding using this procedure is made and which ~~shall~~ is not be less than the period of years beginning in the year in which the determination of the date for full funding using this procedure is made and ending by the date for full funding in effect before the change;

(vii) the period determined ~~pursuant to~~ under subclause (vi) ~~shall~~ must be added to the date as of which the actuarial valuation was prepared and the resulting date ~~shall be~~ is the new date for full funding.

Sec. 7. Minnesota Statutes 2004, section 352.01, subdivision 4, is amended to read:

Subd. 4. [ACCUMULATED CONTRIBUTIONS.] "Accumulated contributions" means the total, exclusive of interest, of (1) the sums deducted from the salary of an employee, (2) the amount of payments, including assessments, paid by the employee in lieu of salary deductions and all other payments made under ~~Laws 1929, chapter 191, as amended, this chapter~~ and credited to the employee's individual account in the retirement fund.

Sec. 8. Minnesota Statutes 2004, section 352.01, subdivision 5, is amended to read:

Subd. 5. [RETIREMENT FUND.] (a) "Retirement fund" means the general state employees retirement fund created by section 352.04, subdivision 1, with respect to the general state employees retirement plan or the correctional state employees retirement fund created by section 352.911, subdivision 1, with respect to the correctional state employees retirement plan.

(b) "The retirement fund" includes the aggregate of accumulated contributions of employees covered by the applicable plan, and all other funds paid into the state treasury or received by the director under Laws 1929, chapter 191, as amended this chapter, together with all income and profits from the money and interest on it, including contributions on the part of the federal government, the state, and state departments.

Sec. 9. Minnesota Statutes 2004, section 352.01, subdivision 21, is amended to read:

Subd. 21. [ACCRUED ANNUITIES.] (a) In this chapter and chapters 3A, 352B, 352C, and 490, "accrued annuity" means an annuity that had become payable to a retired employee in the lifetime of the employee.

(b) An annuity or benefit authorized as provided in this chapter and chapters 3A, 352B, 352C, and 490 becomes payable on the first day of each calendar month for that calendar month and ~~is to~~ must be paid on the first day of each calendar month ~~beginning with benefits payable on and after December 1, 1977.~~

(c) Notwithstanding any provision to the contrary in this chapter and chapters 3A, 352B, 352C, and 490, benefit payment authorized as "payable for life" is payable for the entire month in which death occurs, and the benefit payment for the month of death is payable to the surviving spouse or other beneficiary only if the annuitant dies before negotiating the benefit check.

Sec. 10. Minnesota Statutes 2004, section 352.01, subdivision 23, is amended to read:

Subd. 23. [COVERAGE OR COVERED BY THE SYSTEM.] "Coverage" or "covered by the system" means that a state ~~employees~~ employee who ~~serve~~ serves the state of Minnesota and ~~make~~ makes the required employee contributions to the retirement fund ~~will is~~, by reason of these contributions ~~become~~, entitled to either (1) a retirement annuity, or (2) a disability benefit, or (3) a refund of accumulated contributions, as provided in this chapter.

Sec. 11. Minnesota Statutes 2004, section 352.021, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) There is established the general state employees retirement plan of the Minnesota State Retirement System for state employees.

(b) The ~~system~~ general state employees retirement plan is a continuation of the State Employees Retirement Association.

(c) Any person who was a member of the State Employees Retirement Association on June 30, 1967, is covered by the ~~system~~ general state employees retirement plan and is entitled to all benefits provided by the ~~system~~ plan upon fulfilling the age, service, contribution, and other requirements of this chapter.

Sec. 12. Minnesota Statutes 2004, section 352.021, subdivision 2, is amended to read:

Subd. 2. [STATE EMPLOYEES COVERED.] Every person who ~~is a state employee, as defined in section 352.01, on July 1, 1967, or~~ becomes a state employee ~~after that date~~ as defined in section 352.01 is covered by the ~~system~~ general state employees retirement plan. Acceptance of state employment or continuance in state service is deemed to be consent to have deductions made from salary for deposit to the credit of the account of the state employee in the retirement fund.

Sec. 13. Minnesota Statutes 2004, section 352.021, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL EXEMPTIONS.] Any person who is appointed by the governor or lieutenant governor may request exemption from coverage by the general state employees retirement plan under this chapter if the appointee is not ~~so~~ covered ~~at by the plan on~~ the date of appointment. To qualify for this exemption, a written request must be made within 90 days from the date of entering upon the duties of the position to which the person is appointed. After making the request, a person requesting the exemption is not entitled to coverage by the general state employees retirement plan while employed in the position that entitled that person to an exemption from coverage.

Sec. 14. Minnesota Statutes 2004, section 352.021, subdivision 4, is amended to read:

Subd. 4. [REENTERING SERVICE AFTER REFUND.] When a former employee who has withdrawn accumulated contributions reenters employment in a position entitled to coverage under the ~~system~~ general state employees retirement plan, the employee ~~shall~~ must be covered by the ~~system~~ plan on the same basis as a new employee and is not entitled to credit for any former service. The annuity rights forfeited when taking a refund can only be restored as provided in this chapter.

Sec. 15. Minnesota Statutes 2004, section 352.04, subdivision 1, is amended to read:

Subdivision 1. [FUND CREATED.] (a) There is created a special fund to be known as the general state employees retirement fund. In that fund ~~there shall be deposited employees, employee~~ contributions, ~~employers~~ employer contributions, and other amounts authorized by law must be deposited.

(b) ~~Effective July 1, 1969, The general state employees retirement plan of the Minnesota State Retirement System shall must participate in the Minnesota postretirement investment fund. In that fund there shall be deposited~~ The amounts provided in section 352.119 must be deposited in the Minnesota postretirement investment fund.

Sec. 16. Minnesota Statutes 2004, section 352.04, subdivision 12, is amended to read:

Subd. 12. [FUND DISBURSEMENT RESTRICTED.] The general state employees retirement fund and the participation in the Minnesota postretirement investment fund must be disbursed only for the purposes provided by law. The expenses of the system and any benefits provided by law, other than benefits payable from the Minnesota postretirement investment fund, must be paid from the general state employees retirement fund. The retirement allowances, retirement annuities, and disability benefits, as well as refunds of any sum remaining to the credit of a deceased retired employee or a disabled employee must be paid only from the general state employees retirement fund after the needs have been certified and the amounts withdrawn from the participation in the Minnesota postretirement investment fund under section 11A.18. The amounts necessary to make the payments from the general state employees retirement fund and the participation in the Minnesota postretirement investment fund are annually appropriated from these funds for those purposes.

Sec. 17. Minnesota Statutes 2004, section 352.041, subdivision 1, is amended to read:

Subdivision 1. [ALLOWABLE SERVICE CREDIT.] ~~Any (a) An~~ employee covered by the ~~system~~ general state employees retirement plan who is given a leave of absence for employment by a political subdivision of the state ~~shall remains a member of the plan and must~~ continue to pay member contributions into the general state employees retirement fund for the period of leave.

(b) Upon payment of member contributions, the employee must be given allowable service credit as a state employee on the records of the ~~system retirement plan~~ as though the employee had received salary from the state during the leave. Payments into the retirement fund ~~shall must~~ be at the rate required in section 352.04, subdivision 2, and must be based upon the salary received from the political subdivision ~~subject to the maximum amount, if any.~~

Sec. 18. Minnesota Statutes 2004, section 352.041, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS, PROCEDURE.] The officer or employee who is authorized by law to pay salaries to employees of the political subdivision which is employing a state employee ~~shall have must deduct~~ employee contributions ~~deducted for the general state employees retirement plan under section 352.04, subdivision 2,~~ from the salary of each employee who is on leave of absence from state service on each payroll abstract and ~~shall~~ must pay the sum to the director following the conclusion of each pay period.

Sec. 19. Minnesota Statutes 2004, section 352.041, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS, PROCEDURE.] The officer or employee who is authorized by law to pay salaries to employees of the political subdivision which is employing a state employee covered by the ~~system~~ general state employees retirement plan also must have employer contributions made to the general state employees retirement fund ~~on following the conclusion of~~ each payroll abstract in the amount required by section 352.04, subdivision 3. These contributions ~~are to must~~ be charged to the political subdivision as an administrative cost.

Sec. 20. Minnesota Statutes 2004, section 352.041, subdivision 5, is amended to read:

Subd. 5. [EMPLOYER CONTRIBUTIONS, LEAVES OF ABSENCE; TAX LEVIES.] (a) Every political subdivision which is employing a state employee covered by the system on leave of absence from state service for employment by a political subdivision of the state ~~shall must~~ pay into the general state employees retirement fund the amount of the employer contribution required by law for state employees covered by the system under section 352.04, subdivision 3.

(b) Employing political subdivisions, ~~except other than~~ school districts, may levy taxes necessary for the payment of employer contributions without limitation as to rate or amount. The levy of the taxes does not reduce the amount of other taxes ~~to that may~~ be levied by political subdivisions, ~~except other than~~ school districts, which are subject to any limitation.

Sec. 21. Minnesota Statutes 2004, section 352.15, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; EXCEPTIONS.] ~~None of the money, annuities, or other benefits mentioned in this chapter is assignable either in law or in equity or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in subdivision 1a or section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the general state employees retirement plan and to the correctional state employees retirement plan.~~

Sec. 22. Minnesota Statutes 2004, section 352.15, subdivision 3, is amended to read:

Subd. 3. [DEDUCTING HEALTH OR DENTAL INSURANCE PREMIUMS.] The board may ~~direct~~ authorize, at its discretion, the deduction of a retiree's health or dental insurance premiums and transfer of the amounts to a health or dental insurance carrier covering state employees. The insurance carrier must certify that the retired employee has signed an authorization for the deduction and provide a computer readable roster of covered retirees and amounts. The health or dental insurance carrier must refund deductions withheld from a retiree's check in error directly to the retiree. The board shall require that the insurance carrier ~~to~~ reimburse the fund for the administrative expense of withholding the premium amounts. The insurance carrier shall assume liability for any failure of the system to properly withhold the premium amounts.

Sec. 23. Minnesota Statutes 2004, section 352.15, subdivision 4, is amended to read:

Subd. 4. [DIRECT TRANSFER OF REFUNDS.] A direct transfer of ~~account~~ refunds under this chapter may be made to an individual retirement savings ~~accounts~~ account or a qualified retirement ~~plans~~ plan of the person upon the receipt of an application for transfer by a former employee, on forms acceptable to the executive director.

Sec. 24. Minnesota Statutes 2004, section 352.22, subdivision 10, is amended to read:

Subd. 10. [OTHER REFUNDS.] Former employees covered by the system are entitled to apply for refunds if they are or become members of the State Patrol retirement fund, the state Teachers Retirement Association, or employees of the University of Minnesota excluded from coverage under the system by action of the Board of Regents; ~~or labor service employees, excluded from coverage under section 352.01, subdivision 2b, clause (25); or~~ employees of the adjutant general who under federal law effectually elect membership in a federal retirement system; or officers or employees of the senate or house of representatives, excluded from coverage under section 352.01, subdivision 2b, clause ~~(8)~~ (7). The refunds must include accumulated contributions plus interest as provided in subdivision 2. These employees may apply for a refund once 30 days or more have elapsed after their coverage ceases, even if they continue in state service but in positions not covered by this chapter.

Sec. 25. Minnesota Statutes 2004, section 352B.01, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] In this chapter, each of the terms defined in this section ~~have~~ has the ~~meanings~~ meaning given them to it.

Sec. 26. Minnesota Statutes 2004, section 352B.01, subdivision 2, is amended to read:

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

(1) a State Patrol member currently employed ~~after June 30, 1943,~~ under section 299D.03 by the state, who is a peace officer under section 626.84, and whose salary or compensation is paid out of state funds;

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

(3) a crime bureau officer who was employed by the crime bureau and was a member of the Highway Patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds;

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

(5) a public safety employee ~~defined as who is~~ a peace officer ~~in~~ under section 626.84, subdivision 1, paragraph (c), and who is employed ~~with~~ by the Division of Alcohol and Gambling Enforcement under section 299L.01; and

(6) a Fugitive Apprehension Unit officer after October 31, 2000, who is employed by the Office of Special Investigations of the Department of Corrections and who is a peace officer under section 626.84.

Sec. 27. Minnesota Statutes 2004, section 352B.01, subdivision 3, is amended to read:

Subd. 3. [ALLOWABLE SERVICE.] (a) "Allowable service" means:

(1) for members defined in subdivision 2, clause ~~(a)~~ (1), ~~monthly service is granted for~~ in any month for which payments have been made to the State Patrol retirement fund, and

(2) for members defined in subdivision 2, clauses ~~(b)~~ (2) and ~~(c)~~ (3), service for which payments have been made to the State Patrol retirement fund, service for which payments were made to the State Police officers retirement fund after June 30, 1961, and all prior service which was credited to a member for service on or before June 30, 1961.

(b) Allowable service also includes any period of absence from duty by a member who, by reason of injury incurred in the performance of duty, is temporarily disabled and for which disability the state is liable under the workers' compensation law, until the date authorized by the executive director for commencement of payment of a disability benefit or return to employment.

(c) MS 2002 (Expired)

(d) Allowable service means service in a month during which a member is paid a salary from which a member contribution is deducted, deposited, and credited in the State Patrol retirement plan.

Sec. 28. Minnesota Statutes 2004, section 352B.02, subdivision 1e, is amended to read:

Subd. 1e. [AUDIT; ACTUARIAL VALUATION.] The legislative auditor shall audit the fund. Any actuarial valuation of the fund required under section 356.215 must be prepared by the actuary retained under section 356.214. Any approved actuary retained by the executive director under section 352.03, subdivision 6, may perform

actuarial valuations and experience studies to supplement those performed by the ~~commission retained~~ actuary retained under section 356.214. Any supplemental actuarial valuation or experience studies ~~shall~~ must be filed with the executive director of the Legislative Commission on Pensions and Retirement.

Sec. 29. Minnesota Statutes 2004, section 352B.071, is amended to read:

352B.071 [EXEMPTION FROM PROCESS.]

~~None of the money, annuities, or other benefits provided for in this chapter is assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the State Patrol retirement plan.~~

Sec. 30. Minnesota Statutes 2004, section 352D.01, is amended to read:

352D.01 [ESTABLISHMENT.]

There is hereby established within the Minnesota State Retirement System a retirement program for certain public employees to be known as the Minnesota unclassified employees retirement program, ~~which shall be~~. The program must be administered by the Minnesota State Retirement System.

Sec. 31. Minnesota Statutes 2004, section 352D.015, subdivision 3, is amended to read:

Subd. 3. [SUPPLEMENTAL INVESTMENT FUND.] "Supplemental investment fund" means the fund established and governed by section 11A.17.

Sec. 32. Minnesota Statutes 2004, section 352D.015, subdivision 4, is amended to read:

Subd. 4. [GENERAL FUND.] "General fund" means the general state employees retirement fund except the moneys for the unclassified program.

Sec. 33. Minnesota Statutes 2004, section 352D.03, is amended to read:

352D.03 [TRANSFER OF ASSETS.]

Unless an eligible employee enumerated in section 352D.02, subdivision 1 ~~or 1a~~, has elected coverage under the individual retirement account plan under chapter 354B, a sum of money representing the assets credited to each employee exercising the option contained in section 352D.02, plus an equal employer contribution together with interest for the employment period at the ~~actuarially assumed rates applicable preretirement interest actuarial assumption rate~~ during this period, compounded annually, ~~shall must~~ be used for the purchase of shares on behalf of each employee in the accounts of the supplemental retirement fund established by section 11A.17. ~~Any employer's contribution to amortize the deficit in the state employee's retirement fund shall not, however, be used for the purchase of shares.~~

Sec. 34. Minnesota Statutes 2004, section 352D.05, subdivision 4, is amended to read:

Subd. 4. [REPAYMENT OF REFUND.] (a) A participant in the unclassified program may repay regular refunds taken ~~pursuant to~~ under section 352.22, as provided in section 352.23.

(b) A participant in the unclassified program or an employee covered by the general plan who has withdrawn the value of the total shares may repay the refund taken and thereupon restore the service credit, rights and benefits forfeited by paying into the fund the amount refunded plus interest at an annual rate of 8.5 percent compounded annually from the date that the refund was taken until the date that the refund is repaid. If the participant had withdrawn only the employee shares as permitted under prior laws, repayment ~~shall must~~ be pro rata. ~~Payment shall~~

(c) Except as provided in section 356.441, the repayment of a refund under this section must be made in a lump sum.

Sec. 35. Minnesota Statutes 2004, section 352D.085, subdivision 1, is amended to read:

Subdivision 1. [COMBINED SERVICE.] Except as provided in section 356.30, 356.302, or 356.303, service under the unclassified program for which the employee has been credited with employee shares may be used for the limited purpose of qualifying for benefits under sections 352.115, 352.72, subdivision 1, 352.113, 354.44, 354.45, 354.48, and 354.60; provided such. The service also may not be used to qualify for a disability benefit under section 352.113 or 354.48 if a participant was under the unclassified program at the time of the disability, and provided further that. Also, the years of service and salary paid while the participant was in the unclassified program shall may not be used in determining the amount of benefits.

Sec. 36. Minnesota Statutes 2004, section 352D.09, subdivision 5, is amended to read:

Subd. 5. [UNCLAIMED BENEFITS.] If the beneficiary, surviving spouse or estate has not made application for benefits within ten years after the date of the death of a participant, the value of the shares shall be is appropriated to the regular general state employees retirement fund and the provisions of section 352.12, subdivision 12 shall govern. If a former participant fails to make a claim for benefits within five years after the termination of covered service or by age 70, whichever is later, the value of the shares shall be is appropriated to the general state employees retirement fund and the provisions of section 352.22, subdivision 8, shall apply.

Sec. 37. Minnesota Statutes 2004, section 352D.12, is amended to read:

352D.12 [TRANSFER OF PRIOR SERVICE CONTRIBUTIONS.]

(a) An employee who is a participant in the unclassified program and who has prior service credit in a covered plan under ~~chapters 3A, chapter 352, 352C, 353, 354, 354A, and or 422A~~ may, within the time limits specified in this section, elect to transfer to the unclassified program prior service contributions to one or more of those plans. ~~Participants with six or more years of prior service credit in a plan governed by chapter 3A or 352C on July 1, 1998, may not transfer prior service contributions. Participants with less than six years of prior service credit in a plan governed by chapter 3A or 352C on July 1, 1998, must be contributing to the unclassified plan on or after January 5, 1999, in order to transfer prior contributions.~~

(b) For participants with prior service credit in a plan governed by chapter 352, 353, 354, 354A, or 422A, "prior service contributions" means the accumulated employee and equal employer contributions with interest at an annual rate of 8.5 percent compounded annually, based on fiscal year balances. ~~For participants with less than six years of service credit as of July 1, 1998, and with prior service credit in a plan governed by chapter 3A or 352C, "prior service contributions" means an amount equal to twice the amount of the accumulated member contributions plus annual compound interest at the rate of 8.5 percent, computed on fiscal year balances.~~

(c) If a participant has taken a refund from a retirement plan listed in this section, the participant may repay the refund to that plan, notwithstanding any restrictions on repayment to that plan, plus 8.5 percent interest compounded annually and have the accumulated employee and equal employer contributions transferred to the unclassified program with interest at an annual rate of 8.5 percent compounded annually based on fiscal year balances. If a person repays a refund and subsequently elects to have the money transferred to the unclassified program, the repayment amount, including interest, is added to the fiscal year balance in the year which the repayment was made.

(d) A participant electing to transfer prior service contributions credited to a retirement plan governed by chapter 352, 353, 354, 354A, or 422A as provided under this section must complete ~~the~~ a written application for the transfer and repay any refund within one year of the commencement of the employee's participation in the unclassified program. ~~A participant electing to transfer prior service contributions credited to a retirement plan governed by chapter 3A or 352C as provided under this section must complete the application for the transfer and repay any refund between January 5, 1999, and June 1, 1999, if the employee commenced participation in the unclassified program before January 5, 1999, or within one year of the commencement of the employee's participation in the unclassified program if the employee commenced participation in the unclassified program after January 4, 1999.~~

Sec. 38. Minnesota Statutes 2004, section 353.01, subdivision 32, is amended to read:

Subd. 32. [COORDINATED MEMBER.] "Coordinated member" means ~~any~~ a public employee, including ~~any~~ a public hospital employee, who is covered by ~~any an~~ agreement or modification made between the state and the Secretary of Health, ~~Education and Welfare~~ Human Services, making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to the member if the membership eligibility criteria are met under this chapter. A coordinated member also is a former basic member who has a complete and continuous separation for at least 30 days from employment as a public employee meeting the requirements specified in subdivision 28, paragraphs (a) and (b), and who reenters public service as a public employee and meets the membership eligibility criteria under this chapter.

Sec. 39. Minnesota Statutes 2004, section 353.01, subdivision 33, is amended to read:

Subd. 33. [BASIC MEMBER.] "Basic member" means ~~any~~ a public employee, including ~~any~~ a public hospital employee, who is not covered by any agreement or modification made between the state and the Secretary of Health, ~~Education and Welfare~~ Human Services.

Sec. 40. Minnesota Statutes 2004, section 353.025, is amended to read:

353.025 [RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS.]

~~From and after January 1, 1982, Employees of the Range Association of Municipalities and Schools hereinafter referred to as the association, shall become~~ are coordinated members of the general employees retirement plan of the Public Employees Retirement Association unless specifically exempt under section 353.01, subdivision 2b, ~~and, The Range Association shall be deemed to be of Municipalities and Schools is~~ a governmental subdivision for the purposes of this chapter.

Sec. 41. Minnesota Statutes 2004, section 353.026, is amended to read:

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

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

Sec. 42. Minnesota Statutes 2004, section 353.027, is amended to read:

353.027 [RETENTION OF COVERAGE FOR CERTAIN MUNICIPAL COURT EMPLOYEES.]

Any person employed on January 1, 1975, by a municipal court established ~~pursuant to under~~ Minnesota Statutes 1957, section 488.03, and located in the cities of New Brighton, Roseville, Maplewood, North Saint Paul, White Bear Lake, or St. Paul ~~shall be~~ is eligible for membership in the general employees retirement plan of the Public Employees Retirement Association and ~~shall retain~~ retains any rights or benefits the person had attained as a member of the general employees retirement plan of the association on January 1, 1975, so long as the person remains an employee of the municipal court of Ramsey County.

Sec. 43. Minnesota Statutes 2004, section 353.028, is amended to read:

353.028 [CITY MANAGERS; ELECTION; DEFERRED COMPENSATION.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, each of the terms in this subdivision has the meaning indicated.

(b) "City manager" means (1) a person who is duly appointed to and is holding the position of city manager in a Plan B statutory city or in a home rule city operating under the "council-manager" form of government, or (2) a person who is appointed to and is holding the position of chief administrative officer of a home rule charter city or a statutory city ~~pursuant to~~ under a charter provision, ordinance, or resolution establishing such a position and prescribing its duties and responsibilities.

(c) "Governing body" means the city council of the city employing the city manager.

(d) "Election" means the election described in subdivision 2.

Subd. 2. [ELECTION.] (a) A city manager may elect to be excluded from membership in the general employees retirement plan of the Public Employees Retirement Association. The election of exclusion must be made within six months following the commencement of employment, must be made in writing on a form prescribed by the executive director, and must be approved by a resolution ~~of~~ adopted by the governing body of the city. The election of exclusion is not effective until it is filed with the executive director. Membership of a city manager in the ~~association~~ general employees retirement plan ceases on the date the written election is received by the executive director or upon a later date specified. Employee and employer contributions made on behalf of a person exercising the option to be excluded from membership under this section must be refunded in accordance with section 353.27, subdivision 7.

(b) A city manager who has elected exclusion under this subdivision may elect to revoke that action by filing a written notice with the executive director. The notice must be on a form prescribed by the executive director and must be approved by a resolution of the governing body of the city. Membership of the city manager in the association resumes prospectively from the date of the first day of the pay period for which contributions were deducted or, if pay period coverage dates are not provided, the date on which the notice of revocation or contributions are received in the office of the association, provided that the notice of revocation is received by the association within 60 days of the receipt of contributions.

(c) An election under paragraph (b) is irrevocable. Any election under paragraph (a) or (b) must include a statement that the individual will not seek authorization to purchase service credit for any period of excluded service.

Subd. 3. [DEFERRED COMPENSATION; CITY CONTRIBUTION.] If an election of exclusion is made, and if the city manager and the governing body of the city additionally agree in writing that the additional compensation is to be deferred and ~~shall~~ is to be contributed on behalf of the city manager to a deferred compensation program which meets the requirements of section 457 of the Internal Revenue Code of ~~1954~~ 1986, as amended ~~through December 31, 1980~~, the governing body may compensate the city manager, in addition to the salary allowed under any limitation imposed on salaries by law or charter, in an amount equal to the employer contribution which would be required by section 353.27, subdivision 3, if the city manager were a member of the ~~association~~ general employees retirement plan.

Subd. 4. [REFUNDS; DEFERRED ANNUITY.] A city manager who makes an election to be excluded from membership is entitled to a refund of accumulated deductions or, if otherwise qualified, a deferred annuity ~~in the manner provided by~~ under section 353.34, at the option of the manager.

Subd. 5. [ELECTION; OTHER EMPLOYMENT.] If a city manager who has made an election to be excluded subsequently accepts employment in another governmental subdivision or subsequently accepts employment other than as a city manager in the same city, the election ~~shall be deemed to have been~~ is rescinded on the effective date of employment.

Sec. 44. Minnesota Statutes 2004, section 353.14, is amended to read:

353.14 [BENEFITS FROM OTHER FUNDS.]

No annuity or benefit provided by this chapter ~~shall~~ may be affected, diminished, or impaired by any pension, benefit, or annuity which any member or survivor is entitled to receive from a tax supported public retirement plan or system authorized by any other law, ~~for based on service that is~~ different service than the service for which the member or survivor is entitled to receive benefit or annuity from a retirement plan administered by the Public Employees Retirement Association.

Sec. 45. Minnesota Statutes 2004, section 353.15, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; ~~EXCEPTIONS.~~] ~~No money, annuity, or benefit provided for in this chapter is assignable or subject to execution, levy, attachment, garnishment, or legal process, except as provided in subdivision 2 or section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the general employees retirement plan, to the public employees police and fire retirement plan, and to the local government correctional service retirement plan.~~

Sec. 46. Minnesota Statutes 2004, section 353.15, subdivision 3, is amended to read:

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If, in the judgment of the executive director, conditions so warrant, payment of an annuity, a retirement benefit, or a refund may be made to a public body in behalf of an annuitant, disablitant, or survivor upon such terms as the executive director may prescribe.

Sec. 47. Minnesota Statutes 2004, section 353.27, subdivision 11, is amended to read:

Subd. 11. [EMPLOYERS; REQUIRED TO FURNISH REQUESTED INFORMATION.] (a) All governmental subdivisions shall furnish promptly such other information relative to the employment status of all employees or former employees, including, but not limited to, payroll abstracts pertaining to all past and present employees, as may be requested by the ~~association or its~~ executive director, including schedules of salaries applicable to various categories of employment.

(b) In the event payroll abstract records have been lost or destroyed, for whatever reason or in whatever manner, so that such schedules of salaries cannot be furnished therefrom, the employing governmental subdivision, in lieu thereof, shall furnish to the association an estimate of the earnings of any employee or former employee for any period as may be requested by the ~~association or its~~ executive director. ~~Should~~ If the association ~~receive such schedules~~ is provided a schedule of estimated earnings, the executive director is ~~hereby~~ authorized to use the same as a basis for making whatever computations might be necessary for determining obligations of the employee and employer to the retirement fund. If estimates are not furnished by the employer ~~pursuant to~~ at the request of the ~~association or its~~ executive director, the ~~association~~ executive director may estimate the obligations of the employee and employer to the retirement fund based upon such those records as that are in its possession. ~~Where payroll abstracts have been lost or destroyed, the governmental agency need not furnish any information pertaining to employment prior to July 1, 1963. The association shall make no estimate of any obligation of any employee, former employee, or employer covering employment prior to July 1, 1963.~~

Sec. 48. Minnesota Statutes 2004, section 353.271, is amended to read:

353.271 [PARTICIPATION IN MINNESOTA POSTRETIREMENT INVESTMENT FUND.]

Subdivision 1. [AUTHORIZATION.] The general employees retirement plan of the Public Employees Retirement Association, including the public employees police and fire fund but excluding the various local relief association consolidation accounts, is retirement plan, and the local government correctional service retirement plan are authorized to participate in the Minnesota postretirement investment fund. There ~~shall be~~ is one general participation in the Minnesota postretirement investment fund for ~~all purposes by each plan of the Public Employees Retirement fund and one general participation in the Minnesota postretirement investment fund for all purposes by the public employees police and fire fund Association.~~

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] ~~(1)~~ (a) The required reserves for retirement annuities payable as provided in this chapter other than those payable from the various local relief association consolidation accounts, as determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement under section 356.214, and approved under section 356.215, subdivision 18,~~ and using the postretirement interest assumption specified in section 356.215, subdivision 8, ~~shall~~ must be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity begins.

~~(2)~~ (b) Annuity payments ~~other than those payable from the various local relief association consolidation accounts shall~~ must be adjusted in accordance with the provisions of section 11A.18.

~~(3)~~ (c) Increases in payments ~~pursuant to under this section or from the various local relief association consolidation accounts, if applicable, will~~ must be made automatically unless the intended recipient files written notice with the executive director of the Public Employees Retirement Association requesting that the increase ~~shall~~ not be made.

Sec. 49. Minnesota Statutes 2004, section 353.31, subdivision 1c, is amended to read:

Subd. 1c. [COORDINATED MEMBERS.] Except for benefits provided under section 353.32, ~~subdivisions 1 and 1a,~~ no survivor benefits are payable to the surviving spouse or dependent children of a deceased coordinated member.

Sec. 50. Minnesota Statutes 2004, section 353.32, subdivision 9, is amended to read:

Subd. 9. [PAYMENT TO A MINOR.] If a member or former member dies having named as beneficiary a person who is a minor at the time of the application for refund, the board may make the payment ~~(a)~~ (1) directly to the minor, ~~(b)~~ (2) to ~~any~~ a person who has legally qualified and is acting as guardian of the minor's person or property in any jurisdiction, or ~~(c)~~ (3) to either parent of the minor or to ~~any~~ an adult person with whom the minor may at the time be living, ~~provided only that.~~ The parent or other person to whom any amount is to be paid ~~shall have advised~~ must advise the board in writing that the amount will be held or used in trust for the benefit of such minor. Any annuity or disability benefit payable at the time of death of an annuitant or recipient of a disability benefit, which is payable to a beneficiary who is a minor, may be paid in the same manner. ~~Such~~ The payment ~~shall be~~ is a bar to recovery by any other person or persons.

Sec. 51. Minnesota Statutes 2004, section 353.33, subdivision 12, is amended to read:

Subd. 12. [BASIC DISABILITY SURVIVOR BENEFITS.] If a basic member who is receiving a disability benefit under subdivision 3:

~~(a)~~ (1) dies before attaining age 65 or within five years of the effective date of the disability, whichever is later, the surviving spouse ~~shall~~ is entitled to receive a survivor benefit under section 353.31, unless the surviving spouse elected to receive a refund under section 353.32, subdivision 1;

~~(b)~~ (2) is living at age 65 or five years after the effective date of the disability, whichever is later, the basic member may continue to receive a normal disability benefit, or elect a joint and survivor optional annuity under section 353.31, subdivision 1b. The election of the joint and survivor optional annuity must occur within 90 days of attaining age 65 or of reaching the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity takes effect on the first day of the month following the month in which the person attains age 65 or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later; or

~~(c)~~ (3) if there is a dependent child or children under ~~paragraph (a) or (b) clause (1) or (2)~~, the ~~association shall grant~~ dependent child is entitled to a dependent child benefit under section 353.31, subdivision 1b, paragraph (b).

Sec. 52. Minnesota Statutes 2004, section 354.091, is amended to read:

354.091 [SERVICE CREDIT.]

(a) In computing service credit, no teacher ~~shall~~ may receive credit for more than one year of teaching service for any fiscal year. ~~Commencing July 1, 1961~~ Additionally, in crediting allowable service:

(1) if a teacher teaches less than five hours in a day, service credit must be given for the fractional part of the day as the term of service performed bears to five hours;

(2) if a teacher teaches five or more hours in a day, service credit must be given for only one day;

(3) if a teacher teaches at least 170 full days in any fiscal year, service credit must be given for a full year of teaching service; and

(4) if a teacher teaches for only a fractional part of the year, service credit must be given for such fractional part of the year in the same relationship as the period of service performed bears to 170 days.

(b) A teacher ~~shall~~ must receive a full year of service credit based on the number of days in the employer's full school year if ~~it~~ that school year is less than 170 days. Teaching service performed before July 1, 1961, must be computed under the law in effect at the time it was performed.

(c) A teacher must not lose or gain retirement service credit as a result of the employer converting to a flexible or alternate work schedule. If the employer converts to a flexible or alternate work schedule, the forms for reporting teaching service and the procedures for determining service credit must be determined by the executive director with the approval of the board of trustees.

(d) For all services rendered on or after July 1, 2003, service credit for all members employed by the Minnesota State Colleges and Universities system must be determined:

(1) for full-time employees, by the definition of full-time employment contained in the collective bargaining agreement for those units listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary plan for those positions designated in section 179A.10, subdivision 1;

(2) for part-time employees, by the appropriate proration of full-time equivalency based on the provisions contained in the collective bargaining agreement for those units listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary plan for those positions designated in section 179A.10, subdivision 1, and the applicable procedures of the Minnesota State Colleges and Universities system; and

(3) in no case may a member receive more than one year of service credit for any fiscal year.

Sec. 53. Minnesota Statutes 2004, section 354.10, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; EXCEPTIONS.] (a) The provisions of section 356.401 apply to the teachers retirement plan.

(b) The right of a teacher to take advantage of the benefits provided by this chapter, is a personal right only and is not assignable. All money to the credit of a teacher's account in the fund or any money payable to the teacher from the fund belongs to the state of Minnesota until actually paid to the teacher or a beneficiary under this chapter.

(c) The association may acknowledge a properly completed power of attorney form. ~~An assignment or attempted assignment of a teacher's interest in the fund, or of the beneficiary's interest in the fund, by a teacher or a beneficiary is void and exempt from garnishment or levy under attachment or execution, except as provided in subdivision 2 or 3, or section 518.58, 518.581, or 518.611.~~

Sec. 54. Minnesota Statutes 2004, section 354.10, subdivision 3, is amended to read:

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If, in the judgment of the executive director, conditions so warrant, payment of an annuity, a retirement benefit, or a refund may be made to a public body in behalf of an annuitant, disablitant, or survivor upon such terms as the executive director may prescribe.

Sec. 55. Minnesota Statutes 2004, section 354.10, subdivision 4, is amended to read:

Subd. 4. [CHANGES IN DESIGNATED BENEFICIARIES.] ~~Any~~ (a) A beneficiary designated by a retiree or member under section 354.05, subdivision 22, may be changed or revoked by the retiree or member on a form provided by the executive director.

(b) A change or revocation made under this subdivision is valid only if the properly completed form is received by the association on or before the date of death of the retiree or the member.

(c) If a designated beneficiary dies before the retiree or member designating the beneficiary, and a new beneficiary is not designated, the retiree's or member's estate is the beneficiary.

Sec. 56. Minnesota Statutes 2004, section 354.33, subdivision 5, is amended to read:

Subd. 5. [RETIREEES NOT ELIGIBLE FOR FEDERAL BENEFITS.] Notwithstanding the provisions of section 354.55, subdivision 3, when any person retires after July 1, 1973, who ~~(a)~~ (1) has ten or more years of allowable service, and ~~(b)~~ (2) does not have any retroactive Social Security coverage by reason of the person's position in the retirement system, and ~~(c)~~ (3) does not qualify for federal old age and survivor primary benefits at the time of retirement, the annuity ~~shall~~ must be computed under section 354.44, subdivision 2, of the law in effect on June 30, 1969, except that accumulations after June 30, 1957, ~~shall~~ must be calculated using the same mortality table and interest assumption as are used to transfer the required reserves to the Minnesota postretirement investment fund.

Sec. 57. Minnesota Statutes 2004, section 354.39, is amended to read:

354.39 [EFFECTIVE DATE; APPLICATION.]

~~After July 1, 1971, any~~ A member of the Teachers Retirement Association who is employed in a new state university ~~and or any other new institutions~~ institution of higher learning not included in any agreement or modification made between the state and the federal Secretary of Health, ~~Education and Welfare~~ Human Services, making the provisions of the federal Old Age ~~and~~ Survivors ~~and~~ Disability Insurance Act applicable to such members, ~~shall~~ must be covered under the provisions of this chapter applicable to coordinated members.

Sec. 58. Minnesota Statutes 2004, section 354.41, subdivision 2, is amended to read:

Subd. 2. [TEACHERS.] Every teacher ~~after June 30, 1957, in the service or entering~~ the service of the state or ~~one of its governmental subdivisions~~ subdivisions as a teacher, except persons ~~specially~~ specifically excluded, ~~shall~~ must become a member of the association by the acceptance of such employment.

Sec. 59. Minnesota Statutes 2004, section 354.42, is amended by adding a subdivision to read:

Subd. 1a. [TEACHERS RETIREMENT FUND.] (a) Within the Teachers Retirement Association and the state treasury is created a special retirement fund, which must include all the assets of the Teachers Retirement Association and all revenue of the association. The fund is the continuation of the fund established under Laws 1931, chapter 406, section 2, notwithstanding the repeal of Minnesota Statutes 1973, section 354.42, subdivision 1, by Laws 1974, chapter 289, section 59.

(b) The teachers retirement fund must be credited with all employee and employer contributions, all investment revenue and gains, and all other income authorized by law.

(c) From the teachers retirement fund is appropriated the payments of annuities and benefits authorized by this chapter, the transfers to the Minnesota postretirement investment fund, and the reasonable and necessary expenses of administering the fund and the association.

Sec. 60. Minnesota Statutes 2004, section 354.44, subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF MONEY PURCHASE ANNUITY.] (a) The amount of retirement annuity is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest thereon. The annuity ~~shall~~ must be determined by the member's age, sex, double the amount of accumulated deductions, double the amount of interest earned on the accumulated deductions, and the appropriate mortality tables and interest rates. To determine the amount of the annuity for a basic member, the accumulated deductions ~~prior to before July 1, 1957, and the accumulated deductions subsequent to after July 1, 1957, shall~~ must be considered separately.

~~(4)~~ (b) For service rendered ~~prior to before July 1, 1957, the accumulated deductions for any a member shall~~ must be carried forward at a fixed amount which is shown credited to the member's account as of that date. That fixed amount ~~shall~~ must also include any payments in lieu of salary deductions which ~~are to be made in the future and are~~ were actually so made ~~pursuant to under~~ an agreement executed between the member and the board as authorized by section 354.50 or any other authorized payments made by the member to the fund. The annuity granted with respect to the period ~~shall~~ must be determined as follows:

~~(a)~~ (1) the fixed amount of the accumulated deductions for the period including the interest credited on the amount as earned up to July 1, 1957; and

~~(b)~~ (2) annuity purchase rates based on the applicable mortality table established by the board and the interest rate assumption in effect ~~prior to~~ before July 1, 1957, in the case of basic members and an annuity purchase rate based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 8, in the case of coordinated members.

~~(2)~~ (c) For service rendered ~~subsequent to~~ after July 1, 1957, the accumulated deductions for ~~any a~~ a member ~~shall~~ must consist of the amounts actually credited to the member's account by reason of salary deductions. The annuity granted with respect to the period ~~shall~~ must be determined by the following:

~~(a)~~ (1) accumulated deductions for the period;

~~(b)~~ (2) interest credited on these accumulated deductions from July 1, 1957, to the date of retirement;

~~(c)~~ (3) interest credited on accumulated deductions including prior credited interest provided in paragraph ~~(4)~~ (b) from July 1, 1957, to the date of retirement;

~~(d)~~ (4) after the amount available for an annuity granted with respect to the person is determined in accordance with the provisions of this subdivision, an additional amount equal to 20 percent of the sum of clause ~~(2)~~ (a) (1) plus interest credited to ~~members a~~ a member's account from July 1, 1957, to date of retirement is to be added. This added amount is not to be doubled as provided for other amounts determined in this subdivision; and

~~(e)~~ (5) the annuity purchase rate based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 61. Minnesota Statutes 2004, section 354A.021, subdivision 5, is amended to read:

Subd. 5. [TAX SHELTERED ANNUITY PROGRAM AND FUND.] ~~Any~~ A teachers retirement fund association may establish a tax sheltered annuity program and fund meeting the requirements of section 403(b) of the Internal Revenue Code of 1986, as amended ~~through December 31, 1992~~, which ~~shall~~ must include all assets which were acquired for the specific purpose of being credited to the program and fund and to which ~~shall~~ must be credited all employee contributions; and employer contributions, if negotiated under a collective bargaining agreement, designated for this purpose and all interest income attributable to the assets of the program and fund.

Sec. 62. Minnesota Statutes 2004, section 354A.097, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement fund association and who performed service in the United States armed forces before becoming a teacher as defined in section 354A.011, subdivision 27, or who failed to obtain service credit for a military leave of absence period under section 354A.093, is entitled to purchase allowable service credit for the initial period of enlistment, induction, or call to active duty without any voluntary extension by making payment under section ~~356.55~~ provided 356.551 if the teacher has not purchased service credit from another Minnesota defined benefit public employee pension plan for the same period of service.

Sec. 63. Minnesota Statutes 2004, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at normal retirement age with at least three years of service credit, a coordinated member ~~shall be~~ is entitled to a normal retirement annuity calculated ~~pursuant to~~ under subdivision 4 or 4a, whichever applies.

Sec. 64. [356.401] [EXEMPTION FROM PROCESS.]

Subdivision 1. [EXEMPTION; EXCEPTIONS.] None of the money, annuities, or other benefits provided for in the governing law of a covered retirement plan is assignable either in law or in equity or subject to state estate tax, or to execution, levy, attachment, garnishment, or other legal process, except as provided in subdivision 2 or section 518.58, 518.581, or 518.6111.

Subd. 2. [AUTOMATIC DEPOSITS.] (a) The chief administrative officer of a covered retirement plan may remit, through an automatic deposit system, annuity, benefit, or refund payments only to a financial institution associated with the National Automated Clearinghouse Association or a comparable successor organization that is trustee for a person who is eligible to receive the annuity, benefit, or refund.

(b) Upon the request of a retiree, disabiltant, survivor, or former member, the chief administrative officer of a covered retirement plan may remit the annuity, benefit, or refund check to the applicable financial institution for deposit in the person's individual account or the person's joint account. An overpayment to a joint account after the death of the annuitant or benefit recipient must be repaid to the fund of the applicable covered retirement plan by the joint tenant if the overpayment is not repaid to that fund by the financial institution associated with the National Automated Clearinghouse Association or its successor. The governing board of the covered retirement plan may prescribe the conditions under which these payments may be made.

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

- (1) the legislators retirement plan, established by chapter 3A;
- (2) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;
- (3) the correctional state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;
- (4) the State Patrol retirement plan, established by chapter 352B;
- (5) the elective state officers retirement plan, established by chapter 352C;
- (6) the unclassified state employees retirement program, established by chapter 352D;
- (7) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353;
- (8) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;
- (9) the public employees defined contribution plan, established by chapter 353D;
- (10) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;
- (11) the Teachers Retirement Association, established by chapter 354;
- (12) the Duluth Teachers Retirement Fund Association, established by chapter 354A;

(13) the Minneapolis Teachers Retirement Fund Association, established by chapter 354A;

(14) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

(15) the individual retirement account plan, established by chapter 354B;

(16) the higher education supplemental retirement plan, established by chapter 354C;

(17) the Minneapolis employees retirement fund, established by chapter 422A;

(18) the Minneapolis Police Relief Association, established by chapter 423B;

(19) the Minneapolis Firefighters Relief Association, established by chapter 423C; and

(20) the judges retirement fund, established by sections 490.121 to 490.132.

Sec. 65. Minnesota Statutes 2004, section 356.551, is amended to read:

356.551 [POST JULY 1, ~~2003~~ 2004, PRIOR SERVICE CREDIT PURCHASE PAYMENT AMOUNT DETERMINATION PROCEDURE.]

Subdivision 1. [APPLICATION.] (a) Unless the prior service credit purchase authorization special law or general statute provision explicitly specifies a different purchase payment amount determination procedure, and if section 356.55 has expired, this section governs the determination of the prior service credit purchase payment amount of any prior service credit purchase.

(b) The purchase payment amount determination procedure must recognize any service credit accrued to the purchaser in a pension plan enumerated in section 356.30, subdivision 3.

(c) Any service credit in a Minnesota defined benefit public employee pension plan available to be reinstated by the purchaser through the repayment of a refund of member or employee contributions previously received must be repaid in full before any purchase of prior service credit payment is made under this section.

Subd. 2. [DETERMINATION.] (a) Unless the minimum purchase amount set forth in paragraph (c) applies, the prior service credit purchase amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the chief administrative officer of the pension plan and reviewed by the actuary retained by the Legislative Commission on Pensions and Retirement under section 356.214, of the amount of the additional retirement annuity obtained by the acquisition of the additional service credit in this section.

(b) Calculation of this amount must be made using the preretirement interest rate applicable to the public pension plan specified in section 356.215, subdivision 4d 8, and the mortality table adopted for the public pension plan. The calculation must assume continuous future service in the public pension plan until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 4d.

(c) The prior service credit purchase amount may not be less than the amount determined by applying the current employee or member contribution rate, the employer contribution rate, and the additional employer contribution rate, if any, to the person's current annual salary and multiplying that result by the number of whole and fraction years of service to be purchased.

(d) Payment must be made in one lump sum within one year of the prior service credit authorization. Payment of the amount calculated under this section must be made by the applicable eligible person.

(e) However, the current employer or the prior employer may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of 8.5 percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this subdivision, the purchaser must make the employee payments required under this subdivision within ~~290~~ 90 days of the prior service credit authorization. If that employee payment is made, the employer payment under this subdivision must be remitted to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this subdivision.

Subd. 3. [DOCUMENTATION.] The prospective prior service credit purchaser must provide any relevant documentation required by the chief administrative officer of the applicable public pension plan to determine eligibility for the prior service credit under this section.

Subd. 4. [PAYMENT PRECONDITION FOR CREDIT GRANT.] Service credit for the purchase period must be granted by the public pension plan to the purchaser upon receipt of the full purchase payment amount specified in subdivision 2.

Sec. 66. Minnesota Statutes 2004, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) [AUTHORITY.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with this subdivision.

(b) [SECURITIES GENERALLY.] The covered pension plan has the authority to purchase, sell, lend, or exchange the securities specified in paragraphs (c) to (g), including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned as units in commingled trusts that own the securities described in paragraphs (c) to (g).

(c) [GOVERNMENT OBLIGATIONS.] The covered pension plan may invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph include guaranteed or insured issues of (1) the United States, its agencies, its instrumentalities, or organizations created and regulated by an act of Congress; (2) Canada and its provinces, provided the principal and interest is payable in United States dollars; (3) the states and their municipalities, political subdivisions, agencies, or instrumentalities; (4) the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, or any other United States government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars.

(d) [CORPORATE OBLIGATIONS.] The covered pension plan may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(1) the principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof must be payable in United States dollars; and

(2) obligations must be rated among the top four quality categories by a nationally recognized rating agency.

(e) [OTHER OBLIGATIONS.] (1) The covered pension plan may invest funds in bankers acceptances, certificates of deposit, deposit notes, commercial paper, mortgage participation certificates and pools, asset backed securities, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(i) bankers acceptances and deposit notes of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit are limited to those issued by (A) United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies; or (B) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;

(iii) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3;

(v) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(vi) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts are limited to those fully insured by federal agencies; and

(viii) asset backed securities must be rated in the top four quality categories by a nationally recognized rating agency.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), the covered pension plan may purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(f) [CORPORATE STOCKS.] The covered pension plan may invest funds in stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof, the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange, if they conform to the following provisions:

(1) the aggregate value of corporate stock investments, as adjusted for realized profits and losses, must not exceed 85 percent of the market or book value, whichever is less, of a fund, less the aggregate value of investments according to ~~subdivision 6~~ paragraph (g);

(2) investments must not exceed five percent of the total outstanding shares of any one corporation.

(g) [OTHER INVESTMENTS.] (1) In addition to the investments authorized in paragraphs (b) to (f), and subject to the provisions in clause (2), the covered pension plan may invest funds in:

(i) venture capital investment businesses through participation in limited partnerships and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(iv) resource investments through limited partnerships, private placements, and corporations; and

(v) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made according to clause (1) may not exceed 35 percent of the market value of the fund for which the covered pension plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the ~~state board~~ covered pension plan for investments made under clause (1), item (i), (ii), (iii), or (iv);

(iii) covered pension plan participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), (iii), or (iv); and

(iv) covered pension plan participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The covered pension plan may not engage in any activity as a limited partner which creates general liability.

Sec. 67. Minnesota Statutes 2004, section 422A.01, subdivision 11, is amended to read:

Subd. 11. [EMPLOYEE.] "Employee" means ~~any~~ a person who is not exempted from the contributing class ~~pursuant to under~~ section 422A.09, subdivision 3, who ~~is~~ was employed before July 1, 1979, by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of city government or independently if financed in whole or in part by city funds, including ~~any~~ a person who was employed by a public corporation as herein defined, ~~and including any~~ a person who was employed before July 1,

1979, by Special School District No. 1, and who is not a member of any other retirement system, and ~~also including any a person who is was~~ employed before July 1, 1973, by the county of Hennepin, who was entitled by law to elect and has elected to retain membership in the ~~municipal~~ Minneapolis Employees Retirement Fund and who makes any required member contributions to the fund and who remains so employed.

Sec. 68. Minnesota Statutes 2004, section 422A.06, subdivision 7, is amended to read:

Subd. 7. [DISABILITY BENEFIT FUND.] (a) ~~The required reserves for disability allowances which become effective after December 31, 1973, shall be transferred from the deposit accumulation fund to the A~~ A disability benefit fund is established, containing the required reserves for disability allowances under this chapter. A proportionate share of income from investments ~~shall must~~ shall must be allocated to this fund. There ~~shall must~~ shall must be paid from this fund the disability allowances ~~which become effective after December 31, 1973~~ payable under this chapter.

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

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

Sec. 69. Minnesota Statutes 2004, section 422A.10, subdivision 1, is amended to read:

Subdivision 1. [~~MEMBER CONTRIBUTION RATE; DEDUCTIONS.~~] (a) There ~~shall must~~ shall must be deducted and withheld from the basic salary, pay or compensation of each employee in the contributing class, ~~prior to January 1, 1980 an amount equal to 7 1/4 percent, after December 31, 1979 but prior to January 1, 1981 an amount equal to 8 1/4 percent and after December 31, 1980 an amount equal to 9 1/4 percent of such salary, pay or compensation, except as hereinafter provided.~~

(b) The retirement board may increase the percentage rate of contribution to the retirement fund of any employee or employees for the purpose of establishing and maintaining on an actuarial basis a plan of insurance, survivors' benefits, or other type of benefit or benefits, the cost of which ~~shall must~~ shall must be paid out of such extra percentage so authorized and deducted from the employee's compensation, except as hereinafter provided. Any plan or plans so established and placed in operation may be amended from time to time, or may be abandoned, but if abandoned, any surplus remaining from the operation of a plan ~~shall must~~ shall must be the property of the fund, and ~~shall must~~ shall must be credited to the reserve for loss in investment account.

Sec. 70. Minnesota Statutes 2004, section 422A.10, subdivision 2, is amended to read:

Subd. 2. [~~CONSENT TO DEDUCTIONS MANDATORY MEMBER CONTRIBUTIONS.~~] Every employee to whom ~~sections 422A.01 to 422A.25 this chapter applies who shall continue in the service after the passage of Laws 1919, chapter 522, as well as every person to whom sections 422A.01 to 422A.25 applies who may hereafter be appointed to a position or place, shall be is~~ this chapter applies ~~shall be~~ is deemed to consent and agree to the deductions made and provided for herein, and payment with such reductions, for service, ~~shall be are~~ shall be are a full and complete discharge and acquittance of all claims and demands for all services rendered by such person during the period covered by such payment; except the person's claim to the benefits to which the person may be entitled under the provisions of ~~sections 422A.01 to 422A.25 this chapter.~~

Sec. 71. Minnesota Statutes 2004, section 422A.22, subdivision 1, is amended to read:

Subdivision 1. [RETENTION; TRANSFER.] (a) If an employee to whom ~~sections 422A.01 to 422A.25~~ this chapter applies becomes absolutely separated from ~~the active service prior to before~~ the active service prior to before attaining the minimum retirement age established in section 422A.13, the employee is entitled to a refund of the net accumulated amount of deduction from salary, pay, or compensation, made for the purpose of accumulating a fund from which to pay retirement allowances, shall be returned to such employee, with interest at the annual compound rate of six percent.

(b) Any contributing employee who separates from a department, board or commission of the city whose employees are covered by a fund organized under ~~sections 422A.01 to 422A.25~~ this chapter, and becomes an employee of a department or board of the same city, whose employees are covered by a retirement fund or relief association by whatever name known, organized under any other law and supported in whole or in part by taxes on the same city, ~~shall have~~ has the option of:

(1) retaining their membership in the fund organized under ~~sections 422A.01 to 422A.25~~ this chapter, regardless of the provisions of any law, rule, bylaw or other action requiring membership in any other retirement fund or relief association however organized; or

(2) transferring to the fund or association covering the employees of the department or board to which they are transferring, providing they are eligible for membership therein.

(c) Any contributing employee who elects to transfer to another fund or association as ~~herein~~ provided in paragraph (b), clause (2), shall must make such election within one year from the date of separation from the city service covered by this fund. If the contributing employee elects to transfer to another fund ~~as herein provided, the employee is entitled to a refund of the net accumulated contributions made by such employee to the fund organized under sections 422A.01 to 422A.25, shall be returned to the employee this chapter with interest at the annual compound rate of six percent.~~

Sec. 72. Minnesota Statutes 2004, section 422A.22, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON ELIGIBILITY.] No employee of the city ~~shall be~~ is eligible to be a member of, or receive benefits from, more than one retirement plan or fund of the city for the same period of service.

Sec. 73. Minnesota Statutes 2004, section 422A.22, subdivision 4, is amended to read:

Subd. 4. [DEATH-WHILE-ACTIVE REFUND.] (a) Upon the death of an active member ~~prior to before the employee's termination of active service, there shall be paid to~~ the beneficiary or beneficiaries designated by the member on a form specified by the executive director and filed with the retirement board; are entitled to receive the net accumulated employee deductions from salary, pay, or compensation, including interest under subdivision 1, paragraph (a), compounded annually to the date of the member's death. The amount must not include any contributions made by the employee or on the employee's behalf, or any interest or investment earnings on those contributions, which were allocated to the survivor benefit fund under section 422A.06, subdivision 6.

(b) If the employee fails to make a designation, or if the beneficiary or beneficiaries designated by the employee predeceases the employee, ~~the benefit specified in paragraph (a) must be paid to the deceased employee's estate is~~ entitled to the benefit specified in paragraph (a).

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

Sec. 74. Minnesota Statutes 2004, section 422A.22, subdivision 6, is amended to read:

Subd. 6. [REFUND; MUNICIPAL EMPLOYEES RETIREMENT FUND.] ~~Any~~ A person who has received a refund from the ~~municipal~~ Minneapolis Employees Retirement Fund, and who is a member of a public retirement system included in section 422A.16, subdivision 8, may repay such refund with interest at a compound annual rate of 8.5 percent to the ~~municipal~~ Minneapolis Employees Retirement Fund. If a refund is repaid to the fund and if more than one refund has been received from the fund, all refunds must be repaid. Repayment ~~shall~~ must be made as provided in ~~sections 422A.01 to 422A.25~~ this chapter.

Sec. 75. Minnesota Statutes 2004, section 422A.231, is amended to read:

422A.231 [COST ALLOCATION.]

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

(b) In each actuarial valuation of the retirement fund, the actuary retained ~~by the Legislative Commission on Pensions and Retirement under section 356.214~~ shall include an exhibit on the impact of the benefit increases contained in this article on the survivor benefit fund. The actuary shall calculate the expected change in the present value of the future benefits payable from the survivor benefit fund attributable to this article, using the actuarial method and assumptions applicable to the Minneapolis Employees Retirement Fund, from the prior actuarial valuation and shall compare that result with the actual change in the present value of future benefits payable from the survivor benefit fund attributable to this article from the prior actuarial valuation.

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

Sec. 76. Minnesota Statutes 2004, section 422A.24, is amended to read:

422A.24 [ALLOWANCES NOT ASSIGNABLE OR SUBJECT TO PROCESS.]

~~No money payable pursuant to this chapter shall be assignable either in law or equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111, nor shall any of the proceeds of payments due pursuant to this chapter be subject to the inheritance tax provisions of this state upon transfer to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit. The provisions of section 356.401 apply to the Minneapolis employees retirement plan.~~

Sec. 77. Minnesota Statutes 2004, section 423B.17, is amended to read:

423B.17 [PAYMENTS EXEMPT FROM PROCESS.]

~~A payment made by the association under a provision of sections 423B.01 to 423B.18, as amended, is exempt from legal process except as provided in section 518.58, 518.581, or 518.6111. No person entitled to a payment may assign the same. The association may not recognize an assignment or pay a sum on account of an assignment. The provisions of section 356.401 apply to the Minneapolis Police Relief Association.~~

Sec. 78. Minnesota Statutes 2004, section 423C.09, is amended to read:

423C.09 [PAYMENTS EXEMPT FROM PROCESS.]

~~All payments made, or to be made, by the association under this chapter shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. No person entitled to a payment shall have the right to assign the name, nor shall the association have authority to recognize any assignment or to pay any sum on account thereof. Any attempt to transfer any right or claim, or any part thereof, shall be void. The provisions of section 356.401 apply to the Minneapolis Firefighters Relief Association.~~

Sec. 79. Minnesota Statutes 2004, section 490.126, subdivision 5, is amended to read:

Subd. 5. [EXEMPTION FROM PROCESS; NO ASSIGNMENT.] ~~None of the money, annuities, or other benefits provided in this chapter is assignable either in law or equity or is subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the judges retirement plan.~~

Sec. 80. [REVISOR'S INSTRUCTION.]

In the next edition and subsequent editions of Minnesota Statutes, the revisor of statutes shall replace the reference to "sections 422A.01 to 422A.25" with the reference to "this chapter" wherever the reference appears in Minnesota Statutes, chapter 422A.

Sec. 81. [REPEALER.]

(a) Minnesota Statutes 2004, section 352.119, subdivision 1, is repealed.

(b) Minnesota Statutes 2004, sections 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, and 2c; 353.46, subdivision 4; 353.663; 353.74; and 353.75, are repealed.

(c) Minnesota Statutes 2004, section 354.59, is repealed.

(d) Minnesota Statutes 2004, sections 422A.22, subdivisions 2 and 5; and 422A.221, are repealed.

(e) Minnesota Statutes 2004, sections 352.15, subdivision 1a; 353.15, subdivision 2; and 354.10, subdivision 2, are repealed.

Sec. 82. [EFFECTIVE DATE.]

(a) Sections 1 to 73 and 75 to 81 are effective July 1, 2005.

(b) Section 74 is effective January 1, 2006.

(c) Sections 1, 21, 22, 23, 29, 45, 46, 53, 64, 76, 77, 78, 79, and 81, paragraph (e), do not apply to any cause of action that is proceeding on the date of enactment or to any cause of action for which the applicable statute of limitations has not expired as of the date of enactment.

ARTICLE 13

LOCAL RETIREMENT PLANS

Section 1. Minnesota Statutes 2004, section 69.77, subdivision 4, is amended to read:

Subd. 4. [RELIEF ASSOCIATION FINANCIAL REQUIREMENTS; MINIMUM MUNICIPAL OBLIGATION.] (a) The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the municipality must be determined on or before the submission date established by the municipality under subdivision 5.

(b) The financial requirements of the relief association for the following calendar year must be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 15, and 356.216, as required under subdivision 10. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate must be used in calculating the subsequent financial requirements of the relief association.

(c) If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated under clauses (1), (2), and (3), constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated under clauses (1) and (2) constitute the financial requirements of the relief association for the following year. The financial requirement elements are:

(1) the normal level cost requirement for the following year, expressed as a dollar amount, which must be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected change in the active membership, for the following year;

(2) for the Bloomington Fire Department Relief Association, the Fairmont Police Relief Association, and the Virginia Fire Department Relief Association, to the dollar amount of normal cost determined under clause (1) must be added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. The administrative expenses are those authorized under section 69.80. No amount of administrative expenses under this clause are to be included in the financial requirements of the Minneapolis Firefighters Relief Association or the Minneapolis Police Relief Association; and

(3) to the dollar amount of normal cost and expenses determined under clauses (1) and (2) must be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial accrued liability by December 31, 2010, the Fairmont Police Relief Association, the Minneapolis Firefighters Relief Association, and the Virginia Fire Department Relief Association, by the date determined under section 356.216, paragraph (a), clause (2), for the Bloomington Fire Department Relief Association, and by December 31, 2020, for the Minneapolis Police Relief Association, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the applicable rate specified in section 356.215, subdivision 8. The amortization date specified in this clause applies to all local police or salaried firefighters' relief associations and that date supersedes any amortization date specified in any applicable special law.

(d) The minimum obligation of the municipality is an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts anticipated for the following calendar year from the applicable state aid program established under sections 69.011 to 69.051 receivable by the relief association after any allocation made under section 69.031, subdivision 5, paragraph (b), clause (2), or 423A.01, subdivision 2, clause (6), from the local police and salaried firefighters' relief association amortization aid program established under section 423A.02, subdivision 1, from the supplementary amortization state-aid program established under section 423A.02, subdivision 1a, and from the additional amortization state aid under section 423A.02, subdivision 1b.

Sec. 2. Minnesota Statutes 2004, section 356.215, subdivision 8, is amended to read:

Subd. 8. [INTEREST AND SALARY ASSUMPTIONS.] (a) The actuarial valuation must use the applicable following preretirement interest assumption and the applicable following postretirement interest assumption:

plan	preretirement interest rate assumption	postretirement interest rate assumption
general state employees retirement plan	8.5%	6.0%
correctional state employees retirement plan	8.5	6.0
State Patrol retirement plan	8.5	6.0
legislators retirement plan	8.5	6.0
elective state officers retirement plan	8.5	6.0
judges retirement plan	8.5	6.0
general public employees retirement plan	8.5	6.0
public employees police and fire retirement plan	8.5	6.0
local government correctional service retirement plan	8.5	6.0
teachers retirement plan	8.5	6.0
Minneapolis employees retirement plan	6.0	5.0
Duluth teachers retirement plan	8.5	8.5
Minneapolis teachers retirement plan	8.5	8.5
St. Paul teachers retirement plan	8.5	8.5
Minneapolis Police Relief Association	6.0	6.0
Fairmont Police Relief Association	5.0	5.0
Minneapolis Fire Department Relief Association	6.0	6.0
Virginia Fire Department Relief Association	5.0	5.0
<u>Bloomington Fire Department Relief Association</u>	<u>6.0</u>	<u>6.0</u>
local monthly benefit volunteer firefighters relief associations	5.0	5.0

(b) The actuarial valuation must use the applicable following single rate future salary increase assumption, the applicable following modified single rate future salary increase assumption, or the applicable following graded rate future salary increase assumption:

(1) single rate future salary increase assumption

plan	future salary increase assumption
legislators retirement plan	5.0%
elective state officers retirement plan	5.0

judges retirement plan	5.0
Minneapolis Police Relief Association	4.0
Fairmont Police Relief Association	3.5
Minneapolis Fire Department Relief Association	4.0
Virginia Fire Department Relief Association	3.5
<u>Bloomington Fire Department Relief Association</u>	<u>4.0</u>

(2) modified single rate future salary increase assumption

plan	future salary increase assumption
Minneapolis employees retirement plan	the prior calendar year amount increased first by 1.0198 percent to prior fiscal year date and then increased by 4.0 percent annually for each future year

(3) select and ultimate future salary increase assumption or graded rate future salary increase assumption

plan	future salary increase assumption
general state employees retirement plan	select calculation and assumption A
correctional state employees retirement plan	assumption H
State Patrol retirement plan	assumption H
general public employees retirement plan	select calculation and assumption B
public employees police and fire fund retirement plan	assumption C
local government correctional service retirement plan	assumption H
teachers retirement plan	assumption D
Duluth teachers retirement plan	assumption E
Minneapolis teachers retirement plan	assumption F
St. Paul teachers retirement plan	assumption G

The select calculation is:

during the ten-year select period, a designated percent is multiplied by the result of ten minus T, where T is the number of completed years of service, and is added to the applicable future salary increase assumption. The designated percent is 0.2 percent for the correctional state employees retirement plan, the State Patrol retirement plan, the public employees police and fire plan, and the local government correctional service plan; 0.3 percent for the general state employees retirement plan, the general public employees retirement plan, the teachers retirement plan, the Duluth Teachers Retirement Fund Association, and the St. Paul Teachers Retirement Fund Association; and 0.4 percent for the Minneapolis Teachers Retirement Fund Association.

The ultimate future salary increase assumption is:

age	A	B	C	D	E	F	G	H
16	6.95%	6.95%	11.50%	8.20%	8.00%	6.50%	6.90%	7.7500
17	6.90	6.90	11.50	8.15	8.00	6.50	6.90	7.7500
18	6.85	6.85	11.50	8.10	8.00	6.50	6.90	7.7500
19	6.80	6.80	11.50	8.05	8.00	6.50	6.90	7.7500
20	6.75	6.40	11.50	6.00	6.90	6.50	6.90	7.7500
21	6.75	6.40	11.50	6.00	6.90	6.50	6.90	7.1454
22	6.75	6.40	11.00	6.00	6.90	6.50	6.90	7.0725
23	6.75	6.40	10.50	6.00	6.85	6.50	6.85	7.0544
24	6.75	6.40	10.00	6.00	6.80	6.50	6.80	7.0363
25	6.75	6.40	9.50	6.00	6.75	6.50	6.75	7.0000
26	6.75	6.36	9.20	6.00	6.70	6.50	6.70	7.0000
27	6.75	6.32	8.90	6.00	6.65	6.50	6.65	7.0000
28	6.75	6.28	8.60	6.00	6.60	6.50	6.60	7.0000
29	6.75	6.24	8.30	6.00	6.55	6.50	6.55	7.0000
30	6.75	6.20	8.00	6.00	6.50	6.50	6.50	7.0000
31	6.75	6.16	7.80	6.00	6.45	6.50	6.45	7.0000
32	6.75	6.12	7.60	6.00	6.40	6.50	6.40	7.0000
33	6.75	6.08	7.40	6.00	6.35	6.50	6.35	7.0000
34	6.75	6.04	7.20	6.00	6.30	6.50	6.30	7.0000
35	6.75	6.00	7.00	6.00	6.25	6.50	6.25	7.0000
36	6.75	5.96	6.80	6.00	6.20	6.50	6.20	6.9019
37	6.75	5.92	6.60	6.00	6.15	6.50	6.15	6.8074
38	6.75	5.88	6.40	5.90	6.10	6.50	6.10	6.7125
39	6.75	5.84	6.20	5.80	6.05	6.50	6.05	6.6054
40	6.75	5.80	6.00	5.70	6.00	6.50	6.00	6.5000
41	6.75	5.76	5.90	5.60	5.90	6.50	5.95	6.3540
42	6.75	5.72	5.80	5.50	5.80	6.50	5.90	6.2087
43	6.65	5.68	5.70	5.40	5.70	6.50	5.85	6.0622
44	6.55	5.64	5.60	5.30	5.60	6.50	5.80	5.9048
45	6.45	5.60	5.50	5.20	5.50	6.50	5.75	5.7500
46	6.35	5.56	5.45	5.10	5.40	6.40	5.70	5.6940
47	6.25	5.52	5.40	5.00	5.30	6.30	5.65	5.6375
48	6.15	5.48	5.35	5.00	5.20	6.20	5.60	5.5822
49	6.05	5.44	5.30	5.00	5.10	6.10	5.55	5.5404
50	5.95	5.40	5.25	5.00	5.00	6.00	5.50	5.5000
51	5.85	5.36	5.25	5.00	5.00	5.90	5.45	5.4384
52	5.75	5.32	5.25	5.00	5.00	5.80	5.40	5.3776
53	5.65	5.28	5.25	5.00	5.00	5.70	5.35	5.3167
54	5.55	5.24	5.25	5.00	5.00	5.60	5.30	5.2826
55	5.45	5.20	5.25	5.00	5.00	5.50	5.25	5.2500
56	5.35	5.16	5.25	5.00	5.00	5.40	5.20	5.2500
57	5.25	5.12	5.25	5.00	5.00	5.30	5.15	5.2500
58	5.25	5.08	5.25	5.10	5.00	5.20	5.10	5.2500
59	5.25	5.04	5.25	5.20	5.00	5.10	5.05	5.2500
60	5.25	5.00	5.25	5.30	5.00	5.00	5.00	5.2500
61	5.25	5.00	5.25	5.40	5.00	5.00	5.00	5.2500
62	5.25	5.00	5.25	5.50	5.00	5.00	5.00	5.2500

63	5.25	5.00	5.25	5.60	5.00	5.00	5.00	5.2500
64	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
65	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
66	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
67	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
68	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
69	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
70	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
71	5.25	5.00		5.70				

(c) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

plan	payroll growth assumption
general state employees retirement plan	5.00%
correctional state employees retirement plan	5.00
State Patrol retirement plan	5.00
legislators retirement plan	5.00
elective state officers retirement plan	5.00
judges retirement plan	5.00
general public employees retirement plan	6.00
public employees police and fire retirement plan	6.00
local government correctional service retirement plan	6.00
teachers retirement plan	5.00
Duluth teachers retirement plan	5.00
Minneapolis teachers retirement plan	5.00
St. Paul teachers retirement plan	5.00

Sec. 3. Minnesota Statutes 2004, section 356.216, is amended to read:

356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE AND FIRE FUNDS.]

(a) The provisions of section 356.215 that govern the contents of actuarial valuations must apply to any local police or fire pension fund or relief association required to make an actuarial report under this section, except as follows:

(1) in calculating normal cost and other requirements, if required to be expressed as a level percentage of covered payroll, the salaries used in computing covered payroll must be the maximum rate of salary on which retirement and survivorship credits and amounts of benefits are determined and from which any member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 11, the appropriate amortization target date specified in section 69.77, subdivision 4, or 69.773, subdivision 4, clause (c), must be used in calculating any required amortization contribution, except that if the actuarial report for the Bloomington Fire Department Relief Association indicates an unfunded actuarial accrued liability, the unfunded obligation is to be amortized on a level dollar basis by December 31 of the year occurring 20 years later, and if subsequent actuarial valuations for the Bloomington Fire Department Relief Association determine a net actuarial experience loss incurred during the year which ended as of the day before the most recent actuarial valuation date, any unfunded liability due to that loss is to be amortized on a level dollar basis by December 31 of the year occurring 20 years later and except that the amortization date for the Minneapolis Police Relief Association is December 31, 2020;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 13, the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members must be reported;

(4) actuarial valuations required under section 69.773, subdivision 2, must be made at least every four years and actuarial valuations required under section 69.77 shall be made annually;

(5) the actuarial balance sheet showing accrued assets valued at market value if the actuarial valuation is required to be prepared at least every four years or valued as current assets under section 356.215, subdivision 1, clause (6), or paragraph (b), whichever applies, if the actuarial valuation is required to be prepared annually, actuarial accrued liabilities, and the unfunded actuarial accrued liability must include the following required reserves:

- (i) For active members
 1. Retirement benefits
 2. Disability benefits
 3. Refund liability due to death or withdrawal
 4. Survivors' benefits
- (ii) For deferred annuitants' benefits
- (iii) For former members without vested rights
- (iv) For annuitants
 1. Retirement annuities
 2. Disability annuities
 3. Surviving spouses' annuities
 4. Surviving children's annuities

In addition to those required reserves, separate items must be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above; and

(6) actuarial valuations are due by the first day of the seventh month after the end of the fiscal year which the actuarial valuation covers.

(b) For the Minneapolis Firefighters Relief Association or the Minneapolis Police Relief Association, the following provisions additionally apply:

(1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability, and amortization contribution of the relief association, "current assets" means the value of all assets at cost, including realized capital gains and losses, plus or minus, whichever applies, the average value of total unrealized capital gains or losses for the most recent three-year period ending with the end of the plan year immediately preceding the actuarial valuation report transmission date; and

(2) in calculating the applicable portions of the actuarial valuation, an annual preretirement interest assumption of six percent, an annual postretirement interest assumption of six percent, and an annual salary increase assumption of four percent must be used.

Sec. 4. Minnesota Statutes 2004, section 383B.46, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF ACCOUNT; CONTRIBUTIONS.] The county of Hennepin shall deduct from the salary of every person who is eligible for coverage and who elected to retain or obtain coverage by the Hennepin County supplemental retirement program a sum equal to one percent of the total salary of the person. Any

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

Sec. 5. Minnesota Statutes 2004, section 383B.47, is amended to read:

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

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

Sec. 6. Minnesota Statutes 2004, section 383B.48, is amended to read:

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

~~At the time a person becomes eligible for coverage and elects to obtain coverage by the Hennepin County supplemental retirement program and before November 1 of each subsequent year,~~ A participant in the Hennepin County supplemental retirement program shall indicate ~~in writing on a form provided by the county of Hennepin~~ the account of the Minnesota supplemental investment fund in which the participant wishes salary deductions and county matching contributions attributable to salary deductions to be invested ~~for the subsequent 12-month period such time as allowed by the Minnesota State Retirement System. For that 12-month period,~~ The county of Hennepin Minnesota State Retirement System shall purchase with the salary deductions and county matching funds attributable to the salary deductions shares in the appropriate account of the Minnesota supplemental investment fund in accordance with the indicated preferences of the participant. However, the county of Hennepin has the authority to determine which accounts of the Minnesota supplemental investment fund will be available for participant investment. The shares purchased must stand in the name of the county of Hennepin. A record must be kept by the ~~county of Hennepin~~ Minnesota State Retirement System indicating the number of shares in each account of the Minnesota supplemental investment fund purchased with the salary deductions and county matching funds attributable to the salary deductions of each participant. The record must be known as the "participant's share account record." The participant's share account record must show, in addition to the number of shares in the account, any cash balance of salary deductions or county matching funds attributable to those deductions which stand uninvested in shares. At the option of the county of Hennepin, and subject to any terms and conditions established and communicated in writing by the county to a participant, the participant may designate no more often than once each ~~calendar quarter~~ month that prior salary deductions and county matching contributions attributable to the salary deductions, together with any interest earned, be reinvested in another account of the Minnesota supplemental investment fund made available by the county of Hennepin.

Sec. 7. Minnesota Statutes 2004, section 383B.49, is amended to read:

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

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

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

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

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

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

Sec. 8. [383B.491] [MINNESOTA STATE RETIREMENT SYSTEM BILLING AUTHORITY.]

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

Sec. 9. Minnesota Statutes 2004, section 423B.05, subdivision 3, is amended to read:

Subd. 3. [CONTINUATION OF BOARD.] Notwithstanding the provisions of section 423A.01, subdivision 2, or any other law, the board of trustees and its successors established under subdivision 1 shall continue to govern the association until there are no more than ~~400~~ 225 members of the police pension fund. The fund thereafter must become a trust fund in accordance with section 423A.01, subdivision 2.

Sec. 10. Minnesota Statutes 2004, section 423B.09, subdivision 1, is amended to read:

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

(a) ~~When the actuarial value of assets of the fund according to the most recent annual actuarial valuation performed in accordance with sections 356.215 and 356.216 is less than 90 percent of the actuarial accrued liabilities, An active member or a deferred pensioner who has performed duty as a member of the police department of the city for five years or more, upon written application after retiring from duty and reaching at least age 50, is entitled to be paid monthly for life a service pension equal to eight units. For full years of service beyond five years, the service pension increases by 1.6 units for each full year, to a maximum of 40 units. When the actuarial value of assets of the fund according to the most recent annual actuarial valuation prepared in accordance with sections 356.215 and 356.216 is greater than 90 percent of actuarial accrued liabilities, Active members, deferred members, and service pensioners are entitled to a service pension according to the following schedule:~~

5 years	8.0 units	
6 years	9.6 units	
7 years	11.2 units	
8 years	12.8 units	
9 years	14.4 units	
10 years	16.0 units	
11 years	17.6 units	
12 years	19.2 units	
13 years	20.8 units	
14 years	22.4 units	
15 years	24.0 units	
16 years	25.6 units	
17 years	27.2 units	
18 years	28.8 units	
19 years	30.4 units	
	<u>A</u>	<u>B</u>
20 years	34.0 <u>34.5</u> units	<u>35.0</u> units
21 years	35.6 <u>36.1</u> units	<u>36.6</u> units

22 years	37.2 37.7 units	<u>38.2 units</u>
23 years	38.8 39.3 units	<u>39.8 units</u>
24 years	40.4 40.9 units	<u>41.4 units</u>
25 years	42.0 42.5 units	<u>43.0 units</u>

Column A is applicable until December 31, 2005, and applies retroactively to January 1, 2005, for a service pensioner who retired before January 1, 2005. Column B applies on and after January 1, 2006.

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

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

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

Sec. 11. Minnesota Statutes 2004, section 423B.09, is amended by adding a subdivision to read:

Subd. 7. [ADDITIONAL UNIT.] The additional half units provided to members by subdivision 1 must also be provided under the same terms and at the same time as applicable under subdivision 1 to members who selected a joint annuity option under subdivision 6 and must be in an amount that is actuarially equivalent to the service pension and the automatic survivor coverage for that additional unit.

Sec. 12. Minnesota Statutes 2004, section 423B.10, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT; BENEFIT AMOUNT.] (a) The surviving spouse of a deceased service pensioner, disability pensioner, deferred pensioner, superannuation pensioner, or active member, who was the legally married spouse of the decedent, residing with the decedent, and who was married while or before the time the decedent was on the payroll of the police department, and who, if the deceased member was a service or deferred pensioner, was legally married to the member for a period of at least one year before retirement from the police department, is entitled to a surviving spouse benefit. The surviving spouse benefit is equal to ~~22~~ 22.5 units per month until December 31, 2005, and 23 units per month beginning on January 1, 2006, if the person is the surviving spouse of a deceased active member or disabilitant. The surviving spouse benefit is equal to six units per month, plus an additional one unit for each year of service to the credit of the decedent in excess of five years, to a maximum of ~~22~~ 22.5 units per month until December 31, 2005, and 23 units per month beginning on January 1, 2006, if the person is the surviving spouse of a deceased service pensioner, deferred pensioner, or superannuation pensioner. The surviving spouse benefit is payable for the life of the surviving spouse.

(b) A surviving child of a deceased service pensioner, disability pensioner, deferred pensioner, superannuation pensioner, or active member, who was living while the decedent was an active member of the police department or was born within nine months after the decedent terminated active service in the police department, is entitled to a surviving child benefit. The surviving child benefit is equal to eight units per month if the person is the surviving child of a deceased active member or disabilitant. The surviving child benefit is equal to two units per month, plus an additional four-tenths of one unit per month for each year of service to the credit of the decedent in excess of five years, to a maximum of eight units, if the person is the surviving child of a deceased service pensioner, deferred pensioner, or superannuation pensioner. The surviving child benefit is payable until the person attains age 18, or, if in full-time attendance during the normal school year, in a school approved by the board of directors, until the

person receives a bachelor's degree or attains the age of 22 years, whichever occurs first. In the event of the death of both parents leaving a surviving child or children entitled to a surviving child benefit as determined in this paragraph, the surviving child is, or the surviving children are, entitled to a surviving child benefit in such sums as determined by the board of directors to be necessary for the care and education of such surviving child or children, but not to exceed the family maximum benefit per month, to the children of any one family.

(c) The surviving spouse and surviving child benefits are subject to a family maximum benefit. The family maximum benefit is 41 units per month.

(d) A surviving spouse who is otherwise not qualified may receive a benefit if the surviving spouse was married to the decedent for a period of five years and was residing with the decedent at the time of death. The surviving spouse benefit is the same as that provided in paragraph (a), except that if the surviving spouse is younger than the decedent, the surviving spouse benefit must be actuarially equivalent to a surviving spouse benefit that would have been paid to the member's spouse had the member been married to a person of the same age or a greater age than the member's age before retirement.

(e) For any surviving spouse who began receiving survivor benefits before January 1, 2005, the half-unit increase under paragraph (a) is effective retroactive to January 1, 2005.

Sec. 13. Minnesota Statutes 2004, section 423C.05, subdivision 2, is amended to read:

Subd. 2. [SERVICE PENSION.] (a) ~~An active~~ A member who has performed duty for the fire department for five years or more, upon written application after retiring from duty and reaching at least age 50, is entitled to be paid monthly for life a service pension under paragraph (b).

~~(b) Based on the percentage that the actuarial value of assets of the special fund equal to the actuarial accrued liabilities of the special fund according to the most recent annual actuarial valuation of the relief association prepared in accordance with sections 356.215 and 356.216, The amount of the service pension is as follows:~~

Length of allowable service credit	Service pension payable if under 90 percent	Service pension payable if greater than 89.99 percent and less than 92.5 percent	Service pension payable if greater than 92.49 percent <u>Number of units</u>
5 years	-	8.0 units	8.0 units
6 years	-	9.6 units	9.6 units
7 years	-	11.2 units	11.2 units
8 years	-	12.8 units	12.8 units
9 years	-	14.4 units	14.4 units
10 years	16.0 units	16.0 units	16.0 units
11 years	17.6 units	17.6 units	17.6 units
12 years	19.2 units	19.2 units	19.2 units
13 years	20.8 units	20.8 units	20.8 units
14 years	22.4 units	22.4 units	22.4 units
15 years	24.0 units	24.0 units	24.0 units
16 years	25.6 units	25.6 units	25.6 units
17 years	27.2 units	27.2 units	27.2 units

18 years	28.8 units	28.8 units	28.8 units
19 years	30.4 units	30.4 units	30.4 units
20 years	33.0 units	33.5 units	34.0 units
21 years	34.6 units	35.1 units	35.6 units
22 years	36.2 units	37.7 units	37.2 units
23 years	37.8 units	38.3 units	38.8 units
24 years	39.4 units	39.9 units	40.4 units
25 years			
or more	41.0 units	41.5 units	42.0 units

(c) A member entitled to a benefit under this subdivision may elect to have it paid as an optional retirement annuity pursuant to the conditions set forth in subdivision 8. A member receiving a benefit pursuant to subdivision 5 or 6 shall not simultaneously be entitled to a benefit under this subdivision.

Sec. 14. [423C.16] [RECOMPUTATION OF DISABLED BENEFIT PROHIBITED.]

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

Sec. 15. [NO REDUCTION OF BENEFITS.]

When a pension benefit is properly paid in accordance with the laws governing the Minneapolis Police Relief Association or the Minneapolis Firefighters Relief Association, whichever apply, to any member, the dollar amount of the pension a member received may not be reduced if the city of Minneapolis and the collective bargaining agent representing active police officers or firefighters enter into or are required to abide by an agreement that would otherwise require the association to reduce the dollar amount of a pension that had properly been paid to any member.

Sec. 16. [AURORA, BIWABIK CITY, HOYT LAKES, AND PALO VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS; CONSOLIDATION.]

(a) This section applies to consolidation of any combination of two or more of the following volunteer firefighter relief associations: Aurora, Biwabik City, Hoyt Lakes, and Palo.

(b) Notwithstanding Minnesota Statutes, section 424B.10, subdivision 1, paragraph (a), the service pension to be paid by the relief association existing after the consolidation is as follows:

(1) for the service rendered by each individual volunteer firefighter before the effective date of the consolidation, the service pension amount is the amount payable to that volunteer firefighter under the articles of incorporation or bylaws of the consolidating volunteer firefighters relief association that the firefighter was a member of immediately before the consolidation;

(2) for the service rendered after the effective date of the consolidation, the service pension amount is the highest dollar amount service pension of any of the consolidating volunteer firefighters relief associations under the articles of incorporation or bylaws in effect immediately before the consolidation; and

(3) after consolidation, increases in the amounts established in clauses (1) and (2) may be implemented if consistent with applicable requirements of Minnesota Statutes, chapters 69 and 424A.

Sec. 17. [EVELETH RETIRED POLICE AND FIRE TRUST FUND; AD HOC POSTRETIREMENT ADJUSTMENT.]

(a) In addition to the current pensions and other retirement benefits payable, the pensions and retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund are increased by \$100 per month. Increases are retroactive from January 1, 2005.

(b) Following the January 1, 2005, effective date of the benefit increase provided under paragraph (a), every two years thereafter, to be effective no earlier than the applicable January 1, the city council of the city of Eveleth is authorized to provide permanent, uniform benefit increases, not less than \$10 per month nor to exceed \$100 per month, to any remaining retirees and survivors receiving benefits from the Eveleth police and fire trust fund. Any given benefit improvement under this paragraph is not effective unless the city council passes a resolution approving the increase.

(c) Within 30 days following the approval of a resolution under paragraph (b), the chief administrative officer of the city of Eveleth shall file a copy of the resolution with the executive director of the Legislative Commission on Pensions and Retirement, with the chair of the house Governmental Operations and Veterans Affairs Committee, and with the chair of the senate State and Local Government Operations Committee. Along with a copy of the resolution, the city's chief administrative officer must send a statement indicating the age of each benefit recipient and the retirement benefit or survivor benefit being received before and after the benefit increase.

Sec. 18. [MAPLEWOOD AND OAKDALE VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS; TRANSFER OF ASSETS.]

Notwithstanding any limitations in Minnesota Statutes, section 424A.02, subdivision 13, or any other provision of law to the contrary, if an agreement between the affected relief associations and cities is reached as provided in this section, the Maplewood Firefighters Relief Association may transfer assets from its special fund to the Oakdale Fire Department Relief Association representing the value of the accumulated service credit for the current members of the Oakdale Fire Department Relief Association who are currently eligible to receive a combined service pension for firefighter service in both associations. The transfer of the assets from the Maplewood Firefighters Relief Association to the Oakdale Fire Department Relief Association must be in an amount representing the cumulative value of the service credit earned by the members of the Oakdale Fire Department Relief Association who are currently eligible to receive a combined service pension for firefighting service in both associations for the service credit that they accrued while working for the Maplewood Fire Department. The amount of the assets, liabilities, and service credit to be transferred must be specified in a joint agreement negotiated by the secretaries of the two relief associations and ratified by the boards of trustees of both relief associations and of the cities of Maplewood and Oakdale. The agreement must specify by name or other appropriate means the firefighters affected by the liability, asset, and service credit transfer. The ratification must be expressed in the form of resolutions adopted by each entity. The agreements must specify the amount of assets to be transferred, the amount of liabilities to be transferred, and the amount of service credit each of the applicable individuals will receive in the Oakdale Fire Department Relief Association. Upon the ratification of the agreement by both relief associations and both cities, the assets, liabilities, and service credit of the applicable individuals must be transferred to the Oakdale Fire Department Relief Association, and the Maplewood Firefighters Relief Association is relieved of any obligation to the individuals. A certified copy of the ratified agreement must be filed with the state auditor and with the secretary of state.

Sec. 19. [EFFECTIVE DATE; LOCAL APPROVAL.]

(a) Sections 2 and 3 with respect to the Bloomington Fire Department Relief Association are effective the day after the date on which the city council of the city of Bloomington and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 4.

(b) Sections 1, 3, with respect to the Minneapolis Police Relief Association, 9, 10, 11, 12, 13, and 15 are not severable and are effective the day after the date of the approval by the city council of the city of Minneapolis and the timely completion by the chief clerical officer of the city of Minneapolis of compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(c) Sections 4, 5, 6, 7, and 8 are effective the day after the board of Hennepin County and its chief clerical officer complete in a timely manner their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(d) Sections 14 and 15 are effective the day after the governing body of the city of Minneapolis and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(e) Section 17 is effective the day after the date on which the city council of the city of Eveleth and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(f) Section 16 is effective with respect to a volunteer firefighters relief association listed in column A the day after the governing body of the municipality listed in column B and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

A

Aurora
Biwabik
Hoyt Lakes
Palo

B

city of Aurora
city of Biwabik
city of Hoyt Lakes
town of White

(g) Section 18 is effective the day after the governing body of the city of Maplewood, the governing body of the city of Oakdale, the Maplewood chief clerical officer, and the Oakdale chief clerical officer complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 14

MINNEAPOLIS EMPLOYEES
 RETIREMENT FUND CHANGES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) To the extent that the deposit accumulation fund has insufficient assets to transfer the total value of the required reserves for retirement annuities to either the disability benefit fund under subdivisions 5 and 7 or the retirement benefit fund under subdivisions 5 and 8 as required, the deposit accumulation fund has a transfer amount payable on which an interest charge accrues. The executive director must determine the interest charge for the period that transfer amount payable remains unpaid at an annual rate equal to five percent plus the percentage increase in the amount of the annual Consumer Price Index for urban wage earners and clerical workers as calculated by the Bureau of Labor Statistics of the United States Department of Labor from the previous June 30. The interest charge must be reflected in the books of the Minneapolis Employees Retirement Fund and assessed against the deposit accumulation fund based on the average quarterly transfer amount payable balance outstanding. Any revenue received by the deposit accumulation fund subsequent to unpaid transfers must be transferred from the deposit accumulation fund to the disability benefit fund or to the retirement fund, whichever applies, must first be applied to any remaining interest charge and then must be applied to the principal amount of transfer amount payable outstanding.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The payment amount is an amount equal to the financial requirements of the Minneapolis Employees Retirement Fund reported in the actuarial valuation of the fund prepared by the commission-retained actuary pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded actuarial accrued liabilities by June 30, 2020, less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a, 2, and 2a. Payments shall be made September 15 annually.

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

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

Sec. 8. [REPEALER.]

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

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

Sections 1 to 8 are effective retroactively on June 30, 2005, if the city council of the city of Minneapolis and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 15

ONE PERSON AND SMALL GROUP RETIREMENT CHANGES

Section 1. [PURCHASE OF PRIOR SERVICE CREDIT.]

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

(b) An eligible person is a person who:

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

(2) was born on April 2, 1949;

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

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

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

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

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

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

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; clarifying and revising various plan provisions; eliminating obsolete provisions; defining final average salary; modifying the definition of allowable service to include time on strike; permitting judges to purchase service credit for an authorized leave; requiring specified payments; clarifying references to actuarial services in determining actuarial equivalence; defining covered salary to include certain employer contributions to supplemental retirement plans; specifying itemized detail of plan administrative expenses in annual financial reporting; excluding police officers of the University of Minnesota from the public employees police and fire fund; clarifying collection procedures relating to charter schools; adding a

uniform nonassignment and legal process exemption provision; providing for various member and employer contribution rate increases; adding employees of Bridges Medical Services, Hutchinson Area Health Care, and Northfield Hospital to privatization coverage; extending date for filing special law approval with the secretary of state for the RenVilla Nursing Home; requiring the privatization periodic filing of updated copies of articles of incorporation and bylaws; modifying a higher education individual retirement account plan investment option provision; implementing the recommendations of the Volunteer Firefighter Relief Association working group of the state auditor; modifying the trigger date for filing financial reports; revising the per firefighter financing requirements for monthly benefit service pensions; modifying the options for crediting interest on deferred service pensions; clarifying the deferred service pension options available to defined contribution plans; providing for the crediting of service during military service leaves; requiring the amortization of experience losses; clarifying the compliance requirements for the qualification for fire state aid; modifying a limit on mutual fund investments; clarifying corporate stock and exchange traded funds investment authority; modifying the municipal representation requirements on relief association governing boards; clarifying exemptions from process and taxation; providing that certain laws do not apply to the consolidation of specified volunteer firefighter relief associations; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; authorizing the Maplewood Firefighters Relief Association to transfer assets to the Oakdale Firefighters Relief Association to cover service credits earned by certain individuals; appropriating money; amending Minnesota Statutes 2004, sections 3A.01, subdivisions 1, 2, 6, 8, by adding subdivisions; 3A.011; 3A.02, subdivisions 1, 1b, 3, 4, 5; 3A.03, subdivisions 1, 2; 3A.04, subdivisions 1, 2, 3, 4, by adding a subdivision; 3A.05; 3A.07; 3A.10, subdivision 1; 3A.12; 3A.13; 43A.17, subdivision 9; 69.011, subdivision 2b, by adding a subdivision; 69.021, subdivisions 5, 11; 69.051, subdivisions 1, 1a; 69.33; 69.77, subdivision 4; 69.771; 69.772, subdivisions 3, 4; 69.773, subdivisions 4, 4, 5; 69.775; 352.01, subdivisions 2a, 4, 5, 12, 13, 21, 23, by adding a subdivision; 352.021, subdivisions 1, 2, 3, 4; 352.04, subdivisions 1, 12; 352.041, subdivisions 1, 2, 3, 5; 352.115, subdivisions 2, 3; 352.15, subdivisions 1, 3, 4; 352.22, subdivision 10; 352.87, subdivision 3; 352.91, by adding a subdivision; 352.93, subdivision 1; 352B.01, subdivisions 1, 2, 2, 3, 11; 352B.02, subdivision 1e; 352B.071; 352C.021, by adding a subdivision; 352C.091, subdivision 1; 352C.10; 352D.01; 352D.015, subdivisions 3, 4; 352D.02, subdivision 1; 352D.03; 352D.05, subdivision 4; 352D.085, subdivision 1; 352D.09, subdivision 5; 352D.12; 353.01, subdivisions 6, 10, 14, 32, 33, by adding a subdivision; 353.025; 353.026; 353.027; 353.028; 353.14; 353.15, subdivisions 1, 3; 353.27, subdivisions 2, 3, 3a, 11, by adding a subdivision; 353.271; 353.28, subdivisions 5, 6; 353.29, subdivision 3; 353.31, subdivision 1c; 353.32, subdivision 9; 353.33, subdivisions 3, 12; 353.64, by adding a subdivision; 353.65, subdivisions 2, 3; 353.651, subdivision 3; 353.656, subdivision 1; 353B.02, subdivision 10; 353F.02, subdivision 4; 354.05, subdivisions 7, 35, by adding a subdivision; 354.091; 354.094, subdivision 1; 354.10, subdivisions 1, 3, 4; 354.33, subdivision 5; 354.39; 354.41, subdivision 2; 354.42, by adding a subdivision; 354.44, subdivisions 2, 6; 354A.011, subdivisions 3a, 24, by adding a subdivision; 354A.021, subdivision 5, by adding a subdivision; 354A.097, subdivision 1; 354A.31, subdivisions 4, 4a, 5; 354B.21, subdivisions 2, 3; 354B.25, subdivision 2; 355.01, subdivision 3e; 356.20, subdivision 4; 356.215, subdivision 8; 356.216; 356.24, subdivision 1; 356.47, subdivision 3; 356.551; 356.611, subdivision 1; 356.65, subdivision 2; 356A.06, subdivisions 7, 7; 383B.46, subdivision 2; 383B.47; 383B.48; 383B.49; 422A.01, subdivisions 6, 11, by adding subdivisions; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 7, 7, 8; 422A.10, subdivisions 1, 2; 422A.101, subdivision 3; 422A.15, subdivision 1; 422A.16, subdivision 9; 422A.22, subdivisions 1, 3, 4, 6; 422A.231; 422A.24; 423B.01, by adding a subdivision; 423B.05, subdivision 3; 423B.09, subdivision 1, by adding a subdivision; 423B.10, subdivision 1; 423B.17; 423C.01, by adding a subdivision; 423C.05, subdivision 2; 423C.09; 424A.02, subdivisions 3, 4, 7; 424A.04, subdivision 1; 424B.10, subdivision 1; 471A.10; 490.121, subdivisions 1, 4, 4, 6, 7, 13, 14, 15, 20, 21, 21, 22, by adding subdivisions; 490.122; 490.123, subdivisions 1, 1a, 1b, 1c, 2, 3; 490.124, subdivisions 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13; 490.125, subdivisions 1, 2; 490.126, subdivision 5; 490.133; 525.05; Laws 1999 Chapter 222, Article 16, Section 16; Laws 2000 Chapter 461, Article 4, Section 4; Laws 2004 Chapter 267, Article 12, Section 4; proposing coding for new law in/as Minnesota Statutes, chapters 352C; 356; 383B; 423C; 424A; 490A; repealing Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, 7; 3A.02, subdivision 2; 3A.04, subdivision 1a; 3A.09; 352.119, subdivision 1; 352.15, subdivision 1a; 352C.01;

352C.011; 352C.021; 352C.031, subdivision 3; 352C.033; 352C.04; 352C.051; 352C.09; 352C.091, subdivisions 2, 3; 353.15, subdivision 2; 353.29, subdivision 2; 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, 2c; 353.46, subdivision 4; 353.651, subdivision 2; 353.663; 353.74; 353.75; 354.10, subdivision 2; 354.59; 422A.101, subdivision 4; 422A.22, subdivisions 2, 5; 422A.221; 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, 20; 490.124, subdivision 6; 490.132; 490.15; 490.16; and 490.18."

The motion prevailed and the amendment was adopted.

Smith moved to amend H. F. No. 44, as amended, as follows:

Pages 95 to 97, delete article 10

Pages 132 and 133, delete section 16

Page 133, delete lines 35 and 36

Pages 206 to 214, delete article 14

Renumber the articles in sequence

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The Speaker resumed the Chair.

Smith moved that H. F. No. 44, as amended, be returned to its author. There being no objection, H. F. No. 44, as amended, was returned to its author.

CALL OF THE HOUSE LIFTED

Holberg moved that the call of the House be suspended. The motion prevailed and it was so ordered.

MOTION FOR RECONSIDERATION

Smith moved that the action whereby H. F. No. 44, as amended, was returned to its author be now reconsidered. The motion prevailed.

H. F. No. 44, as amended, was reported to the House.

The pending Smith amendment to H. F. No. 44, as amended, was again reported to the House as further modified as follows:

Pages 1 to 38, delete article 1

Pages 95 to 97, delete article 10

Pages 132 and 133, delete section 16

Page 133, delete lines 35 and 36

Pages 206 to 214, delete article 14

Renumber the articles in sequence

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Holberg was excused for the remainder of today's session.

H. F. No. 44, A bill for an act relating to retirement; various public pension plans; clarifying and revising various plan provisions; eliminating obsolete provisions; defining average salary; modifying the definition of allowable service to include time on strike; defining covered salary to include certain employer contributions to supplemental retirement plans; specifying itemized detail of plan administrative expenses in annual financial reporting; excluding police officers of the University of Minnesota from the public employees police and fire fund; clarifying collection procedures relating to charter schools; adding a uniform nonassignment and legal process exemption provision; providing for various member and employer contribution rate increases; adding employees of Bridges Medical Services, Hutchinson Area Health Care, and Northfield Hospital to privatization coverage; extending date for filing special law approval with the secretary of state for the RenVilla Nursing Home; requiring the privatization periodic filing of updated copies of articles of incorporation and bylaws; modifying a higher education individual retirement account plan investment option provision; implementing the recommendations of the Volunteer Firefighter Relief Association working group of the state auditor; modifying the trigger date for filing financial reports; revising the per firefighter financing requirements for monthly benefit service pensions; modifying the options for crediting interest on deferred service pensions; clarifying the deferred service pension options available to defined contribution plans; providing for the crediting of service during military service leaves; requiring the amortization of experience losses; clarifying the compliance requirements for the qualification for fire state aid; modifying a limit on mutual fund investments; clarifying corporate stock and exchange traded funds investment authority; modifying the municipal representation requirements on relief association governing boards; clarifying exemptions from process and taxation; providing that certain laws do not apply to the consolidation of specified volunteer firefighter relief associations; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients;

authorizing the Maplewood Firefighters Relief Association to transfer assets to the Oakdale Firefighters Relief Association to cover service credits earned by certain individuals; appropriating money; amending Minnesota Statutes 2004, sections 3A.13; 69.011, subdivision 2b, by adding a subdivision; 69.021, subdivisions 5, 11; 69.051, subdivisions 1, 1a; 69.33; 69.77, subdivision 4; 69.771; 69.772, subdivisions 3, 4; 69.773, subdivisions 4, 5; 69.775; 352.01, subdivisions 2a, 4, 5, 12, 13, 21, 23, by adding a subdivision; 352.021, subdivisions 1, 2, 3, 4; 352.04, subdivisions 1, 12; 352.041, subdivisions 1, 2, 3, 5; 352.115, subdivisions 2, 3; 352.15, subdivisions 1, 3, 4; 352.22, subdivision 10; 352.87, subdivision 3; 352.91, by adding a subdivision; 352.93, subdivision 1; 352B.01, subdivisions 1, 2, 3, 11; 352B.02, subdivision 1e; 352B.071; 352C.021, by adding a subdivision; 352D.01; 352D.015, subdivisions 3, 4; 352D.03; 352D.05, subdivision 4; 352D.085, subdivision 1; 352D.09, subdivision 5; 352D.12; 353.01, subdivisions 6, 10, 14, 32, 33, by adding a subdivision; 353.025; 353.026; 353.027; 353.028; 353.14; 353.15, subdivisions 1, 3; 353.27, subdivisions 2, 3, 3a, 11, by adding a subdivision; 353.271; 353.28, subdivisions 5, 6; 353.29, subdivision 3; 353.31, subdivision 1c; 353.32, subdivision 9; 353.33, subdivisions 3, 12; 353.64, by adding a subdivision; 353.65, subdivisions 2, 3; 353.651, subdivision 3; 353.656, subdivision 1; 353B.02, subdivision 10; 353F.02, subdivision 4; 354.05, subdivisions 7, 35, by adding a subdivision; 354.091; 354.094, subdivision 1; 354.10, subdivisions 1, 3, 4; 354.33, subdivision 5; 354.39; 354.41, subdivision 2; 354.42, by adding a subdivision; 354.44, subdivisions 2, 6; 354A.011, subdivisions 3a, 24, by adding a subdivision; 354A.021, subdivision 5, by adding a subdivision; 354A.097, subdivision 1; 354A.31, subdivisions 4, 4a, 5; 354B.21, subdivisions 2, 3; 354B.25, subdivision 2; 356.20, subdivision 4; 356.215, subdivision 8; 356.216; 356.47, subdivision 3; 356.551; 356.611, subdivision 1; 356A.06, subdivision 7; 383B.46, subdivision 2; 383B.47; 383B.48; 383B.49; 422A.01, subdivisions 6, 11, by adding subdivisions; 422A.06, subdivision 7; 422A.10, subdivisions 1, 2; 422A.15, subdivision 1; 422A.16, subdivision 9; 422A.22, subdivisions 1, 3, 4, 6; 422A.231; 422A.24; 423B.01, by adding a subdivision; 423B.05, subdivision 3; 423B.09, subdivision 1, by adding a subdivision; 423B.10, subdivision 1; 423B.17; 423C.01, by adding a subdivision; 423C.05, subdivision 2; 423C.09; 424A.02, subdivisions 3, 4, 7; 424A.04, subdivision 1; 424B.10, subdivision 1; 471A.10; 490.121, subdivisions 4, 20, 21, by adding a subdivision; 490.126, subdivision 5; Laws 1999, chapter 222, article 16, section 16, as amended; Laws 2000, chapter 461, article 4, section 4, as amended; Laws 2004, chapter 267, article 12, section 4; proposing coding for new law in Minnesota Statutes, chapters 356; 383B; 423C; 424A; repealing Minnesota Statutes 2004, sections 352.119, subdivision 1; 352.15, subdivision 1a; 352C.031, subdivision 3; 353.15, subdivision 2; 353.29, subdivision 2; 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, 2c; 353.46, subdivision 4; 353.651, subdivision 2; 353.663; 353.74; 353.75; 354.10, subdivision 2; 354.59; 422A.22, subdivisions 2, 5; 422A.221.

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.

Pursuant to rule 2.05, the Speaker excused Ozment from voting on final passage of H. F. No. 44, as amended.

There were 112 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeler	Blaine	Clark	Davnie	Dittrich	Ellison
Abrams	Bradley	Cornish	Dean	Dorman	Entenza
Anderson, I.	Brod	Cox	Demmer	Dorn	Erhardt
Beard	Carlson	Cybart	Dempsey	Eastlund	Erickson
Bernardy	Charron	Davids	Dill	Eken	Fritz

Garofalo	Huntley	Lieder	Nornes	Sailer	Thissen
Goodwin	Johnson, J.	Lillie	Opatz	Samuelson	Tingelstad
Greiling	Johnson, R.	Loeffler	Otremba	Scalze	Urdahl
Gunther	Johnson, S.	Magnus	Paymar	Sertich	Vandever
Hackbarth	Juhnke	Mahoney	Pelowski	Severson	Wagenius
Hamilton	Kelliher	Marquart	Penas	Sieben	Walker
Hansen	Klinzing	McNamara	Peterson, A.	Simon	Wardlow
Hausman	Koenen	Meslow	Peterson, N.	Simpson	Welti
Heidgerken	Lanning	Moe	Peterson, S.	Slawik	Westerberg
Hilstrom	Larson	Mullery	Poppe	Smith	Westrom
Hilty	Latz	Murphy	Powell	Soderstrom	Zellers
Hornstein	Lenczewski	Nelson, M.	Rukavina	Solberg	Spk. Sviggum
Hortman	Lesch	Nelson, P.	Ruth	Sykora	
Hosch	Liebling	Newman	Ruud	Thao	

Those who voted in the negative were:

Anderson, B.	Finstad	Knoblach	Olson	Seifert
Buesgens	Gazelka	Kohls	Paulsen	Wilkin
DeLaForest	Hoppe	Krinkie	Peppin	

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

The following Messages from the Senate were received prior to adjournment sine die.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 138, A bill for an act relating to financing and operation of government in this state; changing income, corporate franchise, withholding, property, sales and use, deed, health care gross revenues, fuels, cigarette and tobacco products, occupation, net proceeds, production, liquor, insurance, rented vehicles, and other taxes and tax-related provisions; making technical, clarifying, collection, enforcement, refund, and administrative changes to certain taxes and tax-related provisions; changing fiscal disparities provisions, business subsidy provisions, and payments in lieu of taxes; changing local government and property tax aids and credits; updating references to the Internal Revenue Code; changing property tax exemptions, homesteads, assessment, valuation, classification, class rates, levies, exclusions, review and equalization, appeals, notices and statements, and other property tax-related provisions; requiring state contracts be with vendors registered to collect use taxes; modifying and authorizing local sales and lodging taxes; changing the taxation of liquor and cigarettes and tobacco products; imposing tobacco product delivery sales requirements; requiring registration of tax shelters and providing for a voluntary compliance initiative; providing for an international economic development zone; conveying certain powers and providing tax incentives in the zone; changing job opportunity building zones, border city development zones, and biotechnology and health sciences industry zone provisions; changing provisions relating to economic development and housing and redevelopment authorities; providing for training and conduct of assessors; changing and imposing powers and

duties on the commissioner of revenue and other state agencies and departments and on certain political subdivisions and certain officials; imposing certain duties on tax preparers; changing provisions relating to certificates of title on manufactured homes; changing electronic filing requirements; authorizing the issuance of certain state bonds; specifying the status of certain trusts; changing and imposing civil and criminal penalties; requiring studies and reports; allocating and transferring funds; appropriating money; amending Minnesota Statutes 2004, sections 16C.03, by adding a subdivision; 116J.993, by adding a subdivision; 116J.994, subdivisions 4, 5, 9, by adding a subdivision; 168A.05, by adding a subdivision; 270C.02, subdivision 2, as added; 270C.27, subdivision 1, as added; 270C.28, subdivision 2, as added; 270C.445, as added, by adding a subdivision; 272.02, subdivisions 7, 22, 64, as amended, 73, as added, by adding subdivisions; 273.0755; 273.11, subdivision 1a, by adding subdivisions; 273.112, subdivision 3; 273.124, subdivision 1; 273.125, subdivision 8; 273.13, subdivisions 22, 25, as amended; 274.01, subdivision 1; 275.025, subdivisions 3, 4; 275.065, subdivisions 1a, 3, by adding subdivisions; 275.70, subdivision 5, as amended; 276.04, subdivision 2, as amended; 287.20, subdivisions 2, 9, by adding a subdivision; 287.21, subdivision 1; 289A.02, subdivision 7; 289A.08, subdivisions 1, 7, 13; 289A.11, subdivision 1; 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 289A.38, by adding a subdivision; 289A.56, by adding a subdivision; 289A.60, subdivisions 4, 6, as amended, 20, by adding subdivisions; 290.01, subdivisions 6b, 7, 19, as amended, 19a, as amended, 19b, as amended, 19c, as amended, 19d, 29, 31; 290.032, subdivisions 1, 2; 290.06, subdivisions 2c, by adding a subdivision; 290.067, subdivisions 1, 2a; 290.0671, subdivision 1; 290.0674, subdivision 2; 290.0675, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 290.191, subdivisions 2, 3; 290.9705, subdivision 1; 290A.03, subdivisions 3, 15; 295.50, subdivision 3, by adding a subdivision; 295.52, subdivision 4; 295.53, subdivision 1; 295.55, subdivision 4; 296A.09, by adding a subdivision; 297A.61, subdivisions 3, as amended, 4, as amended; 297A.67, subdivisions 6, 29, by adding a subdivision; 297A.68, subdivisions 2, as amended, 5, as amended, 35, 37, 38, by adding subdivisions; 297A.70, subdivisions 8, 10; 297A.71, by adding subdivisions; 297A.75, subdivisions 1, as amended, 2, 3; 297A.99, subdivision 9, by adding a subdivision; 297F.01, by adding a subdivision; 297F.09, by adding a subdivision; 297F.10, subdivision 1; 297I.01, subdivision 13a, as added, by adding a subdivision; 297I.05, subdivision 4, by adding a subdivision; 298.01, subdivisions 3, 4; 298.24, subdivision 1, as amended; 469.033, subdivision 6; 469.1082, by adding a subdivision; 469.169, by adding a subdivision; 469.310, subdivision 11, as amended, by adding a subdivision; 469.316; 469.317; 469.337; 473F.02, subdivision 2; 473F.08, subdivision 3a; 477A.011, subdivision 36, as amended; 477A.013, subdivision 8; 477A.03, subdivisions 2a, 2b, as amended; 477A.11, subdivision 4, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 1; 501B.895, as added; Laws 1991, chapter 291, article 8, section 27, subdivision 4, by adding a subdivision; Laws 1993, chapter 375, article 9, section 46, subdivisions 2, as amended, 3, as amended; Laws 1994, chapter 587, article 9, section 8, subdivision 1; Laws 1998, chapter 389, article 8, section 43, subdivisions 3, 4, 5; Laws 2001, First Special Session chapter 5, article 12, sections 44, 67, 95, as amended; Laws 2002, chapter 377, article 3, section 4; Laws 2002, chapter 377, article 11, section 2, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 174; 270C; 273; 289A; 295; 297A; 297F; 325F; 469; repealing Minnesota Statutes 2004, sections 272.02, subdivision 65; 477A.08.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 139, A bill for an act relating to the operation of state government; making changes to health and human services programs; modifying human services policy; modifying health policy; changing licensing provisions; changing provisions for mental and chemical health; establishing treatment foster care and transitional youth intensive rehab mental health services; enhancing family support; providing training for child care providers and hospitals on dangers of shaking infants and children; establishing long-term homeless supportive services; establishing the tobacco health impact fee; establishing a cancer drug repository program; establishing a health information technology and infrastructure advisory committee and a rural pharmacy planning and transition grant program; establishing a statewide trauma system and trauma registry; changing long-term care provisions and

establishing a partnership; establishing a nursing facility reimbursement system; modifying health care programs; changing certain fees; appropriating money; amending Minnesota Statutes 2004, sections 13.46, subdivision 4, as amended; 16A.724; 62J.692, subdivision 3, as amended; 62Q.251, as added; 62Q.37, subdivision 7; 103I.101, subdivision 6; 103I.208, subdivisions 1, as amended, 2, as amended; 103I.235, subdivision 1; 103I.601, subdivision 2; 119B.13, subdivision 1, by adding a subdivision; 144.122, as amended; 144.147, subdivisions 1, 2; 144.148, subdivision 1; 144.1483; 144.1501, subdivisions 1, 2, 3, 4; 144.226, subdivisions 1, as amended, 4, as amended, by adding subdivisions; 144.3831, subdivision 1; 144.551, subdivision 1; 144.562, subdivision 2; 144.9504, subdivision 2; 144.98, subdivision 3; 144A.073, subdivision 10, by adding a subdivision; 144E.101, by adding a subdivision; 145.4242; 145.56, subdivisions 2, 5; 145.9268; 147A.08; 148D.220, subdivision 8, as added; 150A.22; 157.011, by adding a subdivision; 157.15, by adding a subdivision; 157.16, subdivisions 2, 3, by adding subdivisions; 157.20, subdivisions 2, 2a; 241.01, by adding a subdivision; 243.166, subdivisions 4b, as added, 7, as amended; 245.4661, subdivisions 2, 6, by adding a subdivision; 245.4874, as amended; 245.4885, subdivisions 1, 2, by adding a subdivision; 245A.02, subdivision 17; 245A.03, subdivisions 2, 3; 245A.035, subdivisions 1, 5; 245A.04, subdivisions 7, 13; 245A.06, by adding a subdivision; 245A.07, subdivisions 1, 3, by adding a subdivision; 245A.08, subdivisions 2a, 5; 245A.10, subdivisions 4, 5; 245A.14, by adding subdivisions; 245A.144; 245A.16, subdivisions 1, 4; 245A.18; 245B.02, subdivision 10; 245B.055, subdivision 7; 245B.07, subdivision 8; 245C.03, subdivision 1; 245C.07; 245C.08, subdivisions 1, 2; 245C.10, subdivisions 2, 3; 245C.15, subdivisions 1, as amended, 2, 3, 4; 245C.21, subdivision 2; 245C.22, subdivisions 3, 4, 7, as added; 245C.23, subdivision 1; 245C.24, subdivisions 2, as amended, 3; 245C.27, subdivision 1; 245C.28, subdivision 3; 245C.30, subdivisions 1, 2; 245C.32, subdivision 2; 246.0136, subdivision 1; 246.13, as amended; 252.27, subdivision 2a; 253.20; 254A.035, subdivision 2; 254A.04; 256.01, subdivision 2, by adding subdivisions; 256.019, subdivision 1; 256.045, subdivisions 3, as amended, 3a; 256.046, subdivision 1; 256.741, subdivision 4; 256.9657, by adding a subdivision; 256.969, subdivisions 3a, 9, 26, by adding a subdivision; 256.975, subdivision 9; 256B.02, subdivision 12; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.056, subdivisions 5, 5a, 5b, 7, by adding subdivisions; 256B.057, subdivision 9; 256B.0575; 256B.06, subdivision 4; 256B.0621, subdivisions 2, 3, 4, 5, 6, 7, by adding a subdivision; 256B.0622, subdivision 2; 256B.0625, subdivisions 2, 3a, 9, 13, 13a, 13c, 13d, 13e, as amended, 13f, as amended, 17, 19c, by adding subdivisions; 256B.0627, subdivisions 1, as amended, 4, 5, as amended, 9, by adding a subdivision; 256B.0631, subdivisions 1, 3; 256B.075, subdivision 2; 256B.0911, subdivision 1a; 256B.0913, subdivisions 2, 4, 5, 5a; 256B.0916, by adding a subdivision; 256B.0924, subdivision 3; 256B.093, subdivision 1; 256B.0943, subdivision 3; 256B.095; 256B.0951, subdivision 1; 256B.0952, subdivision 5; 256B.0953, subdivision 1; 256B.15, subdivisions 1, 4, by adding subdivisions; 256B.19, subdivisions 1, 1c; 256B.195, subdivision 3; 256B.431, by adding subdivisions; 256B.432, subdivisions 1, 2, 5, by adding subdivisions; 256B.434, subdivisions 3, 4, by adding a subdivision; 256B.49, subdivision 16; 256B.5012, by adding a subdivision; 256B.69, subdivisions 4, 23; 256D.03, subdivisions 3, as amended, 4; 256D.045; 256D.06, subdivisions 5, 7; 256D.44, subdivision 5; 256I.05, subdivision 1e; 256I.06, by adding a subdivision; 256J.37, subdivision 3b; 256J.515; 256L.01, subdivisions 4, 5; 256L.03, subdivisions 1, 1b, 5; 256L.035; 256L.04, subdivision 2, by adding subdivisions; 256L.05, subdivisions 2, 3, 3a, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivisions 1, as amended, 3, by adding subdivisions; 256L.12, by adding a subdivision; 256L.15, subdivisions 2, as amended, 3, by adding a subdivision; 256L.17, by adding a subdivision; 256M.40, subdivision 2; 260.835; 260B.163, subdivision 6; 260C.163, subdivision 5; 295.582, as amended; 297F.185; 299C.093, as amended; 325D.32, subdivision 9; 326.42, subdivision 2; 471.61, by adding a subdivision; 514.981, subdivision 6; 518.165, by adding subdivisions; 549.02, by adding a subdivision; 549.04; 609A.03, subdivision 7, as amended; 626.556, subdivision 10i, as amended; 626.557, subdivisions 9d, 14, as amended; 641.15, subdivision 2; Laws 2003, First Special Session chapter 14, article 12, section 93; Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6; Laws 2005, chapter 107, article 1, section 6; Laws 2005, chapter 159, article 1, section 14; proposing coding for new law in Minnesota Statutes, chapters 16A; 62J; 144; 145; 151; 245A; 245C; 256; 256B; 256K; 641; repealing Minnesota Statutes 2004, sections 119B.074, as amended; 144.1486; 144.1502; 157.215; 256.955; 256B.075, subdivision 5; 256D.54, subdivision 3; 256L.04, subdivision 11; 256M.40, subdivision 2; 514.991; 514.992; 514.993; 514.994; 514.995; Laws 2003, First Special Session chapter 14, article 9, section 34; Laws 2005, chapter 107, article 2, section 51.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 141, A bill for an act relating to the operation and financing of government; providing for early childhood, adult, family, and kindergarten through grade 12 education including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and technical and conforming amendments; reestablishing statutory authority for the Humanities Commission; authorizing certain nonprofit contracts; reimbursing local governments; authorizing certain state agencies and constitutional officers to carry forward unencumbered balances for fiscal year 2005; appropriating money for lets go fishing to promote opportunities for fishing in the state; authorizing rulemaking; providing for reports; appropriating money; amending Minnesota Statutes 2004, sections 13.32, subdivision 8; 13.321, by adding a subdivision; 119A.46, subdivisions 1, 2, 3, 8; 120A.05, by adding a subdivision; 120A.22, subdivision 12; 120B.02; 120B.021, by adding a subdivision; 120B.11, subdivisions 1, 2, 3, 4, 5, 8; 120B.13, subdivisions 1, 3, by adding a subdivision; 120B.22, subdivision 1; 120B.30, subdivisions 1, 1a, by adding a subdivision; 120B.31, subdivision 4; 121A.03, subdivision 1; 121A.06, subdivisions 2, 3; 121A.15, subdivision 3; 121A.17, subdivisions 1, 5; 121A.19; 121A.41, subdivision 10; 121A.47, subdivision 14; 121A.53; 121A.66, subdivision 5, by adding subdivisions; 121A.67; 122A.06, subdivision 4; 122A.12, subdivision 2; 122A.18, subdivision 2a; 122A.33; 122A.40, subdivision 5, as amended; 122A.41, subdivisions 2, as amended, 5a, 14; 122A.413; 122A.414; 122A.415, subdivisions 1, 3; 122A.60, subdivision 1, by adding subdivisions; 123A.05, subdivision 2; 123B.02, by adding subdivisions; 123B.04, subdivisions 1, 2; 123B.42, by adding a subdivision; 123B.49, subdivision 4; 123B.492; 123B.53, subdivision 1; 123B.54; 123B.59, subdivisions 3, 3a; 123B.63, subdivision 2; 123B.71, subdivisions 8, 9, 12; 123B.75, subdivision 5, by adding a subdivision; 123B.76, subdivision 3; 123B.79, subdivision 6; 123B.81, subdivision 1; 123B.82; 123B.83, subdivision 2; 123B.88, by adding a subdivision; 123B.92, subdivisions 1, 5; 124D.09, subdivision 12; 124D.095, subdivisions 2, 4, 8, by adding a subdivision; 124D.10, subdivisions 4, 6, 15, 23; 124D.11, subdivisions 1, 2, 5, 6; 124D.111, subdivisions 1, 2; 124D.118, subdivision 4; 124D.135, subdivisions 1, 5; 124D.15, subdivisions 1, 3, 5, 10, 12, by adding subdivisions; 124D.16, subdivisions 2, 3; 124D.20, subdivisions 3, 5; 124D.40; 124D.454, subdivision 5; 124D.52, subdivision 3; 124D.531, subdivisions 1, 4; 124D.66, subdivision 3; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.74, subdivision 1; 124D.81, subdivision 1; 124D.84, subdivision 1; 125A.11, subdivision 1; 125A.24; 125A.28; 125A.51; 125A.76, subdivision 4; 125A.79, subdivisions 1, 6; 126C.01, subdivision 11; 126C.05, by adding a subdivision; 126C.10, subdivisions 1, 2, 13, 13a, 24, 31, by adding subdivisions; 126C.13, subdivision 4; 126C.15, subdivisions 2, 3; 126C.17, subdivisions 2, 5, 7, 9, 13; 126C.21, subdivision 4; 126C.40, subdivision 1; 126C.43, subdivisions 2, 3; 126C.457; 126C.48, subdivisions 2, 8; 126C.63, subdivisions 5, 8; 127A.41, subdivision 8; 127A.45, subdivisions 2, 10, 11, 12, 13, 14, 16; 127A.47, subdivisions 7, 8; 127A.49, subdivisions 2, 3; 128C.05, by adding a subdivision; 128C.12, subdivisions 1, 3; 128D.11, subdivision 9; 134.31, by adding a subdivision; 179A.03, subdivision 14, as amended; 260C.201, subdivision 1, as amended; 275.14; 275.16; 469.177, subdivision 9; 475.61, subdivision 4; Laws 1996, chapter 412, article 5, section 24; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 6, as amended; Laws 2003, First Special Session chapter 9, article 4, section 29, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 123A; 123B; 124D; 125B; 127A; 129C; 138; 171; repealing Minnesota Statutes 2004, sections 122A.415, subdivision 2; 123B.83, subdivision 1; 124D.095, subdivision 9; 124D.15, subdivisions 2, 4, 6, 7, 8, 9, 11, 13; 124D.16, subdivisions 1, 4; 125A.75, subdivision 8; 126C.42, subdivisions 1, 4; 128C.12, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 140, A bill for an act relating to appropriations; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for general contingent accounts and tort claims; providing for various fees and accounts; allocating county state-aid highway funds; modifying provisions related to state mail, state highways and bridges, county state-aid highways, town road signs, railroad grade crossings and operations, traffic fine allocations, commercial motor vehicles, day activity center buses, vehicle registration plates and other motor vehicle provisions, driver and vehicle data practices, deputy motor vehicle registrars, state aviation, bridges in smaller cities, weight limits on highways and other traffic regulations, drivers' licenses and permits, the Commuter Rail Corridor Coordinating Committee, Roussain Cemetery, wetland replacement near the city of Cologne, the employment status of public safety radio communications operators, the insurance verification sampling program, maximum train speeds in the city of Orr, a restriction on ethanol requirements, and bicycle programs; requiring studies and reports; making technical and clarifying revisions; amending Minnesota Statutes 2004, sections 13.44, subdivision 3; 16B.49; 115A.908, subdivision 1; 161.14, subdivision 25, by adding subdivisions; 161.361, subdivision 2; 161.368; 162.02, subdivisions 2, 3a; 162.06, subdivision 2; 162.08, subdivision 3; 162.09, subdivisions 2, 3a; 162.14, subdivision 6; 168.011, subdivisions 3, 4, 5, 5a, 6, 7, 25, by adding subdivisions; 168.012, subdivision 1, as amended; 168.013, subdivision 8; 168.031; 168.09, subdivision 7; 168.091, subdivision 1; 168.10, subdivision 1c; 168.105, subdivisions 2, 3, 5; 168.12; 168.123; 168.1235; 168.124; 168.125; 168.1255; 168.127, subdivision 6; 168.128; 168.129; 168.1291; 168.1293; 168.1296; 168.1297; 168.15, subdivision 1; 168.16; 168.185; 168.27, subdivision 11; 168.31, subdivision 5; 168.33, as amended; 168.345, subdivisions 1, 2; 168.381; 168.54, subdivisions 4, 5; 168A.152, subdivision 2; 168A.20, by adding a subdivision; 168A.29; 168A.31; 169.01, subdivisions 75, 76, 78; 169.06, subdivisions 5, 6; 169.09, subdivision 13; 169.14, subdivision 2, by adding a subdivision; 169.18, subdivisions 4, 5, 11, as amended; 169.28, subdivision 2; 169.448, by adding a subdivision; 169.522; 169.81, subdivision 3c; 169.8261; 169.851, subdivision 5; 169.86, subdivision 5; 169.99, subdivision 1b; 169A.52, subdivision 3; 169A.60, subdivision 16; 171.01, subdivisions 22, 35, 47, by adding a subdivision; 171.02; 171.03; 171.04, subdivision 2; 171.05, subdivisions 1, 2, 2b; 171.055, subdivision 2; 171.06, subdivisions 2, 2a; 171.061, subdivision 4; 171.07, subdivision 11; 171.09, as amended; 171.12, subdivisions 3, 6; 171.13, subdivisions 2, 6, by adding a subdivision; 171.165, subdivisions 1, 2, 6; 171.17, subdivision 1; 171.18, subdivision 1; 171.20, subdivision 4, as amended; 171.26, as amended; 171.29, subdivision 2; 171.30, subdivision 1; 171.36; 174.50, by adding a subdivision; 174.86, subdivision 5; 179A.03, subdivision 7, as amended; 179A.10, subdivision 2; 192.502, subdivision 2; 197.65; 219.166; 219.567; 299D.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 160; 162; 168; 171; 219; 299A; repealing Minnesota Statutes 2004, sections 168.011, subdivision 19; 168.012, subdivision 12; 168.041, subdivision 11; 168.105, subdivision 6; 168.15, subdivision 2; 168.231; 168.345, subdivisions 3, 4; 168.831; 168.832; 168.833; 168.834; 168.835; 168.836; 168.837; 168C.01; 168C.02; 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.10; 168C.11; 168C.12; 168C.13; 170.23; 171.12, subdivision 8; 171.165, subdivisions 3, 4, 4a, 4b; 171.185; 473.408, subdivision 1; Minnesota Rules, parts 7407.0100; 7407.0200; 7407.0300; 7407.0400; 7407.0500; 7407.0600; 7407.0700; 7407.0800; 7407.0900; 7407.1000; 7407.1100; 7407.1200; 7407.1300; 7503.2400; 7800.0600; 7800.3200, subpart 1; 7805.0700; 8850.6900, subpart 20; 8855.0500, subpart 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 53, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2004, sections 13.72, subdivision 14, as added; 65A.08, subdivision 2, as amended, if enacted; 66A.02, as amended, if enacted; 152.02, subdivision 6, as amended; 168.011, subdivision 4; 168.012, subdivision 1, as amended; 168.27, subdivision 29, as amended; 203B.12, subdivision 2, as amended; 203B.24, subdivision 1, as amended; 244.10, subdivision 5, as added; 290.01, subdivision 19a, as amended; 290.0675, subdivision 1, as amended; 383B.217, subdivision 7, as amended; 515B.4-106, as amended; 515B.4-108, as amended; Laws 2003, First Special Session chapter 11, article 2,

section 21, as amended; Laws 2005, chapter 20, article 1, section 7, subdivision 15; Laws 2005, chapter 20, article 1, section 21, subdivision 5; Laws 2005, chapter 20, article 1, section 46, subdivision 1; Laws 2005, chapter 125, article 1, section 13, subdivision 5; Laws 2005, chapter 125, article 1, sections 16, 29; Laws 2005, chapter 136, article 1, section 9, subdivisions 3, 6; Laws 2005, chapter 136, article 14, sections 6, 9, 10, 11; Laws 2005, chapter 164, sections 26, 29; Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 4; Laws 2005, First Special Session H. F. No. 139, article 9, section 16, if enacted; 2005 H. F. No. 1, article 1, sections 1, if enacted, 9, subdivisions 1, 7, if enacted; 2005 S. F. No. 917, section 2, if enacted.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 9, A House concurrent resolution relating to the start of the 2006 regular session of the 84th Legislature.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 44, A bill for an act relating to retirement; various public pension plans; clarifying and revising various plan provisions; eliminating obsolete provisions; defining average salary; modifying the definition of allowable service to include time on strike; defining covered salary to include certain employer contributions to supplemental retirement plans; specifying itemized detail of plan administrative expenses in annual financial reporting; excluding police officers of the University of Minnesota from the public employees police and fire fund; clarifying collection procedures relating to charter schools; adding a uniform nonassignment and legal process exemption provision; providing for various member and employer contribution rate increases; adding employees of Bridges Medical Services, Hutchinson Area Health Care, and Northfield Hospital to privatization coverage; extending date for filing special law approval with the secretary of state for the RenVilla Nursing Home; requiring the privatization periodic filing of updated copies of articles of incorporation and bylaws; modifying a higher education individual retirement account plan investment option provision; implementing the recommendations of the Volunteer Firefighter Relief Association working group of the state auditor; modifying the trigger date for filing financial reports; revising the per firefighter financing requirements for monthly benefit service pensions; modifying the options for crediting interest on deferred service pensions; clarifying the deferred service pension options available to defined contribution plans; providing for the crediting of service during military service leaves; requiring the amortization of experience losses; clarifying the compliance requirements for the qualification for fire state aid; modifying a limit on mutual fund investments; clarifying corporate stock and exchange traded funds investment authority; modifying the municipal representation requirements on relief association governing boards; clarifying exemptions from process and taxation; providing that certain laws do not apply to the consolidation of specified volunteer firefighter relief associations; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; authorizing the Maplewood Firefighters Relief Association to transfer assets to the Oakdale Firefighters Relief Association to cover service credits earned by certain individuals; appropriating money; amending Minnesota Statutes 2004, sections 3A.13; 69.011, subdivision 2b, by adding a subdivision; 69.021, subdivisions 5, 11; 69.051, subdivisions 1, 1a; 69.33; 69.77, subdivision 4; 69.771; 69.772, subdivisions 3, 4; 69.773, subdivisions 4, 5; 69.775; 352.01, subdivisions 2a, 4, 5, 12, 13, 21, 23, by adding a subdivision; 352.021, subdivisions 1, 2, 3, 4; 352.04, subdivisions 1, 12; 352.041, subdivisions 1, 2, 3, 5; 352.115, subdivisions 2, 3; 352.15, subdivisions 1, 3, 4; 352.22,

subdivision 10; 352.87, subdivision 3; 352.91, by adding a subdivision; 352.93, subdivision 1; 352B.01, subdivisions 1, 2, 3, 11; 352B.02, subdivision 1e; 352B.071; 352C.021, by adding a subdivision; 352D.01; 352D.015, subdivisions 3, 4; 352D.03; 352D.05, subdivision 4; 352D.085, subdivision 1; 352D.09, subdivision 5; 352D.12; 353.01, subdivisions 6, 10, 14, 32, 33, by adding a subdivision; 353.025; 353.026; 353.027; 353.028; 353.14; 353.15, subdivisions 1, 3; 353.27, subdivisions 2, 3, 3a, 11, by adding a subdivision; 353.271; 353.28, subdivisions 5, 6; 353.29, subdivision 3; 353.31, subdivision 1c; 353.32, subdivision 9; 353.33, subdivisions 3, 12; 353.64, by adding a subdivision; 353.65, subdivisions 2, 3; 353.651, subdivision 3; 353.656, subdivision 1; 353B.02, subdivision 10; 353F.02, subdivision 4; 354.05, subdivisions 7, 35, by adding a subdivision; 354.091; 354.094, subdivision 1; 354.10, subdivisions 1, 3, 4; 354.33, subdivision 5; 354.39; 354.41, subdivision 2; 354.42, by adding a subdivision; 354.44, subdivisions 2, 6; 354A.011, subdivisions 3a, 24, by adding a subdivision; 354A.021, subdivision 5, by adding a subdivision; 354A.097, subdivision 1; 354A.31, subdivisions 4, 4a, 5; 354B.21, subdivisions 2, 3; 354B.25, subdivision 2; 356.20, subdivision 4; 356.215, subdivision 8; 356.216; 356.47, subdivision 3; 356.551; 356.611, subdivision 1; 356A.06, subdivision 7; 383B.46, subdivision 2; 383B.47; 383B.48; 383B.49; 422A.01, subdivisions 6, 11, by adding subdivisions; 422A.06, subdivision 7; 422A.10, subdivisions 1, 2; 422A.15, subdivision 1; 422A.16, subdivision 9; 422A.22, subdivisions 1, 3, 4, 6; 422A.231; 422A.24; 423B.01, by adding a subdivision; 423B.05, subdivision 3; 423B.09, subdivision 1, by adding a subdivision; 423B.10, subdivision 1; 423B.17; 423C.01, by adding a subdivision; 423C.05, subdivision 2; 423C.09; 424A.02, subdivisions 3, 4, 7; 424A.04, subdivision 1; 424B.10, subdivision 1; 471A.10; 490.121, subdivisions 4, 20, 21, by adding a subdivision; 490.126, subdivision 5; Laws 1999, chapter 222, article 16, section 16, as amended; Laws 2000, chapter 461, article 4, section 4, as amended; Laws 2004, chapter 267, article 12, section 4; proposing coding for new law in Minnesota Statutes, chapters 356; 383B; 423C; 424A; repealing Minnesota Statutes 2004, sections 352.119, subdivision 1; 352.15, subdivision 1a; 352C.031, subdivision 3; 353.15, subdivision 2; 353.29, subdivision 2; 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, 2c; 353.46, subdivision 4; 353.651, subdivision 2; 353.663; 353.74; 353.75; 354.10, subdivision 2; 354.59; 422A.22, subdivisions 2, 5; 422A.221.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

This is to notify you that the Senate is about to adjourn the 2005 Special Session sine die.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTION TO ADJOURN SINE DIE

Paulsen moved that the House adjourn sine die for the 2005 Special Session. The motion prevailed and the Speaker declared the House stands adjourned sine die for the 2005 Special Session.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives