

STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2007

SEVENTY-THIRD DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 19, 2007

The House of Representatives convened at 10:00 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by the Reverend Paul Rogers, 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	Dill	Heidgerken	Lesch	Olin	Slawik
Anderson, B.	Dittrich	Hilstrom	Liebling	Olson	Slocum
Anderson, S.	Dominguez	Hilty	Lieder	Otremba	Smith
Anzelc	Doty	Holberg	Lillie	Ozment	Solberg
Atkins	Eastlund	Hoppe	Loeffler	Paulsen	Sviggum
Beard	Eken	Hornstein	Madore	Paymar	Swails
Benson	Emmer	Hortman	Magnus	Pelowski	Thao
Berns	Erhardt	Hosch	Mahoney	Peppin	Thissen
Bigham	Erickson	Howes	Mariani	Peterson, A.	Tillberry
Bly	Faust	Huntley	Marquart	Peterson, N.	Tingelstad
Brod	Finstad	Jaros	Masin	Peterson, S.	Tschumper
Brown	Fritz	Johnson	McFarlane	Poppe	Urdahl
Brynaert	Gardner	Juhnke	McNamara	Rukavina	Wagenius
Buesgens	Garofalo	Kahn	Moe	Ruth	Walker
Bunn	Gottwalt	Kalin	Morgan	Ruud	Ward
Carlson	Greiling	Knuth	Morrow	Sailer	Wardlow
Clark	Gunther	Koenen	Mullery	Seifert	Welti
Cornish	Hackbarth	Kohls	Murphy, E.	Sertich	Westrom
Davnie	Hamilton	Kranz	Murphy, M.	Severson	Winkler
Dean	Hansen	Laine	Nelson	Shimanski	Wollschlager
DeLaForest	Hausman	Lanning	Nornes	Simon	Zellers
Demmer	Haws	Lenczewski	Norton	Simpson	Spk. Kelliher

A quorum was present.

Dettmer was excused.

Scalze was excused until 5:55 p.m.

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

Sertich 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 Speaker pro tempore Thissen.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 15, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Kelliher:

I have vetoed and am returning H. F. No. 946, Chapter No. 84, the Omnibus Transportation Finance Bill.

With more than \$5 billion in tax and fee increases, this bill would impose an unnecessary and onerous financial burden on Minnesota citizens and would weaken our state's economy. The entire array of tax increases in this bill would cost an average family in Minnesota up to \$500 per year.

As I clearly stated to the legislative conference committee that crafted this legislation, I remain opposed to increasing the tax burden on Minnesota families. With gasoline prices rising to historic highs, a gas tax increase of up to 7.5 cents per gallon is untimely and misguided.

While the media have focused on the gas tax increase, other provisions in this bill need to be highlighted, including:

- A 0.5% sales tax increase in the seven metro counties and any adjacent county that chooses to join in without a voter referendum. This will result in Minneapolis and Hennepin Counties having one of the higher sales tax rates in the nation.
- A 0.5% sales tax increase in Greater Minnesota counties, subject to voter referendum.
- A new \$20 excise tax on motor vehicle purchases.
- Removal of the requirement that metropolitan counties that impose a wheelage tax (\$10) offset that amount on their property tax levy, effectively increasing property taxes.

- Removal of caps on "license tabs" which limit the tax to \$189 in the second year after a car is purchased and \$99 in the third year, instituted at the recommendation of Governor Ventura during the 2000 legislative session, subjecting car owners to significant increases.

I am disappointed that the conference committee did not adopt my transportation proposal and once again overreached. This type of overreaching has resulted in a transportation funding stalemate at the Capitol for too many years. Steady progress that is achievable is preferable to no progress at all.

Along with the numerous tax increases, the following provisions in the bill are also objectionable:

- I remain opposed to the provision creating a new joint powers entity in the metropolitan area with powers to distribute transportation funds to counties, cities, and the state. The proposed governing board would create a duplicative and unnecessarily complicated structure and add unnecessary process at the local, state and federal levels. Separating transportation spending decisions from the regional transportation planning function - as H. F. No. 946 would do - would be a step backward (recall the Regional Transit Board). This provision is bad public policy and would likely feature parochial decision making over an objective, regional perspective for transportation and transit planning, capital investments, and operations.
- I also remain opposed to the provision that severely restricts the extent to which a county regional rail authority may participate in financing the construction and operation of a transit project. This provision will have a negative impact on Minnesota's ability to compete for federal capital transit funding for future "new starts" projects, and it could also have an immediate negative - or even fatal - impact on the Northstar commuter rail project. This provision would necessitate a restructuring of the Northstar capital financing plan that has been submitted to the Federal Transit Administration. The restructuring effort could delay the project, putting in question the project's ability to remain eligible for federal funding.

The bill includes many items on which we share some agreement, such as a significant level of trunk highway bonding to accelerate long-delayed priority highway projects, the distribution of constitutionally dedicated motor vehicle sales taxes (MVST) with a ratio of 60 percent for roads and highways and 40 percent for transit, and the dedication of sales tax revenues on leased vehicles to highways and transit. However, I strongly urge the Legislature to adhere to my earlier proposal to include leased vehicle sales tax revenue in the base of the constitutionally dedicated MVST fund, and distribute the overall transit portion 38 percent for Metro area transit and 2 percent for Greater Minnesota transit. This formula will ensure that transit systems across the state will have additional funds to meet their future operating obligations.

I am issuing my veto promptly because I believe there is still time this session for the Legislature to pass a significant transportation financing bill - without tax increases - that I can sign into law. Investing in transportation is important to the citizens of Minnesota and a top priority of my administration. I urge the Legislature to approve my administration's transportation financing proposal and help us move forward in addressing Minnesota's transportation needs.

Sincerely,

TIM PAWLENTY
Governor

MOTION TO OVERRIDE VETO

Olson moved that H. F. No. 946, Chapter No. 84, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

LAY ON THE TABLE

Sertich moved that the Olson motion be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called. There were 88 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Huntley	Loeffler	Otremba	Solberg
Atkins	Erhardt	Jaros	Madore	Ozment	Swails
Benson	Faust	Johnson	Mahoney	Paymar	Thao
Bigham	Fritz	Juhnke	Mariani	Pelowski	Thissen
Bly	Gardner	Kahn	Marquart	Peterson, A.	Tillberry
Brown	Garofalo	Kalin	Masin	Peterson, N.	Tschumper
Brynaert	Greiling	Knuth	Moe	Peterson, S.	Wagenius
Bunn	Hansen	Koenen	Morgan	Poppe	Walker
Carlson	Hausman	Kranz	Morrow	Rukavina	Ward
Clark	Haws	Laine	Mullery	Ruud	Welti
Davnie	Hilstrom	Lenczewski	Murphy, E.	Sailer	Winkler
Dill	Hilty	Lesch	Murphy, M.	Sertich	Wollschlager
Dittrich	Hornstein	Liebling	Nelson	Simon	Spk. Kelliher
Dominguez	Hortman	Lieder	Norton	Slawik	
Doty	Hosch	Lillie	Olin	Slocum	

Those who voted in the negative were:

Abeler	Dean	Gunther	Lanning	Ruth	Urdahl
Anderson, B.	DeLaForest	Hackbarth	Magnus	Seifert	Wardlow
Anderson, S.	Demmer	Hamilton	McFarlane	Severson	Westrom
Beard	Eastlund	Heidgerken	McNamara	Shimanski	Zellers
Berns	Emmer	Holberg	Nornes	Simpson	
Brod	Erickson	Hoppe	Olson	Smith	
Buesgens	Finstad	Howes	Paulsen	Sviggum	
Cornish	Gottwalt	Kohls	Peppin	Tingelstad	

The motion prevailed and the Olson motion was laid on the table.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 15, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Kelliher:

I have vetoed and am returning House File No. 2294, Chapter No. 81, relating to property taxes and individual income tax increases.

Although I am supportive of providing property tax relief, it should be funded within the 9.8 percent biennial budget growth and the current surplus of \$2.2 billion and not by increasing income taxes by \$452 million.

The creation of a new 4th tier for individual income taxes at a 9 percent rate would place Minnesota with the third highest tax rate in the nation. This tax would fall most heavily on the job creators and employers in the state as 90 percent of businesses are flow-through entities that pay their taxes through the individual income tax system. A permanent statewide tax increase of this magnitude would place Minnesota at a competitive disadvantage, negatively impacting our economy and the job creators in our state.

This bill also makes significant changes to the state equalization aid formula for excess levy referenda. Current law defines a specific process for calculating a school district's state equalization aid. This bill replaces the current fixed standard to a new standard based on a percentage of "market value equalization factor." The "market value equalization factor" is a new term that is not defined under current law or in this bill. If this provision became the law, the state would not be able to calculate the equalization aid to otherwise qualifying school districts. This would potentially harm qualifying school districts with less property tax wealth - these tend to be school districts in rural areas or those in outer ring suburbs.

I encourage the Legislature to pass targeted homeowner property tax relief that is sustainable and is part of the overall budget target agreement. We look forward to working with you in this final week of session to reach a compromise that is acceptable to all on the remaining omnibus tax and funding bills.

Sincerely,

TIM PAWLENTY
Governor

MOTION TO OVERRIDE VETO

Olson moved that H. F. No. 2294, Chapter No. 81, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

LAY ON THE TABLE

Sertich moved that the Olson motion be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called. There were 87 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Jaros	Madore	Ozment	Swails
Atkins	Erhardt	Johnson	Mahoney	Paymar	Thao
Benson	Faust	Juhnke	Mariani	Pelowski	Thissen
Bigham	Fritz	Kahn	Marquart	Peterson, A.	Tillberry
Bly	Gardner	Kalin	Masin	Peterson, N.	Tschumper
Brown	Greiling	Knuth	Moe	Peterson, S.	Wagenius
Brynaert	Hansen	Koenen	Morgan	Poppe	Walker
Bunn	Hausman	Kranz	Morrow	Rukavina	Ward
Carlson	Haws	Laine	Mullery	Ruud	Welti
Clark	Hilstrom	Lenczewski	Murphy, E.	Sailer	Winkler
Davnie	Hilty	Lesch	Murphy, M.	Sertich	Wollschlager
Dill	Hornstein	Liebling	Nelson	Simon	Spk. Kelliher
Dittrich	Hortman	Lieder	Norton	Slawik	
Dominguez	Hosch	Lillie	Olin	Slocum	
Doty	Huntley	Loeffler	Otremba	Solberg	

Those who voted in the negative were:

Abeler	Dean	Gottwalt	Kohls	Peppin	Tingelstad
Anderson, B.	DeLaForest	Gunther	Lanning	Ruth	Urdahl
Anderson, S.	Demmer	Hackbarth	Magnus	Seifert	Wardlow
Beard	Eastlund	Hamilton	McFarlane	Severson	Westrom
Berns	Emmer	Heidgerken	McNamara	Shimanski	Zellers
Brod	Erickson	Holberg	Nornes	Simpson	
Buesgens	Finstad	Hoppe	Olson	Smith	
Cornish	Garofalo	Howes	Paulsen	Sviggum	

The motion prevailed and the Olson motion was laid on the table.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 2433

A bill for an act relating to capital investment; providing disaster relief for Browns Valley, Rogers, and Warroad; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3.

May 15, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 2433 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2433 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **BROWNS VALLEY FLOOD RELIEF APPROPRIATION.**

\$2,000,000 is appropriated from the general fund to the commissioner of public safety for a grant to the city of Browns Valley to be used for relief from damage caused by the flooding of March 2007. This appropriation is available until June 30, 2009.

Sec. 2. **HOUSING FINANCE AGENCY.**

The Housing Finance Agency may use the disaster relief contingency fund established under Minnesota Statutes, section 462A.21, subdivision 29, to assist with the rehabilitation or replacement of housing damaged as a result of the Browns Valley flooding of March 2007, notwithstanding that the area is not included in a presidential declaration of major disaster.

Sec. 3. Laws 2005, chapter 20, article 1, section 7, subdivision 2, is amended to read:

Subd. 2. **Flood Hazard Mitigation Grants**

27,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate based on need.

This appropriation includes money for the following projects: Ada, Austin, Breckenridge, Browns Valley, Canisteo Mine, Cannon Falls, Crookston, Dawson, East Grand Forks, Grand Marais Creek, Granite Falls, Green Meadow Dam, Inver Grove Heights, Little McDonald Lake, Malung, Manston Slough, Minneapolis, Montevideo, Oakport, Palmville, Roseau River, St. Louis Park, Two River Ross Impoundment, Warren, and Whiskey Creek.

\$2,000,000 is for Austin for identified capital improvement projects, and any other authorized federal or state flood mitigation projects in the area designated under Presidential Declaration of Major Disaster, DR-1569, whether included in the original declaration or added later by federal government action. The area currently included in DR-1569 includes territory within the counties of Dodge, Faribault, Freeborn, Martin, Mower, Olmsted, and Steele.

\$175,000 is for the state share of a grant to the city of Cannon Falls for predesign and design of capital improvements to alleviate flooding caused by runoff from the bluffs and the flooding of the Little Cannon River and the Cannon River.

For any project listed in this subdivision that is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Austin, Breckenridge, Browns Valley, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

There is no local share required for the Canisteo Mine project.

For grants for Roseau River wildlife management area, Palmville, and Malung, the state share must be \$3 for each \$1 of nonstate contribution.

Notwithstanding the grant expiration date of June 30, 2002, the commissioner of natural resources shall extend until June 30, 2007, the expiration date of a grant made to the city of Stillwater under Minnesota Statutes, section 103F.161, used to match certain federal appropriations for flood hazard mitigation.

Sec. 4. Laws 2006, chapter 258, section 7, subdivision 3, is amended to read:

Subd. 3. **Flood Hazard Mitigation Grants**

25,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

(a) Austin

(b) Albert Lea

(c) Browns Valley

(d) Crookston

~~(e)~~ (e) Canisteo Mine

~~(f)~~ (f) Delano

~~(g)~~ (g) East Grand Forks

~~(h)~~ (h) Golden Valley

~~(i)~~ (i) Grand Marais Creek

~~(j)~~ (j) Granite Falls

~~(k)~~ (k) Inver Grove Heights

~~(l)~~ (l) Manston Slough

~~(m)~~ (m) Oakport Township

~~(n)~~ (n) Riverton Township

~~(o)~~ (o) Shell Rock Watershed District

~~(p)~~ (p) St. Vincent

~~(q)~~ (q) Wild Rice River Watershed District

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, St. Vincent, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project. The local share for the St. Vincent dike may not exceed \$30,000.

Sec. 5. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital investment; providing flood relief for Browns Valley; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3."

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

House Conferees: PAUL MARQUART, LYNDON CARLSON AND MARTY SEIFERT.

Senate Conferees: KEITH LANGSETH, ROD SKOE AND GARY W. KUBLY.

Marquart moved that the report of the Conference Committee on H. F. No. 2433 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2433, A bill for an act relating to capital investment; providing disaster relief for Browns Valley, Rogers, and Warroad; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Atkins	Bigham	Brynaert	Clark	DeLaForest
Anderson, B.	Beard	Bly	Buesgens	Cornish	Demmer
Anderson, S.	Benson	Brod	Bunn	Davnie	Dill
Anzelc	Berns	Brown	Carlson	Dean	Dittrich

Dominguez	Hausman	Koenen	McNamara	Peterson, A.	Sviggum
Doty	Haws	Kohls	Moe	Peterson, N.	Swails
Eastlund	Heidgerken	Kranz	Morgan	Peterson, S.	Thao
Eken	Hilstrom	Laine	Morrow	Poppe	Thissen
Emmer	Hilty	Lanning	Mullery	Rukavina	Tillberry
Erhardt	Holberg	Lenczewski	Murphy, E.	Ruth	Tingelstad
Erickson	Hoppe	Lesch	Murphy, M.	Ruud	Tschumper
Faust	Hornstein	Liebling	Nelson	Sailer	Urdahl
Finstad	Hortman	Lieder	Nornes	Seifert	Wagenius
Fritz	Hosch	Lillie	Norton	Sertich	Walker
Gardner	Howes	Loeffler	Olin	Severson	Ward
Garofalo	Huntley	Madore	Olson	Shimanski	Wardlow
Gottwalt	Jaros	Magnus	Otremba	Simon	Welti
Greiling	Johnson	Mahoney	Ozment	Simpson	Westrom
Gunther	Juhnke	Mariani	Paulsen	Slawik	Winkler
Hackbarth	Kahn	Marquart	Paymar	Slocum	Wollschlager
Hamilton	Kalin	Masin	Pelowski	Smith	Zellers
Hansen	Knuth	McFarlane	Peppin	Solberg	Spk. Kelliher

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Sertich from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2468, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money to renovate a building at the University of Minnesota for use as a biomedical science research facility.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2468 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Tschumper; Liebling; Doty; Anzelc; Greiling; Bly; Jaros; Norton; Otremba; Mariani; Ward; Laine; Hausman; Madore; Wagenius; Clark; Carlson; Kahn; Slocum; Paymar; Hornstein; Eken; Peterson, A.; Murphy, E.; Hilty; Tillberry; Johnson; Dominguez; Walker; Sailer; Thao and Lesch introduced:

H. F. No. 2522, A bill for an act relating to health; guaranteeing that all necessary health care is available and affordable for every Minnesotan; establishing the Minnesota Health Care Plan; requiring a report; appropriating money; amending Minnesota Statutes 2006, sections 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 43A.08, subdivision 1a; proposing coding for new law as Minnesota Statutes, chapter 62U.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Heidgerken introduced:

H. F. No. 2523, A bill for an act relating to capital improvements; appropriating money to establish a veterans facility in Sauk Centre; authorizing the sale and issuance of state bonds.

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

Ward, Haws, Doty, Severson, Dominguez, Wardlow, Howes and Gottwalt introduced:

H. F. No. 2524, A bill for an act relating to veterans; including the spouse and children of a resident veteran in the definition of "resident student" for purposes of determining eligibility for state financial aid for higher education; amending Minnesota Statutes 2006, section 136A.101, subdivision 8.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Erickson introduced:

H. F. No. 2525, A bill for an act relating to capital improvements; appropriating money for a regional public safety facility in Princeton; authorizing the sale and issuance of state bonds.

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

Madore; Anderson, B.; Tillberry; Ward; Greiling; Moe and Tingelstad introduced:

H. F. No. 2526, A bill for an act relating to education; requiring school districts and charter schools to allow certain pupils with a disability who have not completed the special instruction and services to attend their high school graduation ceremonies; amending Minnesota Statutes 2006, section 125A.04.

The bill was read for the first time and referred to the Committee on E-12 Education.

Moe; Ruud; Peterson, A.; Ozment; Mahoney and Tingelstad introduced:

H. F. No. 2527, A bill for an act relating to pollution control; establishing a low-carbon fuel standard to reduce the carbon intensity of transportation fuels in Minnesota by 2020; aligning statutory references to low-carbon energy; requiring rulemaking; appropriating money; amending Minnesota Statutes 2006, section 216B.241, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Nelson, Hausman, Lanning, Urdahl and Murphy, M., introduced:

H. F. No. 2528, A bill for an act relating to capital improvements; appropriating money for rehabilitation of public housing; authorizing the sale and issuance of state bonds.

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

Seifert introduced:

H. F. No. 2529, A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, and tort claims; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying provisions related to driver and vehicle services fees; modifying provisions relating to various transportation-related funds and accounts; providing for treatment and deposit of proceeds of lease and sales taxes on motor vehicles; modifying formula for transit assistance to transit replacement service communities; increasing fees for services of Department of Public Safety; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 297A.70, subdivision 2; 297A.815, by adding a subdivision; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; repealing Minnesota Statutes 2006, section 174.32.

The bill was read for the first time.

MOTION TO DECLARE AN URGENCY

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Seifert moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2529 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

LAY ON THE TABLE

Sertich moved that the Seifert motion be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called. There were 87 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anzelc	Brown	Davnie	Eken	Greiling	Hilty
Atkins	Brynaert	Dill	Erhardt	Hansen	Hornstein
Benson	Bunn	Dittrich	Faust	Hausman	Hortman
Bigham	Carlson	Dominguez	Fritz	Haws	Hosch
Bly	Clark	Doty	Gardner	Hilstrom	Howes

Huntley	Lenczewski	Masin	Otremba	Sertich	Wagenius
Jaros	Lesch	Moe	Paymar	Simon	Walker
Johnson	Liebling	Morgan	Pelowski	Slawik	Ward
Juhnke	Lieder	Morrow	Peterson, A.	Slocum	Welti
Kahn	Lillie	Mullery	Peterson, N.	Solberg	Winkler
Kalin	Loeffler	Murphy, E.	Peterson, S.	Swails	Wollschlager
Knuth	Madore	Murphy, M.	Poppe	Thao	Spk. Kelliher
Koenen	Mahoney	Nelson	Rukavina	Thissen	
Kranz	Mariani	Norton	Ruud	Tillberry	
Laine	Marquart	Olin	Sailer	Tschumper	

Those who voted in the negative were:

Anderson, S.	Eastlund	Hackbarth	McFarlane	Peppin	Sviggum
Berns	Emmer	Hamilton	McNamara	Ruth	Urdahl
Brod	Erickson	Heidgerken	Nornes	Seifert	Wardlow
Buesgens	Garofalo	Holberg	Olson	Severson	Westrom
Dean	Gottwalt	Lanning	Ozment	Simpson	
Demmer	Gunther	Magnus	Paulsen	Smith	

The motion prevailed and the Seifert motion was laid on the table.

H. F. No. 2529 was referred to the Committee on Finance.

Slawik, Lillie, McFarlane and Hausman introduced:

H. F. No. 2530, A bill for an act relating to capital improvements; appropriating money for affordable housing, residences for seniors, and a family shelter in Maplewood.

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

Thissen introduced:

H. F. No. 2531, A bill for an act relating to firearms; amending the statutory list of persons prohibited from possessing firearms for reasons of mental health, by addition of a cross-reference to federal law; requiring certain state agencies to report to the Legislature on their implementation of statutes mandating the reporting of mental health commitment information for the purposes of determining eligibility for firearms possession; mandating a report to the legislature; amending Minnesota Statutes 2006, section 624.713, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Tschumper introduced:

H. F. No. 2532, A bill for an act relating to capital improvements; appropriating money for renovation of the Hokah City Hall; authorizing the sale and issuance of state bonds.

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

Tschumper introduced:

H. F. No. 2533, A bill for an act relating to capital improvements; appropriating money for improvements to the Chatfield Brass Band Lending Library (CBBLL).

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

Tschumper introduced:

H. F. No. 2534, A bill for an act relating to capital improvements; appropriating money for the Houston County Historical Society Building.

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

Benson; Hausman; Peterson, N.; Carlson; Rukavina; Lieder; Madore; Urdahl; Clark; Wagenius; Scalze; Mahoney; Juhnke; Bly; Lanning; McFarlane; Pelowski; Solberg; Tingelstad; Howes; Murphy, M.; Mariani; Dittrich; Hansen and Dominguez introduced:

H. F. No. 2535, A bill for an act relating to capital improvements; appropriating money for supportive housing for long-term homeless; authorizing the sale and issuance of state bonds.

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

Lanning, Hansen, Ozment, Eken and McNamara introduced:

H. F. No. 2536, A bill for an act relating to environment; authorizing establishment of watershed basin management districts with taxing authority; appropriating money; amending Minnesota Statutes 2006, sections 103B.151, subdivision 1; 275.066; proposing coding for new law in Minnesota Statutes, chapter 103B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Anzelc introduced:

H. F. No. 2537, A bill for an act relating to railroads; regulating remote-control operation of trains over highway intersections and bridges and near international border; amending Minnesota Statutes 2006, section 219.383, by adding subdivisions.

The bill was read for the first time and referred to the Transportation Finance Division.

Madore, Masin, Wardlow, Hansen, Morgan and Garofalo introduced:

H. F. No. 2538, A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for Cedar Avenue Bus Rapid Transit.

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

Morgan, Atkins, Wardlow, Garofalo and Bigham introduced:

H. F. No. 2539, A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for a public safety technology and support center in Dakota County.

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

Hansen, Ozment, Madore, McNamara and Masin introduced:

H. F. No. 2540, A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for Robert Street corridor transitway in Dakota County.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 1973, A bill for an act relating to local government; enabling the merger of the Minneapolis Public Library and the Hennepin County library system; authorizing the transfer of property, assets, and certain bond proceeds related to the Minneapolis Public Library to Hennepin County; authorizing the transfer of Minneapolis Public Library employees to Hennepin County; amending Minnesota Statutes 2006, sections 275.065, subdivision 3; 383B.237; 383B.239; 383B.245; 383B.247.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carlson moved that the House concur in the Senate amendments to H. F. No. 1973 and that the bill be repassed as amended by the Senate.

MOTION TO LAY ON THE TABLE

Kohls moved that the Carlson motion be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Kohls motion and the roll was called. There were 42 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Garofalo	Hoppe	Nornes	Shimanski
Anderson, S.	DeLaForest	Gottwalt	Howes	Olson	Simpson
Beard	Demmer	Gunther	Kohls	Paulsen	Sviggum
Berns	Eastlund	Hackbarth	Lanning	Peppin	Urdahl
Brod	Emmer	Hamilton	Magnus	Ruth	Wardlow
Buesgens	Erickson	Heidgerken	McFarlane	Seifert	Westrom
Cornish	Finstad	Holberg	McNamara	Severson	Zellers

Those who voted in the negative were:

Abeler	Doty	Huntley	Loeffler	Otremba	Smith
Anzelc	Eken	Jaros	Madore	Ozment	Solberg
Atkins	Erhardt	Johnson	Mahoney	Paymar	Swails
Benson	Faust	Juhnke	Mariani	Pelowski	Thao
Bigham	Fritz	Kahn	Marquart	Peterson, A.	Thissen
Bly	Gardner	Kalin	Masin	Peterson, N.	Tillberry
Brown	Greiling	Knuth	Moe	Peterson, S.	Tingelstad
Brynaert	Hansen	Koenen	Morgan	Poppe	Tschumper
Bunn	Hausman	Kranz	Morrow	Rukavina	Wagenius
Carlson	Haws	Laine	Mullery	Ruud	Walker
Clark	Hilstrom	Lenczewski	Murphy, E.	Sailer	Ward
Davnie	Hilty	Lesch	Murphy, M.	Sertich	Welti
Dill	Hornstein	Liebling	Nelson	Simon	Winkler
Dittrich	Hortman	Lieder	Norton	Slawik	Wollschlager
Dominguez	Hosch	Lillie	Olin	Slocum	Spk. Kelliher

The motion did not prevail.

Emmer moved that the House refuse to concur in the Senate amendments to H. F. No. 1973, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

A roll call was requested and properly seconded.

The question was taken on the Emmer motion and the roll was called. There were 45 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gottwalt	Kohls	Paulsen	Tingelstad
Anderson, B.	DeLaForest	Gunther	Kranz	Ruth	Urdahl
Anderson, S.	Demmer	Hackbarth	Lanning	Seifert	Wardlow
Beard	Eastlund	Hamilton	Magnus	Severson	Westrom
Berns	Emmer	Heidgerken	McFarlane	Shimanski	Zellers
Brod	Erickson	Holberg	McNamara	Simpson	
Buesgens	Finstad	Hoppe	Nornes	Smith	
Cornish	Garofalo	Howes	Olson	Sviggum	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Mahoney	Paymar	Swails
Atkins	Erhardt	Johnson	Mariani	Pelowski	Thao
Benson	Faust	Juhnke	Marquart	Peppin	Thissen
Bigham	Fritz	Kahn	Masin	Peterson, A.	Tillberry
Bly	Gardner	Kalin	Moe	Peterson, N.	Tschumper
Brown	Greiling	Knuth	Morgan	Peterson, S.	Wagenius
Brynaert	Hansen	Koenen	Morrow	Poppe	Walker
Bunn	Hausman	Laine	Mullery	Rukavina	Ward
Carlson	Haws	Lenczewski	Murphy, E.	Ruud	Welti
Clark	Hilstrom	Lesch	Murphy, M.	Sailer	Winkler
Davnie	Hilty	Liebling	Nelson	Sertich	Wollschlager
Dill	Hornstein	Lieder	Norton	Simon	Spk. Kelliher
Dittrich	Hortman	Lillie	Olin	Slawik	
Dominguez	Hosch	Loeffler	Otremba	Slocum	
Doty	Huntley	Madore	Ozment	Solberg	

The motion did not prevail.

The question recurred on the Carlson motion that the House concur in the Senate amendments to H. F. No. 1973 and that the bill be repassed, as amended by the Senate, and the roll was called. There were 86 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Jaros	Mahoney	Paymar	Thissen
Atkins	Erhardt	Johnson	Mariani	Peterson, A.	Tillberry
Benson	Faust	Juhnke	Marquart	Peterson, N.	Tingelstad
Bigham	Fritz	Kahn	Masin	Peterson, S.	Tschumper
Bly	Gardner	Kalin	Moe	Poppe	Wagenius
Brown	Greiling	Knuth	Morgan	Rukavina	Walker
Brynaert	Hansen	Koenen	Morrow	Ruud	Ward
Bunn	Hausman	Laine	Mullery	Sailer	Welti
Carlson	Haws	Lenczewski	Murphy, E.	Sertich	Winkler
Clark	Hilstrom	Lesch	Murphy, M.	Simon	Wollschlager
Davnie	Hilty	Liebling	Nelson	Slawik	Spk. Kelliher
Dill	Hornstein	Lieder	Norton	Slocum	
Dittrich	Hortman	Lillie	Olin	Solberg	
Dominguez	Hosch	Loeffler	Otremba	Swails	
Doty	Huntley	Madore	Ozment	Thao	

Those who voted in the negative were:

Abeler	Dean	Gottwalt	Kohls	Paulsen	Sviggum
Anderson, B.	DeLaForest	Gunther	Kranz	Peppin	Urdahl
Anderson, S.	Demmer	Hackbarth	Lanning	Ruth	Wardlow
Beard	Eastlund	Hamilton	Magnus	Seifert	Westrom
Berns	Emmer	Heidgerken	McFarlane	Severson	Zellers
Brod	Erickson	Holberg	McNamara	Shimanski	
Buesgens	Finstad	Hoppe	Nornes	Simpson	
Cornish	Garofalo	Howes	Olson	Smith	

The motion prevailed.

H. F. No. 1973, A bill for an act relating to local government; enabling the merger of the Minneapolis Public Library and the Hennepin County library system; authorizing the transfer of property, assets, and certain bond proceeds related to the Minneapolis Public Library to Hennepin County; authorizing the transfer of Minneapolis Public Library employees to Hennepin County; amending Minnesota Statutes 2006, sections 275.065, subdivision 3; 383B.237; 383B.239; 383B.245; 383B.247.

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

The question was taken on the repassage of the bill and the roll was called. There were 96 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Abeler	Eken	Jaros	Mahoney	Otremba	Smith
Anzelc	Erhardt	Johnson	Mariani	Ozment	Solberg
Atkins	Faust	Juhnke	Marquart	Paymar	Swails
Benson	Fritz	Kahn	Masin	Pelowski	Thao
Bigham	Gardner	Kalin	McFarlane	Peterson, A.	Thissen
Bly	Greiling	Knuth	McNamara	Peterson, N.	Tillberry
Brown	Hansen	Koenen	Moe	Peterson, S.	Tingelstad
Brynaert	Hausman	Laine	Morgan	Poppe	Tschumper
Bunn	Haws	Lanning	Morrow	Rukavina	Urdahl
Carlson	Heidgerken	Lenczewski	Mullery	Ruth	Wagenius
Clark	Hilstrom	Lesch	Murphy, E.	Ruud	Walker
Davnie	Hilty	Liebling	Murphy, M.	Sailer	Ward
Dill	Hornstein	Lieder	Nelson	Sertich	Welti
Dittrich	Hortman	Lillie	Norton	Simon	Winkler
Dominguez	Hosch	Loeffler	Olin	Slawik	Wollschlager
Doty	Huntley	Madore	Olson	Slocum	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Cornish	Erickson	Hamilton	Magnus	Shimanski
Anderson, S.	Dean	Finstad	Holberg	Nornes	Simpson
Beard	DeLaForest	Garofalo	Hoppe	Paulsen	Sviggum
Berns	Demmer	Gottwalt	Howes	Peppin	Wardlow
Brod	Eastlund	Gunther	Kohls	Seifert	Westrom
Buesgens	Emmer	Hackbarth	Kranz	Severson	Zellers

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

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 590.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 590, A resolution exhorting Congress to reform the federal Montgomery GI Bill for the Selected Reserves to permit members of the National Guard and reserves who have been mobilized into federal active duty in support of current wars to receive and use their federal educational benefits following separation from active reserve status and final discharge from the military.

The bill was read for the first time.

Severson moved that S. F. No. 590 and H. F. No. 903, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

S. F. No. 430 was reported to the House.

Murphy, M., moved to amend S. F. No. 430, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1978, the third engrossment:

"ARTICLE 1

VARIOUS CLARIFICATIONS AND CORRECTIONS

Section 1. Minnesota Statutes 2006, section 3A.05, is amended to read:

3A.05 APPLICATION FOR SURVIVOR BENEFIT.

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

(b) Survivor benefits accrue as of the first day of the month following the death of the member of the legislature or former legislator and payments commence as of the first of the month next following the filing of the application, and are retroactive to the date the benefit accrues or the first of the month occurring 12 months before the month in which the application is filed with the director, whichever is ~~earlier~~ later.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

Sec. 2. Minnesota Statutes 2006, section 13.632, subdivision 1, is amended to read:

Subdivision 1. **Beneficiary and survivor data.** The following data on beneficiaries and survivors of the ~~Minneapolis Teachers Retirement Fund Association, the~~ St. Paul Teachers Retirement Fund Association, and the Duluth Teachers Retirement Fund Association members are private data on individuals: home address, date of birth, direct deposit number, and tax withholding data.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 3. Minnesota Statutes 2006, section 126C.41, subdivision 4, is amended to read:

Subd. 4. **Minneapolis health insurance subsidy.** Each year Special School District No. 1, Minneapolis, may make an additional levy not to exceed the amount raised by a net tax rate of .10 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the property in the district for the preceding year. The proceeds may be used only to subsidize health insurance costs for eligible teachers as provided in this section.

"Eligible teacher" means a retired teacher who is a retired member of the Teachers Retirement Association, who was a basic member of the former Minneapolis Teachers Retirement Fund Association, who retired before May 1, 1974, or who had 20 or more years of basic member service in the former Minneapolis Teachers Retirement Fund Association and retired before June 30, 1983, and who is not eligible to receive the hospital insurance benefits of the federal Medicare program of the Social Security Act without payment of a monthly premium. The district must notify eligible teachers that a subsidy is available. To obtain a subsidy, an eligible teacher must submit to the school district a copy of receipts for health insurance premiums paid. The district must disburse the health insurance premium subsidy to each eligible teacher according to a schedule determined by the district, but at least annually. An eligible teacher may receive a subsidy up to an amount equal to the lesser of 90 percent of the cost of the eligible teacher's health insurance or up to 90 percent of the cost of the number two qualified plan of health coverage for individual policies made available by the Minnesota comprehensive health association under chapter 62E.

If funds remaining from the previous year's health insurance subsidy levy, minus the previous year's required subsidy amount, are sufficient to pay the estimated current year subsidy, the levy must be discontinued until the remaining funds are estimated by the school board to be insufficient to pay the subsidy.

This subdivision does not extend benefits to teachers who retire after June 30, 1983, and does not create a contractual right or claim for altering the benefits in this subdivision. This subdivision does not restrict the district's right to modify or terminate coverage under this subdivision.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 4. Minnesota Statutes 2006, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** The following public employees are not eligible to participate as members of the association with retirement coverage by the public employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire retirement plan:

(1) public officers, other than county sheriffs, who are elected to a governing body, or persons who are appointed to fill a vacancy in an elective office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elective position. Elected governing body officials who were active members of the association's coordinated or basic retirement plans as of June 30, 2002, continue participation throughout incumbency in office until termination of public service occurs as defined in subdivision 11a;

(2) election officers or election judges;

(3) patient and inmate personnel who perform services for a governmental subdivision;

(4) except as otherwise specified in subdivision 12a, employees who are hired for a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision;

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

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

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

(8) employees of a governmental subdivision who have not reached the age of 23 and are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or a public or charter high school;

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

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

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

(12) except for employees of Hennepin County or Hennepin Healthcare System, Inc., foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens must be reported for membership from the date of the extension;

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

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

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

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

(17) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who have retirement coverage under a collective bargaining agreement by the Electrical Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the Carpenters Local 87 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(18) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(19) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan, who either were first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

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

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

(22) independent contractors and the employees of independent contractors; and

(23) reemployed annuitants of the association during the course of that reemployment.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 5. Minnesota Statutes 2006, 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.

(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 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 for service rendered before July 1, 2006:

	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

For service rendered on or after July 1, 2006, the average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of service credit, determines the amount 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 1a, per year	the percent specified in section 356.315, subdivision 3, per year
Each year of service after ten years of service	the percent specified in section 356.315, subdivision 2b, 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). For a basic member, the average salary, as defined in 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 shall determine the amount of the retirement annuity to which the basic member is entitled. The annuity of a basic member who was a member of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be determined according to the annuity formula under the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association in effect as of that date. For a coordinated member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by the percent specified in section 356.315, subdivision 2, for each year of service rendered before July 1, 2006, and by the percent specified in section 356.315, subdivision 2b, for each year of service rendered on or after July 1, 2006, determines the amount of the retirement annuity to which the coordinated 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 if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006.

(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.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

Sec. 6. Minnesota Statutes 2006, section 354A.12, subdivision 3b, is amended to read:

Subd. 3b. **Special direct state matching aid to the Teachers Retirement Association.** (a) Special School District No. 1 must make an additional employer contribution to the Teachers Retirement Fund Association. The city of Minneapolis must make a contribution to the Teachers Retirement Association. This contribution must be made by a levy of the board of estimate and taxation of the city of Minneapolis and the levy, if made, is classified as that of a special taxing district for purposes of sections 275.065 and 276.04, and for all other property tax purposes.

(b) ~~\$1,125,000~~ \$1,250,000 must be contributed by Special School District No. 1 and ~~\$1,125,000~~ \$1,250,000 must be contributed by the city of Minneapolis to the Teachers Retirement Association under paragraph (a), and the state shall pay to the Teachers Retirement Association \$2,500,000 each fiscal year. The superintendent of Special School District No. 1, the mayor of the city of Minneapolis, and the executive director of the Teachers Retirement Association shall jointly certify to the commissioner of finance the total amount that has been contributed by Special School District No. 1 and by the city of Minneapolis to the Teachers Retirement Association. Any certification to the commissioner of education must be made quarterly. If the total certifications for a fiscal year exceed the maximum annual direct state matching aid amount in any quarter, the amount of direct state matching aid payable to the Teachers Retirement Association must be limited to the balance of the maximum annual direct state matching aid amount available. The amount required under this paragraph, subject to the maximum direct state matching aid amount, is appropriated annually to the commissioner of finance.

(c) The commissioner of finance may prescribe the form of the certifications required under paragraph (b).

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

Sec. 7. Minnesota Statutes 2006, section 354A.12, subdivision 3c, is amended to read:

Subd. 3c. **Termination of supplemental contributions and direct matching and state aid.** (a) The supplemental contributions payable to the Minneapolis Teachers Retirement Fund Association by Special School District No. 1 and the city of Minneapolis under section 423A.02, subdivision 3, ~~which~~ must continue to be paid to the Teachers Retirement Association until 2037, ~~or~~. The supplemental contributions payable to the St. Paul Teachers Retirement Fund Association by Independent School District No. 625 under section 423A.02, subdivision 3, or the direct state aids under subdivision 3a to the St. Paul Teachers Retirement Fund Association terminate at the end of the fiscal year in which the accrued liability funding ratio for that fund, as determined in the most recent actuarial report for that fund by the actuary retained under section 356.214, equals or exceeds the accrued liability funding ratio for the teachers retirement association, as determined in the most recent actuarial report for the Teachers Retirement Association by the actuary retained under section 356.214.

(b) If the state direct matching, state supplemental, or state aid is terminated for a first class city teachers retirement fund association under paragraph (a), it may not again be received by that fund.

(c) If the St. Paul Teachers Retirement Fund Association is funded at the funding ratio applicable to the Teachers Retirement Association when the provisions of paragraph (b) become effective, then any state aid previously distributed to that association must be immediately transferred to the Teachers Retirement Association.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

Sec. 8. Minnesota Statutes 2006, section 354A.12, subdivision 3d, is amended to read:

Subd. 3d. **Supplemental administrative expense assessment.** (a) The active and retired membership of the St. Paul Teachers Retirement Fund Association is responsible for defraying supplemental administrative expenses other than investment expenses of the respective teacher retirement fund association.

(b) Investment expenses of the teachers retirement fund association are those expenses incurred by or on behalf of the retirement fund in connection with the investment of the assets of the retirement fund other than investment security transaction costs. Other administrative expenses are all expenses incurred by or on behalf of the retirement fund for all other retirement fund functions other than the investment of retirement fund assets. Investment and other administrative expenses must be accounted for using generally accepted accounting principles and in a manner consistent with the comprehensive annual financial report of the teachers retirement fund association for the immediately previous fiscal year under section 356.20.

(c) Supplemental administrative expenses other than investment expenses of the St. Paul Teachers Retirement Fund Association are those expenses for the fiscal year that:

(1) exceed, for the St. Paul Teachers Retirement Fund Association, \$443,745 plus an additional amount derived by applying the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers All Items Index published by the Bureau of Labor Statistics of the United States Department of Labor since July 1, 2001, to the dollar amount; and

(2) exceed the amount computed by applying the most recent percentage of pay administrative expense amount, other than investment expenses, for the teachers retirement association governed by chapter 354 to the covered payroll of the respective teachers retirement fund association for the fiscal year.

(d) The board of trustees of the St. Paul Teachers Retirement Fund Association shall allocate the total dollar amount of supplemental administrative expenses other than investment expenses determined under paragraph (c), clause (2), among the various active and retired membership groups of the teachers retirement fund association and shall assess the various membership groups their respective share of the supplemental administrative expenses other than investment expenses, in amounts determined by the board of trustees. The supplemental administrative expense assessments must be paid by the membership group in a manner determined by the board of trustees of the respective teachers retirement association. Supplemental administrative expenses payable by the active members of the pension plan must be picked up by the employer in accordance with section 356.62.

(e) With respect to the St. Paul Teachers Retirement Fund Association, the supplemental administrative expense assessment must be fully disclosed to the various active and retired membership groups of the teachers retirement fund association. The chief administrative officer of the St. Paul Teachers Retirement Fund Association shall prepare a supplemental administrative expense assessment disclosure notice, which must include the following:

(1) the total amount of administrative expenses of the St. Paul Teachers Retirement Fund Association, the amount of the investment expenses of the St. Paul Teachers Retirement Fund Association, and the net remaining amount of administrative expenses of the St. Paul Teachers Retirement Fund Association;

(2) the amount of administrative expenses for the St. Paul Teachers Retirement Fund Association that would be equivalent to the teachers retirement association noninvestment administrative expense level described in paragraph (c);

(3) the total amount of supplemental administrative expenses required for assessment calculated under paragraph (c);

(4) the portion of the total amount of the supplemental administrative expense assessment allocated to each membership group and the rationale for that allocation;

(5) the manner of collecting the supplemental administrative expense assessment from each membership group, the number of assessment payments required during the year, and the amount of each payment or the procedure used to determine each payment; and

(6) any other information that the chief administrative officer determines is necessary to fairly portray the manner in which the supplemental administrative expense assessment was determined and allocated.

(f) The disclosure notice must be provided annually in the annual report of the association.

(g) The supplemental administrative expense assessments must be deposited in the applicable teachers retirement fund upon receipt.

(h) Any omitted active membership group assessments that remain undeducted and unpaid to the teachers retirement fund association for 90 days must be paid by the respective school district. The school district may recover any omitted active membership group assessment amounts that it has previously paid. The teachers retirement fund association shall deduct any omitted retired membership group assessment amounts from the benefits next payable after the discovery of the omitted amounts.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

Sec. 9. Minnesota Statutes 2006, 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~~ Teachers Retirement Association if the person was a member of ~~that plan~~ the former Minneapolis Teachers Retirement Fund Association 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.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 10. Minnesota Statutes 2006, section 355.01, subdivision 3h, is amended to read:

Subd. 3h. **Minneapolis teacher.** "Minneapolis teacher" means a person employed by Special School District No. 1, Minneapolis, who holds a position covered by the ~~Minneapolis Teachers Retirement Fund Association~~ established Teachers Retirement Association under ~~chapter 354A~~ section 354.70.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 11. Minnesota Statutes 2006, section 356A.06, subdivision 6, is amended to read:

Subd. 6. **Limited list of authorized investment securities.** (a) Except to the extent otherwise authorized by law, a covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

(1) have assets with a book value in excess of \$1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940, or registered as an investment advisor in accordance with sections 80A.58; and ~~80A.59~~ 80A.60, for the investment of at least 60 percent of its assets, calculated on book value;

(3) use the services of the State Board of Investment for the investment of at least 60 percent of its assets, calculated on book value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the State Board of Investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118A.03;

(2) savings accounts, to the extent of available insurance, with a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation;

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by an act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality;

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; and

(iii) for an obligation other than a revenue bond, has issued an obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

EFFECTIVE DATE. This section is effective retroactively to August 1, 2006.

Sec. 12. Minnesota Statutes 2006, section 423A.02, subdivision 3, is amended to read:

Subd. 3. **Reallocation of amortization or supplementary amortization state aid.** (a) Seventy percent of the difference between \$5,720,000 and the current year amortization aid or supplemental amortization aid distributed under subdivisions 1 and 1a that is not distributed for any reason to a municipality for use by a local police or salaried fire relief association must be distributed by the commissioner of revenue according to this paragraph. The commissioner shall distribute 70 percent of the amounts derived under this paragraph to the ~~Minneapolis Teachers Retirement Fund Association~~ Teachers Retirement Association and 30 percent to the St. Paul Teachers Retirement Fund Association to fund the unfunded actuarial accrued liabilities of the respective funds. These payments shall be

made on or before June 30 each fiscal year. The amount required under this paragraph is appropriated annually from the general fund to the commissioner of revenue. ~~If either the Minneapolis Teachers Retirement Fund Association or the St. Paul Teachers Retirement Fund Association becomes funded at the funding ratio applicable to the teachers retirement association based on the actuarial reports prepared by the actuary for the Legislative Commission on Pensions and Retirement, then the commissioner shall distribute that fund's share under this paragraph to the other fund. The appropriation under this paragraph terminates when both funds become fully funded, its eligibility for this aid ceases.~~ Amounts remaining in the undistributed balance account at the end of the biennium if aid eligibility ceases cancel to the general fund.

(b) In order to receive amortization and supplementary amortization aid under paragraph (a), Independent School District No. 625, St. Paul, must make contributions to the St. Paul Teachers Retirement Fund Association in accordance with the following schedule:

Fiscal Year	Amount
1996	\$0
1997	\$0
1998	\$200,000
1999	\$400,000
2000	\$600,000
2001 and thereafter	\$800,000

~~(c) In order to receive amortization and supplementary amortization aid under paragraph (a), Special School District No. 1, Minneapolis, and the city of Minneapolis must each make contributions to the Minneapolis Teachers Retirement Fund Association~~ Teachers Retirement Association in accordance with the following schedule:

Fiscal Year	City amount	School district amount
1996	\$0	\$0
1997	\$0	\$0
1998	\$250,000	\$250,000
1999	\$400,000	\$400,000
2000	\$550,000	\$550,000
2001	\$700,000	\$700,000
2002	\$850,000	\$850,000
2003 and thereafter	\$1,000,000	\$1,000,000

(d) Money contributed under paragraph (a) and either paragraph (b) or (c), as applicable, must be credited to a separate account in the applicable teachers retirement fund and may not be used in determining any benefit increases. The separate account terminates for a fund when the aid payments to the fund under paragraph (a) cease.

(e) Thirty percent of the difference between \$5,720,000 and the current year amortization aid or supplemental amortization aid under subdivisions 1 and 1a that is not distributed for any reason to a municipality for use by a local police or salaried firefighter relief association must be distributed under section 69.021, subdivision 7, paragraph (d), as additional funding to support a minimum fire state aid amount for volunteer firefighter relief associations. The amount required under this paragraph is appropriated annually to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

Sec. 13. Minnesota Statutes 2006, section 423A.02, subdivision 5, is amended to read:

Subd. 5. **Termination of state aid programs.** The amortization state aid, supplemental amortization state aid, and additional amortization state aid programs terminate as of the December 31, next following the date of the actuarial valuation when the ~~assets of the Minneapolis Teachers Retirement Fund Association equal the actuarial accrued liability of that plan and when the~~ assets of the St. Paul Teachers Retirement Fund Association equal the actuarial accrued liability of that plan or December 31, 2009, whichever is later.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 14. Laws 2006, chapter 271, article 2, section 12, subdivision 1, is amended to read:

Subdivision 1. **Election of prior state coverage.** (a) An employee in the occupational position of laundry coordinator or delivery van driver at the Minnesota Correctional Facility-Faribault who has future retirement coverage transferred to the correctional state employees retirement plan under section 5 is entitled to elect to obtain prior service credit for eligible correctional state service performed after June 30, 1997, and before July 1, 2006, with the Department of Corrections and an employee who had future retirement coverage transferred to the correctional state employees retirement plan under Laws 2004, chapter 267, article 1, section 1, is entitled to elect to obtain prior service credit for eligible correctional state service performed at the Minnesota Correctional Facility-Rush City before August 1, 2004. All prior service credit in either instance must be purchased.

(b) Eligible correctional state service is either a prior period of continuous service after June 30, 1997, at the Minnesota Correctional Facility-Faribault, or a prior period of continuous service at the Minnesota Correctional Facility-Rush City before August 1, 2004, whichever applies, performed as an employee of the Department of Corrections that would have been eligible for the correctional state employees retirement plan coverage under section 1, if that prior service had been performed after August 1, 2004, or June 30, 2006, rather than before August 1, 2004, or July 1, 2006, whichever applies. Service is continuous if there has been no period of discontinuation of eligible state service for a period greater than 30 calendar days.

(c) The commissioner of corrections shall certify eligible correctional state service to the commissioner of employee relations and to the executive director of the Minnesota State Retirement System.

(d) A correctional employee covered under ~~section 4~~ this subdivision is entitled to purchase the past service if the department certifies that the employee met the eligibility requirements for coverage. The employee must make additional employee contributions. Payment for past service must be completed by June 30, 2007.

EFFECTIVE DATE. This section is effective retroactively to June 14, 2006.

Sec. 15. Laws 2006, chapter 271, article 2, section 13, subdivision 3, is amended to read:

Subd. 3. **Employee equivalent contribution.** To receive the transfer of service credit specified in subdivision 1, the individual must pay to the executive director of the Minnesota State Retirement System the difference between the employee contribution rate for the general state employees retirement plan and the employee contribution rate for the correctional state employees retirement plan in effect during the period eligible for transfer applied to the eligible individual's salary at the time each additional contribution would have been deducted from pay if coverage had been provided by the correctional state employees retirement plan. These amounts shall be paid in a lump sum by September 1, ~~2005~~ 2007, or prior to termination of service, whichever is earlier, plus 8.5 percent annual compound interest from the applicable payroll deduction date until paid.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

Sec. 16. Laws 2006, chapter 271, article 14, section 2, subdivision 3, is amended to read:

Subd. 3. **Payment.** If an eligible person meets the requirements to purchase service credit under this section, the public employees police and fire fund must be paid the amount determined under Minnesota Statutes, section 356.551. Of this amount:

(1) the eligible person must pay an amount equal to the employee contribution rate during the period of service to be purchased, applied to the actual salary in effect during that period, plus interest at the rate of 8.5 percent per year compounded annually from the date on which the contributions should have been made to the date on which payment is made under this section; and

(2) the city of Faribault must pay the remainder of the amount determined under Minnesota Statutes, section 356.551.

EFFECTIVE DATE. This section is effective retroactively to June 2, 2006.

ARTICLE 2

ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 2006, 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, before July 1, 1994.

(b) 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 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 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.

(c) The retirement allowance accrues ~~beginning with the first day of the month of receipt of the application, following the receipt by the director of a retirement application on a form prescribed by the director, but not before the normal retirement age 60, and, except as specified in subdivision 1b. The annuity is payable 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 as defined in section 3A.01, subdivision 1c. The annuity does not begin to accrue 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.~~

(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.

(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.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 2. Minnesota Statutes 2006, 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)~~ (3) employees of the Minnesota Crop Improvement Association;
- ~~(5)~~ (4) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- ~~(6)~~ (5) employees of the Minnesota State Colleges and Universities employed under the university or college activities program;
- ~~(7)~~ (6) 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)~~ (7) 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)~~ (8) 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)~~ (9) employees of the Minnesota Safety Council;

(12) (10) 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) (11) 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) (12) judges of the Tax Court;

(15) (13) 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;

(16) (14) seasonal help in the classified service employed by the Department of Revenue; ~~and~~

(17) (15) 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; and

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3).

(b) Employees specified in paragraph (a), clause ~~(15)~~ (13), 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.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 3. Minnesota Statutes 2006, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** "State employee" does not include:

(1) students employed by the University of Minnesota, or the state colleges and universities, unless approved for coverage by the Board of Regents of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities, as the case may be ~~whichever is applicable~~;

(2) employees who are eligible for membership in the state Teachers Retirement Association, except employees of the Department of Education who have chosen or may choose to be covered by the general state employees retirement plan of the Minnesota State Retirement System instead of the Teachers Retirement Association;

(3) employees of the University of Minnesota who are excluded from coverage by action of the Board of Regents;

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

(5) election officers;

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

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

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

(9) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota Veterans Home;

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

(11) employees of the Sibley House Association;

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

(13) state troopers and persons who are described in section 352B.01, subdivision 2, clauses (2) to (6);

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

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

~~(16) persons who are described in section 352B.01, subdivision 2, clauses (2) to (6);~~

~~(17)~~ (16) temporary employees in the classified service, and temporary employees in the unclassified service who are appointed for a definite period of not more than six months and who are employed less than six months in any one-year period;

~~(18)~~ (17) interns hired for six months or less and trainee employees, except those listed in subdivision 2a, clause (10) (8);

~~(19)~~ (18) persons whose compensation is paid on a fee basis or as an independent contractor;

~~(20)~~ (19) state employees who are employed by the Board of Trustees of the Minnesota State Colleges and Universities in unclassified positions enumerated in section 43A.08, subdivision 1, clause (9);

~~(21)~~ (20) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the Teachers Retirement Association or a retirement system in St. Paul, Minneapolis, or Duluth, except for incidental employment as a state employee that is not covered by one of the teacher retirement associations or systems;

~~(22)~~ (21) employees of the adjutant general who are employed on an unlimited intermittent or temporary basis in the classified or unclassified service for the support of Army and Air National Guard training facilities;

~~(23)~~ (22) chaplains and nuns who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1986, as amended through December 31, 1992;

~~(24)~~ (23) examination monitors who are employed by departments, agencies, commissions, and boards to conduct examinations required by law;

~~(25)~~ (24) persons who are appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

~~(26)~~ (25) temporary employees who are employed for limited periods under any state or federal program for training or rehabilitation, including persons who are employed for limited periods from areas of economic distress, but not including skilled and supervisory personnel and persons having civil service status covered by the system;

~~(27)~~ (26) full-time students who are employed by the Minnesota Historical Society intermittently during part of the year and full-time during the summer months;

~~(28)~~ (27) temporary employees who are appointed for not more than six months, of the Metropolitan Council and of any of its statutory boards, if the board members are appointed by the Metropolitan Council;

~~(29)~~ (28) persons who are employed in positions designated by the Department of Employee Relations as student workers;

~~(30)~~ (29) members of trades who are employed by the successor to the Metropolitan Waste Control Commission, who have trade union pension plan coverage under a collective bargaining agreement, and who are first employed after June 1, 1977;

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

~~(32)~~ (30) off-duty peace officers while employed by the Metropolitan Council;

~~(33)~~ (31) persons who are employed as full-time police officers by the Metropolitan Council and as police officers are members of the public employees police and fire fund;

~~(34)~~ (32) persons who are employed as full-time firefighters by the Department of Military Affairs and as firefighters are members of the public employees police and fire fund;

~~(35)~~ (33) foreign citizens with a work permit of less than three years, or an H-1b/JV visa valid for less than three years of employment, unless notice of extension is supplied which allows them to work for three or more years as of the date the extension is granted, in which case they are eligible for coverage from the date extended; and

~~(36)~~ (34) persons who are employed by the Board of Trustees of the Minnesota State Colleges and Universities and who elect to remain members of the Public Employees Retirement Association or the Minneapolis Employees Retirement Fund, whichever applies, under section 136C.75.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 4. Minnesota Statutes 2006, section 352.01, subdivision 11, is amended to read:

Subd. 11. **Allowable service.** (a) "Allowable service" means:

~~(1) Service by an employee for which on or before July 1, 1957, the employee was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, chapter 352, as amended by Laws 1955, chapter 239.~~

~~(2)~~ (1) service by an employee for which on or before July 1, 1961, the employee chose to obtain credit for service by making payments to the fund under Minnesota Statutes 1961, section 352.24;

~~(3) Except as provided in clauses (8) and (9),~~ (2) service by an employee after July 1, 1957, for any calendar month in which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041;

~~(4) Except as provided in clauses (8) and (9),~~ (3) service by an employee after July 1, 1957, for any calendar month for which payments in lieu of salary deductions are made, deposited, and credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, section 352.021, subdivision 4;

~~For purposes of clauses (3) and (4), except as provided in clauses (8) and (9), any salary paid for a fractional part of any calendar month, including the month of separation from state service, is deemed the compensation for the entire calendar month.~~

~~(5)~~ (4) the period of absence from their duties by employees who are temporarily disabled because of injuries incurred in the performance of duties and for which disability the state is liable under the workers' compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund;

~~(6)~~ (5) service covered by a refund repaid as provided in section 352.23 or 352D.05, subdivision 4, except service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system;

~~(7)~~ (6) service before July 1, 1978, by an employee of the Transit Operating Division of the Metropolitan Transit Commission or by an employee on an authorized leave of absence from the Transit Operating Division of the Metropolitan Transit Commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division, which was credited by the Metropolitan Transit Commission-Transit Operating Division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous, or allowable service as defined in the Metropolitan Transit Commission-Transit Operating Division employees retirement fund plan document in effect on December 31, 1977;

~~(8)~~ (7) service after July 1, 1983, by an employee who is employed on a part-time basis for less than 50 percent of full time, for which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041 or for which payments in lieu of salary deductions are made, deposited, and credited in the fund as provided in section 352.27 shall be

credited on a fractional basis either by pay period, monthly, or annually based on the relationship that the percentage of salary earned bears to a full-time salary, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time pay period, month, or a full-time year. For periods of part-time service that is duplicated service credit, section 356.30, subdivision 1, clauses (i) and (j), govern; and

~~Allowable service determined and credited on a fractional basis shall be used in calculating the amount of benefits payable, but service as determined on a fractional basis must not be used in determining the length of service required for eligibility for benefits.~~

~~(9) (8) any period of authorized leave of absence without pay that does not exceed one year and for which the employee obtained credit by payment to the fund in lieu of salary deductions. To obtain credit, the employee shall pay an amount equal to the employee and employer contribution rate in section 352.04, subdivisions 2 and 3, multiplied by the employee's hourly rate of salary on the date of return from leave of absence and by the days and months of the leave of absence without pay for which the employee wants allowable service credit. The employing department, at its option, may pay the employer amount on behalf of its employees. Payments made under this clause must include interest at an annual rate of 8.5 percent compounded annually from the date of termination of the leave of absence to the date payment is made unless payment is completed within one year of the return from leave of absence under section 352.017.~~

(10) MS 2002 [Expired]

(11) [Expired, 2002 c 392 art 2 s 4]

(b) For purposes of paragraph (a), clauses (2) and (3), any salary that is paid for a fractional part of any calendar month, including the month of separation from state service, is deemed to be the compensation for the entire calendar month.

(c) Allowable service determined and credited on a fractional basis must be used in calculating the amount of benefits payable, but service as determined on a fractional basis must not be used in determining the length of service required for eligibility for benefits.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 5. [352.017] AUTHORIZED LEAVE OF ABSENCE SERVICE CREDIT PURCHASE PROCEDURE.

Subdivision 1. **Application.** Except for leaves or breaks in service covered by section 352.27 or 352.275, this section applies to all plans specified in this chapter for any period of authorized leave of absence without pay that does not exceed one year and for which the employee obtains credit for allowable service by making payment as specified in this section to the applicable fund.

Subd. 2. **Purchase procedure.** (a) An employee covered by a plan specified in this chapter may purchase credit for allowable service in that plan for a period specified in subdivision 1 if the employee makes a payment 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 executive director within one year from the end of the authorized leave, the payment amount is equal to the employee and employer contribution rates specified in law for the applicable plan at the end of the leave period multiplied by the employee's hourly rate of salary on the date of return from the leave of absence and by the days and months of the leave of absence for which the employee wants allowable service credit. Payments made under this paragraph must include compound interest at a monthly rate of 0.71 percent from the last day of the leave period until the last day of the month in which payment is received.

(c) If payment is received by the executive director after one year, the payment amount is the amount determined under section 356.551.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 6. Minnesota Statutes 2006, section 352.12, subdivision 2a, is amended to read:

Subd. 2a. **Surviving spouse coverage term certain.** (a) In lieu of the 100 percent optional annuity under subdivision 2, or refund under subdivision 1, the surviving spouse of a deceased employee or former employee may elect to receive survivor coverage in a term certain of ~~five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high five monthly salary of the deceased employee or former employee.~~ The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

(b) If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 7. Minnesota Statutes 2006, section 352.27, is amended to read:

352.27 CREDIT FOR BREAK IN SERVICE TO PROVIDE UNIFORMED SERVICE.

(a) An employee who is absent from employment by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), and who returns to state service upon discharge from service in the uniformed service within the time frames required in United States Code, title 38, section 4312(e), may obtain service credit for the period of the uniformed service as further specified in this section, provided that the employee did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(b) The employee may obtain credit by paying into the fund an equivalent employee contribution based upon the contribution rate or rates in effect at the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the employee would have received if the employee had continued to be employed in covered employment rather than to provide uniformed service, or, if the determination of that rate is not reasonably certain, the annual salary rate is the employee's average salary rate during the 12-month period of covered employment rendered immediately preceding the period of the uniformed service.

(c) The equivalent employer contribution and, if applicable, the equivalent additional employer contribution provided in ~~section 352.04~~ chapter 352 must be paid by the department employing the employee from funds available to the department at the time and in the manner provided in ~~section 352.04~~ chapter 352, using the employer and additional employer contribution rate or rates in effect at the time that the uniformed service was performed, applied to the same annual salary rate or rates used to compute the equivalent employee contribution.

(d) If the employee equivalent contributions provided in this section are not paid in full, the employee's allowable service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total employee contribution received by the total employee contribution otherwise required under this section.

(e) To receive service credit under this section, the contributions specified in this section must be transmitted to the Minnesota State Retirement System during the period which begins with the date on which the individual returns to state service and which has a duration of three times the length of the unformed service period, but not to exceed five years. If the determined payment period is less than one year, the contributions required under this section to receive service credit may be made within one year of the discharge date.

(f) The amount of service credit obtainable under this section may not exceed five years unless a longer purchase period is required under United States Code, title 38, section 4312.

(g) The employing unit shall pay interest on all equivalent employee and employer contribution amounts payable under this section. Interest must be computed at a rate of 8.5 percent compounded annually from the end of each fiscal year of the leave or the break in service to the end of the month in which the payment is received.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 8. Minnesota Statutes 2006, section 352.951, is amended to read:

352.951 APPLICABILITY OF GENERAL LAW.

Except as otherwise provided, this chapter applies to covered correctional employees, military affairs personnel covered under section 352.85, ~~and~~ Transportation Department pilots covered under section 352.86, and state fire marshal employees under section 352.87.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 9. Minnesota Statutes 2006, section 352.98, is amended by adding a subdivision to read:

Subd. 8. **Exemption from process.** Assets in a health care savings plan account described in this section must be used for the reimbursement of health care expenses and are not assignable or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518A.53.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 10. Minnesota Statutes 2006, 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), and (16) to (18), 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~~ program 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~~ program.

(b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified program under this chapter unless the person was eligible to elect different coverage under section 3A.07 and 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 Minnesota Office of Higher Education in the unclassified service, as designated by the Minnesota Office of Higher Education 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~~ Agricultural Utilization Research Institute;
- (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;
- (16) an employee of Minnesota Technology Incorporated;

(17) a person employed by the Minnesota State Colleges and Universities as faculty or in an eligible unclassified administrative position as defined in section 354B.20, subdivision 6, who was employed by the former state university or the former community college system before May 1, 1995, and elected unclassified program coverage prior to May 1, 1995; and

(18) a person employed by the Minnesota State Colleges and Universities who was employed in state service before July 1, 1995, who subsequently is employed in an eligible unclassified administrative position as defined in section 354B.20, subdivision 6, and who elects coverage by the unclassified program.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 11. Minnesota Statutes 2006, section 352D.02, subdivision 3, is amended to read:

Subd. 3. **Election irrevocable Transfer to general plan.** ~~An election to not participate is irrevocable during any period of covered employment.~~ (a) An employee credited with employee shares in the unclassified program, after acquiring credit for ten years of allowable service but prior to and not later than one month following the termination of covered employment, may, notwithstanding other provisions of this subdivision, elect to terminate participation in the unclassified plan program and be covered by the regular general plan by filing such a written election with the executive director. The executive director shall thereupon then redeem the employee's total shares and shall credit to the employee's account in the regular general plan the amount of contributions that would have been so credited had the employee been covered by the regular general plan during the employee's entire covered employment. The balance of money so redeemed and not credited to the employee's account shall be transferred to the state contribution reserve of the state employees general plan retirement fund, except that (1) the employee contribution paid to the unclassified plan program must be compared to (2) the employee contributions that would have been paid to the general plan for the comparable period, if the individual had been covered by that plan. If clause (1) is greater than clause (2), the difference must be refunded to the employee as provided in section 352.22. If clause (2) is greater than clause (1), the difference must be paid by the employee within six months of electing general plan coverage or before the effective date of the annuity, whichever is sooner.

(b) An election under paragraph (a) to transfer coverage to the general plan is irrevocable during any period of covered employment.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 12. Minnesota Statutes 2006, section 352D.06, subdivision 3, is amended to read:

Subd. 3. **Accrual date.** An annuity under this section accrues the first day of the first full month after an application is received or after the day following termination of state service, whichever is later. Upon the former employee's request, the annuity may begin to accrue up to six months before redemption of shares, but not prior to the termination date from covered service, and must be based on the account value at redemption and upon the age of the former employee at the date annuity accrual starts. ~~The account must be valued and redeemed on the later of the end of the month of termination of covered employment, or the end of the month of receipt of the annuity application for the purpose of computing the annuity.~~

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 13. Minnesota Statutes 2006, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) Public employees whose salary from employment in one or more positions within one governmental subdivision exceeds \$425 in any month shall participate as members of the association. If the salary is less than \$425 in a subsequent month, the employee retains membership eligibility. Eligible public

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

(1) are specifically excluded under subdivision 2b;

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

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

(b) A public employee who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) Public employees under paragraph (a) include physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 14. Minnesota Statutes 2006, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** The following public employees are not eligible to participate as members of the association with retirement coverage by the public employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire retirement plan:

(1) public officers, other than county sheriffs, who are elected to a governing body, or persons who are appointed to fill a vacancy in an elective office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elective position. ~~Elected governing body officials who were active members of the association's coordinated or basic retirement plans as of June 30, 2002, continue participation throughout incumbency in office until termination of public service occurs as defined in subdivision 11a;~~

(2) election officers or election judges;

(3) patient and inmate personnel who perform services for a governmental subdivision;

(4) except as otherwise specified in subdivision 12a, employees who are hired for a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision;

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

(6) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, the Minneapolis Teachers

Retirement Fund Association, the St. Paul Teachers Retirement Fund Association, the Minneapolis Employees Retirement Fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the Public Employees Retirement Association, or any local police or firefighters consolidation account who have not elected the type of benefit coverage provided by the public employees police and fire fund under sections 353A.01 to 353A.10, or any persons covered by section 353.665, subdivision 4, 5, or 6, who have not elected public employees police and fire plan benefit coverage. This clause must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

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

(8) employees of a governmental subdivision who have not reached the age of 23 and are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or a public or charter high school;

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

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

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

(12) except for employees of Hennepin County or Hennepin Healthcare System, Inc., foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens must be reported for membership from the date of the extension;

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

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

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

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

(17) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who have retirement coverage under a collective bargaining agreement by the Electrical Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the Carpenters Local 87 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(18) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(19) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan, who either were first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

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

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

(22) independent contractors and the employees of independent contractors; and

(23) reemployed annuitants of the association during the course of that reemployment.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 15. Minnesota Statutes 2006, 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, unit, or instrumentality of state or local government, or any public body ~~whose revenues are derived~~ established under state or local authority that has a governmental purpose, is under public control, is responsible for the employment and payment of the salaries of employees of the entity, and receives a major portion of its revenues from taxation, fees, assessments or from other public sources.

(b) Governmental subdivision also means the Public Employees Retirement Association, the League of Minnesota Cities, the Association of Metropolitan Municipalities, charter schools formed under section 124D.10, service cooperatives exercising retirement plan participation under section 123A.21, subdivision 5, joint powers boards organized under section 471.59, subdivision 11, paragraph (a), family service collaboratives and children's mental health collaboratives organized under section 471.59, subdivision 11, paragraph (b) or (c), provided that the entities creating the collaboratives are governmental units that otherwise qualify for retirement plan membership, public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions, the Association of Minnesota Counties, the ~~Metropolitan~~ Minnesota 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, the Dakota County Agricultural Society, and Hennepin Healthcare System, Inc.

(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~~; or the board of a family service collaborative or children's mental health collaborative organized under sections 124D.23, 245.491 to 245.495, or 471.59, if that board is not controlled by representatives of governmental units.

(d) A nonprofit corporation governed by chapter 317A or organized under Internal Revenue Code, section 501(c)(3), which is not covered by paragraph (a) or (b), is not a governmental subdivision unless the entity has obtained a written advisory opinion from the United States Department of Labor or a ruling from the Internal Revenue Service declaring the entity to be an instrumentality of the state so as to provide that any future contributions by the entity on behalf of its employees are contributions to a governmental plan within the meaning of Internal Revenue Code, section 414(d).

(e) A public body created by state or local authority may request membership on behalf of its employees by providing sufficient evidence that it meets the requirements in paragraph (a).

(f) An entity determined to be a governmental subdivision is subject to the reporting requirements of this chapter upon receipt of a written notice of eligibility from the association.

EFFECTIVE DATE. This section is effective the day after final enactment. Paragraphs (e) and (f) apply to initial plan coverage dates occurring on or after the effective date.

Sec. 16. Minnesota Statutes 2006, section 353.01, subdivision 16, is amended to read:

Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service" means:

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

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

(3) a period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund;

(4) a period of authorized personal, parental, or medical leave of absence without pay, including a leave of absence covered under the federal Family Medical Leave Act, that does not exceed one year, and ~~during or for~~ for which a member obtained service credit for each month in the leave period by ~~payments~~ payment under section 353.0161 to the fund made in place of salary deductions. ~~The payments must be made in an amount or amounts based on the member's average salary on which deductions were paid for the last six months of public service, or for that portion of the last six months while the member was in public service, to apply to the period in either case that immediately precedes the commencement of the leave of absence. If the employee elects to pay the employee contributions for the period of any authorized personal, parental, or medical leave of absence without pay, or for any portion of the leave, the employee shall also, as a condition to the exercise of the election, pay to the fund an amount equivalent to the required employer and the additional employer contributions, if any, for the employee. The payment must be made within one year from the expiration of the leave of absence or within 20 days after termination of public service under subdivision 11a, whichever is earlier. The employer, by appropriate action of its governing body which is made a part of its official records and which is adopted before the date of the first payment of the employee contribution, may certify to the association in writing its commitment to pay the employer and additional employer contributions from the proceeds of a tax levy made under section 353.28. Payments under this paragraph must include interest at an annual rate of 8.5 percent compounded annually from the date of the termination of the leave of absence to the date payment is made. An employee must return to public service and render a minimum of three months of allowable service in order to be eligible to pay employee and employer contributions make payment under section 353.0161 for a subsequent authorized leave of absence without pay. Upon payment, the employee must be granted allowable service credit for the purchased period;~~

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

(6) an authorized temporary or seasonal layoff under subdivision 12, limited to three months allowable service per authorized temporary or seasonal layoff in one calendar year. An employee who has received the maximum service credit allowed for an authorized temporary or seasonal layoff must return to public service and must obtain a minimum of three months of allowable service subsequent to the layoff in order to receive allowable service for a subsequent authorized temporary or seasonal layoff; or

(7) a period during which a member is absent from employment by a governmental subdivision by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), if the member returns to public service upon discharge from service in the uniformed service within the time frames required under United States Code, title 38, section 4312(e), provided that the member did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions. The service is credited if the member pays into the fund equivalent employee contributions based upon the contribution rate or rates in effect at

the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the member would have received if the member had continued to be employed in covered employment rather than to provide uniformed service, or, if the determination of that rate is not reasonably certain, the annual salary rate is the member's average salary rate during the 12-month period of covered employment rendered immediately preceding the period of the uniformed service. Payment of the member equivalent contributions must be made during a period that begins with the date on which the individual returns to public employment and that is three times the length of the military leave period, or within five years of the date of discharge from the military service, whichever is less. If the determined payment period is less than one year, the contributions required under this clause to receive service credit may be made within one year of the discharge date. Payment may not be accepted following 20 days after termination of public service under subdivision 11a. If the member equivalent contributions provided for in this clause are not paid in full, the member's allowable service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total member contributions received by the total member contributions otherwise required under this clause. The equivalent employer contribution, and, if applicable, the equivalent additional employer contribution must be paid by the governmental subdivision employing the member if the member makes the equivalent employee contributions. The employer payments must be made from funds available to the employing unit, using the employer and additional employer contribution rate or rates in effect at the time that the uniformed service was performed, applied to the same annual salary rate or rates used to compute the equivalent member contribution. The governmental subdivision involved may appropriate money for those payments. The amount of service credit obtainable under this section may not exceed five years unless a longer purchase period is required under United States Code, title 38, section 4312. The employing unit shall pay interest on all equivalent member and employer contribution amounts payable under this clause. Interest must be computed at a rate of 8.5 percent compounded annually from the end of each fiscal year of the leave or the break in service to the end of the month in which the payment is received. Upon payment, the employee must be granted allowable service credit for the purchased period.

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

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

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

(e) MS 2002 [Expired]

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 17. Minnesota Statutes 2006, section 353.01, subdivision 28, is amended to read:

Subd. 28. **Retirement.** (a) "Retirement" means the commencement of the payment of an annuity based on a date designated by the board of trustees. This date determines the rights under this chapter which occur either before or after retirement. A right to retirement is subject to termination of public service under subdivision 11a. A right to retirement requires a complete and continuous separation for 30 days from employment as a public employee and from the provision of paid services to that employer.

(b) An individual who separates from employment as a public employee and who, within 30 days of separation, returns to provide service to a governmental subdivision as an independent contractor or as an employee of an independent contractor, has not satisfied the separation requirements under paragraph (a).

~~(c) A former member of the basic or police and fire fund who becomes a coordinated member upon returning to eligible, nontemporary public service, terminates employment before obtaining six months' allowable service under subdivision 16, paragraph (a), in the coordinated fund, and is eligible to receive an annuity the first day of the month after the most recent termination date shall not accrue a right to a retirement annuity under the coordinated fund. An annuity otherwise payable to the former member must be based on the laws in effect on the date of termination of the most recent service under the basic or police and fire fund and shall be retroactive to the first day of the month following that termination date or one year preceding the filing of an application for retirement annuity as provided by section 353.29, subdivision 7, whichever is later. The annuity payment must be suspended under the provisions of section 353.37, if earned compensation for the reemployment equals or exceeds the amounts indicated under that section. The association will refund the employee deductions made to the coordinated fund, with interest under section 353.34, subdivision 2, return the accompanying employer contributions, and remove the allowable service credits covering the deductions refunded.~~

~~(d)~~ (c) Notwithstanding the 30-day separation requirement under paragraph (a), a member of the a defined benefit plan under this chapter, who also participates in the public employees defined contribution plan under chapter 353D for other public service, may be paid, if eligible, a retirement annuity from the defined benefit plan while participating in the defined contribution plan. A retirement annuity is also payable from a defined benefit plan under this chapter to an eligible member who terminates public service and who, within 30 days of separation, takes office as an elected official of a governmental subdivision.

(d) Elected officials included in association membership under subdivisions 2a and 2d meet the 30-day separation requirement under this section by resigning from office before filing for a subsequent term in the same office and by remaining completely and continuously separated from that office for 30 days prior to the date of the election.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 18. **[353.0161] AUTHORIZED LEAVE OF ABSENCE SERVICE CREDIT PURCHASE PROCEDURE.**

Subdivision 1. **Application.** This section applies to employees covered by any plan specified in this chapter or chapter 353E for any period of authorized leave of absence specified in section 353.01, subdivision 16, paragraph (a), clause (4), for which the employee obtains credit for allowable service by making payment as specified in this section to the applicable fund.

Subd. 2. **Purchase procedure.** (a) An employee covered by a plan specified in subdivision 1 may purchase credit for allowable service in that plan for a period specified in subdivision 1 if the employee makes a payment 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 executive director within one year from the end of the authorized leave, the payment amount is equal to the employee and employer contribution rates specified in law for the applicable plan at the end of the leave period multiplied by the employee's hourly rate of salary on the date of return from the leave of absence and by the days and months of the leave of absence for which the employee wants allowable service credit. Payments made under this paragraph must include compound interest at a monthly rate of 0.71 percent from the last day of the leave period until the last day of the month in which payment is received.

(c) If payment is received by the executive director after one year, the payment amount is the amount determined under section 356.551.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 19. Minnesota Statutes 2006, section 353.03, subdivision 3, is amended to read:

Subd. 3. **Duties and powers of the board.** (a) The board shall:

(1) elect a president and vice-president. ~~The board shall;~~

(2) approve the staffing complement, as recommended by the executive director, necessary to administer the fund. ~~The cost of administering this chapter must be paid by the fund;~~

~~(b) The board shall~~ (3) adopt bylaws for its own government and for the management of the fund consistent with the laws of the state and may modify them at pleasure. ~~It shall;~~

(4) adopt, alter, and enforce reasonable rules consistent with the laws of the state and the terms of the applicable benefit plans for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits. ~~It shall, and that are necessary in order to comply with the applicable federal Internal Revenue Service and Department of Labor requirements;~~

(5) pass upon and allow or disallow all applications for membership in the fund and ~~shall~~ allow or disallow claims for withdrawals, pensions, or benefits payable from the fund. ~~It shall;~~

(6) adopt an appropriate mortality table based on experience of the fund as recommended by the association actuary and approved under section 356.215, subdivision 18, with interest set at the rate specified in section 356.215, subdivision 8. ~~It shall;~~

(7) provide for the payment out of the fund of the cost of administering this chapter, of all necessary expenses for the administration of the fund and of all claims for withdrawals, pensions, or benefits allowed. ~~The board shall; and~~

(8) approve or disapprove all recommendations and actions of the executive director made subject to its approval or disapproval by subdivision 3a.

(e) (b) In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the fund, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine their validity and merit. The board shall establish procedures to assure that a benefit applicant and recipient may have a review of a benefit eligibility or benefit amount determination affecting the applicant or recipient. The review procedure may afford the benefit applicant or benefit recipient an opportunity to present views at any review proceeding conducted, but is not a contested case under chapter 14.

(d) (c) The board may continue to authorize the sale of life insurance to members under the insurance program in effect on January 1, 1985, but must not change that program without the approval of the commissioner of finance. The association shall not receive any financial benefit from the life insurance program beyond the amount necessary to reimburse the association for costs incurred in administering the program. The association shall not engage directly or indirectly in any other activity involving the sale or promotion of goods or services, or both, whether to members or nonmembers.

(e) (d) The board shall establish procedures governing reimbursement of expenses to board members. These procedures shall ~~shall~~ must define the types of activities and expenses that qualify for reimbursement, ~~shall~~ must provide that all out-of-state travel ~~must~~ be authorized by the board, and ~~shall~~ must provide for the independent verification of claims for expense reimbursement. The procedures must comply with the applicable rules and policies of the Department of Finance, the Department of Administration, and the Department of Employee Relations.

(f) (e) The board may purchase fiduciary liability insurance and official bonds for the officers and members of the board of trustees and employees of the association and may purchase property insurance or may establish a self-insurance risk reserve including, but not limited to, data processing insurance and "extra-expense" coverage.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 20. Minnesota Statutes 2006, section 353.03, subdivision 3a, is amended to read:

Subd. 3a. **Executive director.** (a) **Appointment.** The board shall appoint, ~~with the advice and consent of the senate,~~ an executive director on the basis of education, experience in the retirement field, and leadership ability. The executive director ~~shall~~ must have had at least five years' experience in an executive level management position, which has included responsibility for pensions, deferred compensation, or employee benefits. The executive director serves at the pleasure of the board. The salary of the executive director is as provided by section 15A.0815.

(b) **Duties.** The management of the association is vested in the executive director who shall be the executive and administrative head of the association. The executive director shall act as adviser to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

(1) attend all meetings of the board;

(2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;

(3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;

(4) designate, with the approval of the board, up to two persons who ~~shall~~ may serve in the unclassified service and whose ~~salary is~~ salaries are set in accordance with section 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and appoint employees to carry out this chapter, who are subject to chapters 43A and 179A in the same manner as are executive branch employees;

(5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the control of, and under such conditions as, the executive director may prescribe;

(6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary to fulfill the purposes of this chapter. All contracts are subject to chapter 16C. The commissioner of administration shall not approve, and the association shall not enter into, any contract to provide lobbying services or legislative advocacy of any kind. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained under

section 356.214. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the Legislative Commission on Pensions and Retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the Legislative Reference Library as provided by section 3.195, and to the executive director of the commission at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder;

(7) with the approval of the board provide in-service training for the employees of the association;

(8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased members or deceased former members, as provided in this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) prepare and submit biennial and annual budgets to the board for its approval and submit the approved budgets to the Department of Finance for approval by the commissioner;

(13) reduce all or part of the accrued interest payable under section 353.27, subdivisions 12, 12a, and 12b, or 353.28, subdivision 5, upon receipt of proof by the association of an unreasonable processing delay or other extenuating circumstances of the employing unit. The executive director shall prescribe and submit for approval by the board the conditions under which such interest may be reduced; and

(14) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 21. Minnesota Statutes 2006, section 353.03, subdivision 4, is amended to read:

Subd. 4. **Offices.** The commissioner of administration shall make provision for suitable office space in the ~~state capitol or other state office buildings, or at such other location as is determined by the commissioner for the use of the board of trustees and its executive director. The commissioner shall give the board at least four months notice for any proposed removal from their present location. Any and all rental charges shall be paid by the trustees from the public employees retirement fund~~ public pension fund facilities created under section 356B.10.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 22. Minnesota Statutes 2006, section 353.27, is amended by adding a subdivision to read:

Subd. 14. **Treatment of periods before initial coverage date.** (a) If an entity is determined to be a governmental subdivision due to receipt of a written notice of eligibility from the association, that employer and its employees are subject to the requirements of subdivision 12, effective retroactive to the date that the executive director of the association determines that the entity first met the definition of a governmental subdivision, if that date predates the notice of eligibility.

(b) If the retroactive time period under paragraph (a) exceeds three years, an employee is authorized to purchase service credit in the applicable Public Employees Retirement Association plan for the portion of the period in excess of three years, by making payment under section 356.551.

(c) This subdivision does not apply if the applicable employment under paragraph (a) included coverage by any public or private defined benefit or defined contribution retirement plan, other than a volunteer firefighters relief association. If this paragraph applies, an individual is prohibited from purchasing service credit for any period or periods specified in paragraph (a).

EFFECTIVE DATE. This section is effective the day after final enactment and applies to initial plan coverage dates occurring on or after the effective date.

Sec. 23. Minnesota Statutes 2006, section 353.28, subdivision 6, is amended to read:

Subd. 6. **Collection of unpaid amounts.** (a) If a governmental subdivision which receives the direct proceeds of property taxation fails to pay an amount due under chapter 353, 353A, 353B, 353C, or 353D, the executive director shall certify 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 the amount to the applicable county auditor for collection. The county auditor shall collect the amount out of the revenue of the governmental subdivision, or shall add the amount to the levy of the governmental subdivision and make payment directly to the association. This tax 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 the date of the 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 and make payment directly to the association. If the amount of the state-aid payment or state appropriation is not sufficient to pay the full sum due, the amounts paid to the association must be applied first to the unpaid employee deductions withheld from the employees' wages and next to the unpaid employer contributions. Any remaining amount received by the association must be applied to the interest due on the employee and employer contribution amounts. If a government subdivision under this paragraph owes amounts to more than one public retirement plan, section 356.98 applies.

(c) If a governmental subdivision has been dissolved or closed, the requirements in paragraph (b) of a certification to the governmental subdivision and the related 60-day waiting period do not apply. The executive director is authorized to immediately certify the applicable amount to the commissioner of finance.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 24. Minnesota Statutes 2006, section 353.29, subdivision 3, is amended to read:

Subd. 3. **Retirement annuity formula.** (a) This paragraph, in conjunction with section 353.30, subdivisions 4, 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 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," a~~

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,"~~ a coordinated member shall determine the amount of the ~~"normal"~~ 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 ~~4,~~ 1a, 1b, and 1c. The average salary, as defined in section 353.01, subdivision 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.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 25. Minnesota Statutes 2006, section 353.30, subdivision 1a, is amended to read:

Subd. 1a. **Pre-July 1, 1989 members: rule of 90.** ~~Any~~ Upon termination of public service under section 353.01, subdivision 11a, a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and 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 section 353.29, ~~subdivisions 2 and subdivision 3,~~ subdivision 3, paragraph (a), without any reduction in annuity ~~by reason of such due to early retirement.~~

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 26. Minnesota Statutes 2006, section 353.30, subdivision 1b, is amended to read:

Subd. 1b. **Pre-July 1, 1989 members: 30 years of service.** ~~Any~~ Upon termination of public service under section 353.01, subdivision 11a, a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, with 30 years or more of allowable service credit, who elects ~~early retirement under subdivision 1 to retire prior to normal retirement age,~~ shall receive an annuity in an amount equal to the normal annuity provided under section 353.29, ~~subdivisions 2 and subdivision 3,~~ subdivision 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under age 62 at the time of retirement.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 27. Minnesota Statutes 2006, section 353.30, subdivision 1c, is amended to read:

Subd. 1c. **Pre-July 1, 1989 members: early retirement.** ~~Any~~ Upon termination of public service, a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, ~~and who has received credit for at least 30 years of allowable service or~~ who has become at least 55 years old but not normal retirement age, and has received credit for at least three years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, ~~subdivisions 2 and subdivision 3,~~ subdivision 3, paragraph (a), 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 the reduction shall be applied only for each month that the member is under age 62 at the time of retirement.~~

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 28. Minnesota Statutes 2006, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. **Surviving spouse optional annuity.** (a) If a member or former member who has credit for not less than three years of allowable service and dies before the annuity or disability benefit begins to accrue under section 353.29, subdivision 7, or 353.33, subdivision 2, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, instead of a refund with interest under subdivision 1, or surviving spouse benefits otherwise payable under section 353.31, an annuity equal to ~~the~~ a 100 percent joint and survivor annuity that the member could have qualified for had the member terminated service on the date of death computed consistent with section 353.30, subdivision 1a, 1c, or 5, whichever is applicable.

(b) ~~If the a member was under age 55 first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using computed using section 353.30, subdivision 1b, except that the full early retirement reduction under section 353.30, subdivisions 1b and 1c, to that provision will be applied from age 62 back to age 55 and one-half of the early retirement reduction from age 55 back to the age payment begins.~~

(c) ~~If the a member who was under age 55 and has credit for at least three years of allowable service on the date of death dies, but did not qualify for retirement on the date of death, the surviving spouse may elect to receive the a 100 percent joint and survivor annuity based on the age of the member and surviving spouse at the time of death. The annuity is payable computed using section 353.30, subdivision 1c or 5, as applicable, except that the full early retirement reduction under section 353.30, subdivision 1, 1b, 1c, or 5, specified in the applicable subdivision will be applied to age 55 and one-half of the early retirement reduction from age 55 back to the age payment begins.~~

(d) Notwithstanding the definition of surviving spouse in section 353.01, subdivision 20, a former spouse of the member, if any, is entitled to a portion of the monthly surviving spouse optional annuity if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under subdivision 1, if provided for in a marriage dissolution decree, but not a monthly surviving spouse optional annuity, despite the terms of a marriage dissolution decree filed with the association.

(e) The surviving spouse eligible for surviving spouse benefits under paragraph (a) may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for an annuity any time after the member's death. ~~The annuity must be computed under sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b, 1c, and 5.~~

(f) Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable under this subdivision. ~~No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated or upon expiration of the term certain benefit payment under subdivision 1b.~~

(g) An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the surviving spouse's estate.

~~(g)~~ (h) A member may specify in writing that this subdivision does not apply and that payment may be made only to the designated beneficiary as otherwise provided by this chapter. The waiver of a surviving spouse annuity under this section does not make a dependent child eligible for benefits under subdivision 1c.

(i) If the deceased member or former member first became a public employee or a member of a public pension plan listed in section 356.30, subdivision 3, on or after July 1, 1989, a survivor annuity computed under paragraph (a) or (c) must be computed as specified in section 353.30, subdivision 5, except for the revised early retirement reduction specified in paragraph (c), if paragraph (c) is the applicable provision.

(j) For any survivor annuity determined under this subdivision, the payment is to be based on the total allowable service that the member had accrued as of the date of death and the age of the member and surviving spouse on that date.

EFFECTIVE DATE. This section is effective for survivor benefits based on a date of death occurring on or after July 1, 2007. This section is not intended to increase, modify, impair, or diminish the benefit entitlements specified in the subdivision within the Minnesota Statutes being amended. If the executive director of the Public Employees Retirement Association determines that any provision of this section does increase, modify, impair, or diminish the benefit entitlements as reflected in applicable law just before the effective date of this section, the executive director shall certify that determination and a recommendation as to the required legislative correction to the chairs of the Legislative Commission on Pensions and Retirement, the house Governmental Operations, Reform, Technology and Elections Committee, the senate State and Local Governmental Operations Committee, and to the executive director of the Legislative Commission on Pensions and Retirement.

Sec. 29. Minnesota Statutes 2006, section 353.32, subdivision 1b, is amended to read:

Subd. 1b. **Survivor coverage term certain.** (a) In lieu of the 100 percent optional annuity under subdivision 1a, or a refund under subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage for a term certain period of ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The benefit terminates at the end of the specified term certain period. Except as otherwise specified in this subdivision, the monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1a.

(b) If a surviving spouse elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 30. Minnesota Statutes 2006, section 353.34, subdivision 3, is amended to read:

Subd. 3. **Deferred annuity; eligibility; computation.** A member with at least three years of allowable service when termination of public service or termination of membership occurs has the option of leaving the accumulated deductions in the fund and being entitled to a deferred retirement annuity commencing at normal retirement age or to a deferred early retirement annuity under section 353.30, subdivision 4, 1a, 1b, 1c, or 5. The deferred annuity must be computed under section 353.29, ~~subdivisions 2 and subdivision 3~~, on the basis of the law in effect on the date of termination of public service or termination of membership, whichever is earlier, and must be augmented as provided in section 353.71, subdivision 2. A former member qualified to apply for a deferred retirement annuity may revoke this option at any time before the commencement of deferred annuity payments by making application for a refund. The person is entitled to a refund of accumulated member contributions within 30 days following date of receipt of the application by the executive director.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 31. Minnesota Statutes 2006, section 354.05, subdivision 13, is amended to read:

Subd. 13. **Allowable service.** "Allowable service" means:

(1) Any service rendered by a teacher for which on or before July 1, 1957, the teacher's account in the retirement fund was credited by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, sections 135.01 to 135.13, as amended by Laws 1955, chapters 361, 549, 550, 611, or

(2) Any service rendered by a teacher for which on or before July 1, 1961, the teacher elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1980, section 354.09 and section 354.51, or

(3) Any service rendered by a teacher after July 1, 1957, for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund, or

(4) Any service rendered by a person after July 1, 1957, for any calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund as provided in Minnesota Statutes 1980, section 354.09, subdivision 4, and section 354.53, or

(5) Any service rendered by a teacher for which the teacher elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1980, section 354.09, subdivisions 1 and 4, sections 354.50, 354.51, Minnesota Statutes 1957, section 135.41, subdivision 4, Minnesota Statutes 1971, section 354.09, subdivision 2, or Minnesota Statutes, 1973 Supplement, section 354.09, subdivision 3, or

(6) Both service during years of actual membership in the course of which contributions were currently made and service in years during which the teacher was not a member but for which the teacher later elected to obtain credit by making payments to the fund as permitted by any law then in effect, or

(7) Any service rendered where contributions were made and no ~~allowable service~~ credit was established because of the limitations contained in Minnesota Statutes 1957, section 135.09, subdivision 2, as determined by the ratio between the amounts of money credited to the teacher's account in a fiscal year and the maximum retirement contribution allowable for that year, or

(8) MS 2002 [Expired]

(9) A period of time during which a teacher ~~who is a state employee~~ was on strike without pay, not to exceed a period of one year, if ~~the teacher makes a~~ payment in lieu of salary deductions ~~or makes a prior service credit purchase payment, whichever applies.~~ If the payment is made within 12 months, the payment by the teacher must be an amount equal to the employee and employer contribution rates set forth in section 354.42, subdivisions 2 and 3, applied to the teacher's rate of salary in effect on 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 until the date of payment. ~~If the payment by the employee is not made within 12 months, the payment must be in an amount equal to the payment amount determined under section 356.551, 354.72, or~~

(10) A period of service before July 1, 2006, that was properly credited as allowable service by the Minneapolis Teachers Retirement Fund Association, and that was rendered by a teacher as an employee of Special School District No. 1, Minneapolis, or by an employee of the Minneapolis Teachers Retirement Fund Association who was a member of the Minneapolis Teachers Retirement Fund Association by virtue of that employment, who has not begun receiving an annuity or other retirement benefit from the former Minneapolis Teachers Retirement Fund

Association calculated in whole or in part on that service before July 1, 2006, and who has not taken a refund of member contributions related to that service unless the refund is repaid under section 354.50, subdivision 4. Service as an employee of Special School District No. 1, Minneapolis, on or after July 1, 2006, is "allowable service" only as provided by this chapter.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 32. Minnesota Statutes 2006, section 354.093, is amended to read:

354.093 PARENTAL LEAVE.

Upon granting a parental leave for the birth or adoption of a child, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. A member of the association granted parental leave of absence by the employing unit is entitled to service credit not to exceed one year for the period of leave upon payment to the association by the end of the fiscal year following the fiscal year in which the leave of absence terminated. ~~This payment must equal the total required employee and employer contributions, and amortization contributions, if any, for the period of leave prescribed in section 354.42. The payment must be based on the member's average full-time monthly salary rate on the date the leave of absence commenced, and must be without interest under section 354.72.~~ Notwithstanding the provisions of any agreements to the contrary, the contributions specified in this section may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement at the end of the leave.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 33. Minnesota Statutes 2006, section 354.094, is amended to read:

354.094 EXTENDED LEAVES OF ABSENCE.

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 shall receive allowable~~ and formula 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~~ payment is made as specified in paragraph (b). 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 or formula 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 without interest for the years for which a member is receiving service credit while on extended leave must be made on or before June 30 of each fiscal year for which service credit is to be received, or in instances of late reporting by the employer, within 30 days after the association gives notification to the member of the amount due. ~~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.~~ Payment is authorized after June 30 as specified in section 354.72.

(c) Notwithstanding the provisions of any agreements to the contrary, ~~employee and employer contributions payments~~ may not be made to receive allowable and formula 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 or payments under this section shall forward to the ~~applicable Teachers Retirement Association or retirement fund~~ a copy of the agreement executed by the school district and the employee.

Subd. 2. **Membership; retention.** Notwithstanding section 354.49, subdivision 4, clause (3), a member on extended leave ~~whose employee and employer contributions are paid into the fund pursuant to~~ under subdivision 1 shall retain membership in the association ~~for as long as the contributions are paid if payment under subdivision 1, paragraph (b), or section 354.72, is made,~~ under the same terms and conditions as if the member had continued to teach in the district or the Minnesota State Colleges and Universities system.

Subd. 3. **Effect of nonpayment.** A member on extended leave of absence ~~pursuant to~~ under section 122A.46 or 136F.43 who ~~does not pay employee contributions or whose employer contribution is not paid into the fund in any~~ fails to make payments under subdivision 1, paragraph (b), or section 354.72, for any given year of the leave shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter and may not ~~pay employee or employer contributions into~~ make payment to the fund in ~~for any subsequent year of the leave until full payment is made for all prior years of the leave.~~ Nonpayment of contributions into the fund shall ~~Failure to make payment does~~ not affect the rights or obligations of the member or the member's employer under section 122A.46 or 136F.43.

Subd. 4. **Member who does not resume teaching.** A member who ~~pays employee contributions into~~ makes the payments specified in subdivision 1, paragraph (b), or section 354.72, to the fund for the agreed maximum duration of an extended leave and who does not resume teaching in the first school year after that maximum duration has elapsed ~~shall be~~ is deemed to cease to render teaching services beginning in that year for purposes of this chapter.

Subd. 5. **Discharge; layoff.** The provisions of this section ~~shall do~~ not apply to a member who is discharged or placed on unrequested leave of absence or retrenchment or layoff or whose contract is terminated while the member is on an extended leave of absence ~~pursuant to~~ under section 122A.46 or 136F.43.

Subd. 6. **Limits on other service credit.** A member who ~~pays employee contributions~~ makes the payments required under subdivision 1, paragraph (b), or section 354.72, and receives allowable and formula service credit in the association ~~pursuant to~~ under this section may not pay employee contributions or receive allowable or formula service credit for the same fiscal year in any other Minnesota public employee pension plan, except a volunteer firefighters' relief association governed by sections 69.771 to 69.776. This subdivision ~~shall~~ must not be construed to prohibit a member who ~~pays employee contributions and~~ receives allowable and formula service credit in the association ~~pursuant to~~ under this section ~~in any~~ for a given year from being employed as a substitute teacher by any school district during that year. Notwithstanding the provisions of sections 354.091 and 354.42, a teacher may not pay retirement contributions or receive allowable or formula service credit in the association for teaching service rendered for any part of any year for which the teacher pays retirement contributions or receives allowable or formula service credit ~~pursuant to~~ under this section or section 354A.091 while on an extended leave of absence ~~pursuant to~~ under section 122A.46.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 34. Minnesota Statutes 2006, section 354.095, is amended to read:

354.095 MEDICAL LEAVE; PAYMENT PROCEDURES.

Upon granting a medical leave, an employing unit must certify the leave to the association on a form specified by the executive director. A member of the association who is on an authorized medical leave of absence is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund under section 354.72. ~~This payment must include the required employee and employer contributions at the rates specified in section 354.42, subdivisions 2, 3, and 5, as applied to the member's average full-time monthly salary rate on the date the leave of absence commenced plus compound annual interest at the rate of 8.5 percent from the end of the fiscal year during which the leave terminates to the end of the month during which payment is made. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid before the effective date of retirement or by the end of the fiscal year following the fiscal year in which the leave of absence terminated, whichever is earlier.~~ A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354.48 and receive allowable service credit under this section for the same period of time. Notwithstanding the provisions of any agreement to the contrary, employee and employer contributions may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement both during and at the end of the medical leave.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 35. Minnesota Statutes 2006, section 354.096, subdivision 2, is amended to read:

Subd. 2. **Payment.** (a) Notwithstanding any laws to the contrary, a member who is granted a family leave under United States Code, title 42, section 12631, may receive allowable service credit for the leave by making payment of the employee, employer, and additional employer contributions at the rates under section 354.42, during the leave period as applied to the member's average full-time monthly salary rate on the date the leave commenced.

(b) ~~The member may make If payment, without interest, to the association by the end of the fiscal year following the fiscal year in which the leave terminated or before the effective date of the member's retirement, whichever is earlier is made after the leave terminates, section 354.72 applies.~~

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 36. **[354.105] PAYMENTS USING PRETAX TRANSFERS.**

If a current or past member is making a payment to the Teachers Retirement Association to receive service credit under a provision of this chapter, chapter 356, or applicable special law, and this payment is to be made by a transfer of pretax assets authorized under section 356.441, payment is authorized after the due date, but not to exceed 90 days, provided that the authorization for the asset transfer has been received by the applicable third-party administrator by the due date, and the payment must include interest at a rate of .708 percent per month from the due date through the end of the month in which the Teachers Retirement Association receives the payment.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 37. Minnesota Statutes 2006, section 354.35, is amended to read:

354.35 OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE NORMAL RETIREMENT AGE.

Subdivision 1. **Normal retirement age definition.** For purposes of this section, "normal retirement age" means normal retirement age as defined in United States Code, title 42, section 416(1), as amended.

Subd. 2. **Election of accelerated annuity.** (a) Any coordinated member who retires before normal retirement age 65 may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The optional accelerated retirement annuity must take the form of an annuity payable for the period before the member attains age 65, or normal retirement age, in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement, but the optional accelerated retirement annuity must be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount must be paid until the retiree reaches age 65, or normal retirement age, and at that time the payment from the association must be reduced. For each year the retiree is under age 65, or normal retirement age, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section. ~~At retirement,~~

(b) Members who retire before age 62 may elect to have the ~~age specified in~~ annuity under this section be subdivision accelerated to age 62 instead of 65 rather than normal retirement age or age 65.

(c) The method of computing the optional accelerated retirement annuity provided in this ~~section~~ subdivision is established by the board of trustees. In establishing the method of computing the optional accelerated retirement annuity or any modification of that procedure, the board of trustees must obtain the written approval of the actuary retained under section 356.214. The written approval must be a part of the permanent records of the board of trustees. The election of an optional accelerated retirement annuity is exercised by making an application on a form provided by the executive director.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 38. Minnesota Statutes 2006, section 354.45, subdivision 1a, is amended to read:

Subd. 1a. **Bounce-back annuity.** (a) If a former member or disabilitant selects a joint and survivor annuity option under subdivision 1 ~~after June 30, 1989~~, the former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) ~~The annuity adjustment specified in paragraph (a) also applies to joint and survivor annuity options under subdivision 1 elected before July 1, 1989. The annuity adjustment under this paragraph occurs on July 1, 1989, or on the first day of the first month following the death of the designated optional annuity beneficiary, whichever is later. This paragraph may not be interpreted as authorizing retroactive payments. The restoration of the normal single life annuity under this subdivision will take effect on July 1, 1989, or the first of the month following the date of death of the designated optional annuity beneficiary, or on the first of the month following one year before the date on which a certified copy of the death record of the designated optional annuity beneficiary is received in the office of the Teachers Retirement Association, whichever date is later.~~

(c) Except as stated in paragraph (b), this subdivision may not be interpreted as authorizing retroactive benefit payments.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 39. **[354.471] ACCOUNT TERMINATION; RESTORATION.**

Subdivision 1. **Account termination.** If an active or deferred member dies and there is no surviving spouse or other beneficiaries, or the spouse or beneficiaries cannot be located within five years of the date of death of the member, the accumulated employee and employer contributions and any other payments made to the Teachers Retirement Association fund by the individual or on behalf of the individual, and all investment earnings on these amounts, must be credited to and become part of the retirement fund.

Subd. 2. **Restoration.** Following a forfeiture under subdivision 1, if a surviving spouse or other beneficiary of the deceased contacts the Teachers Retirement Association and, based on documentation determined by the executive director to be valid and adequate, establishes a right to a survivor annuity, death refund, or other benefit provided by this chapter, the account forfeited under subdivision 1 must be fully or partially restored, as necessary.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 40. Minnesota Statutes 2006, section 354.48, subdivision 3, is amended to read:

Subd. 3. **Computation of benefits.** ~~(+)~~ (a) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, ~~clauses (1) and (2) paragraphs (b) and (c),~~ is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest on the amount computed as though the teacher were at normal retirement age at the time the benefit begins to accrue and in accordance with the law in effect ~~when the disability application is received on the last day for which salary is received.~~ Any member who applies for a disability benefit after June 30, 1974, and who failed to make an election ~~pursuant to under~~ Minnesota Statutes 1971, section 354.145, shall have the disability benefit computed under this ~~clause paragraph, as further specified in paragraphs (b) and (c), or clause (2) paragraph (d),~~ whichever is larger.

(b) The benefit granted shall be determined by the following:

~~(a)~~ (1) the amount of the accumulated deductions;

~~(b)~~ (2) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;

~~(c)~~ (3) interest for the years from the date the benefit begins to accrue to the date the member attains normal retirement age at the rate of three percent;

~~(d)~~ (4) annuity purchase rates 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.

(c) In addition, 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, must be paid to basic members.

~~(2)~~ (d) The disability benefit granted to members covered under section 354.44, subdivision 6, shall be computed in the same manner as the annuity provided in section 354.44, subdivision 6. The disability benefit shall be the formula annuity without the reduction for each month the member is under normal retirement age when the benefit begins to accrue as defined by the law in effect on the last day for which salary is paid.

~~(3)~~ (e) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits shall not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits shall be reduced to an amount equal to the disabled member's average salary.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 41. **[354.72] AUTHORIZED LEAVE OF ABSENCE AND STRIKE PERIOD SERVICE CREDIT PURCHASE PROCEDURE.**

Subdivision 1. **Application.** This section applies to any strike period under section 354.05, subdivision 13, clause (9), and to any period of authorized leave of absence without pay under sections 354.093, 354.094, 354.095, and 354.096 for which the teacher obtains credit for allowable service by making payment as specified in this section to the Teachers Retirement Association fund. Each year of an extended leave of absence under section 354.094 is considered to be a separate leave for purposes of this section.

Subd. 2. **Purchase procedure.** (a) A teacher may purchase credit for allowable and formula service in the plan for a period specified in subdivision 1 if the teacher makes a payment 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 executive director within one year from the end of the strike period or authorized leave under section 354.093, 354.095, or 354.096, or after June 30 and before the following June 30 for an extended leave of absence under section 354.094, the payment must equal the total employee and employer contributions, including amortization contributions if applicable, given the contribution rates in section 354.42, multiplied by the member's average monthly salary rate on the commencement of the leave or period of strike, multiplied by the months and portions of a month of the leave of absence or period of strike for which the teacher seeks allowable service credit. Payments made under this paragraph must include compound interest at a monthly rate of 0.71 percent from the last day of the leave period or strike period, or from June 30 for an extended leave of absence under section 354.094, until the last day of the month in which payment is received.

(c) If payment is received by the executive director after the applicable last permitted date under paragraph (b), the payment amount is the amount determined under section 356.551.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to authorized leaves of absence that commence on or after the effective date.

Sec. 42. Minnesota Statutes 2006, section 356.195, subdivision 1, is amended to read:

Subdivision 1. **Covered plans.** This section applies to all defined benefit plans specified in section 356.30, subdivision 3, except clause (10).

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 43. Minnesota Statutes 2006, section 356.405, is amended to read:

356.405 COMBINED PAYMENT OF RETIREMENT ANNUITIES.

(a) The Public Employees Retirement Association and the Minnesota State Retirement System are permitted to combine payments to retirees if one of the payments is less than \$250 per month and if the individual elects the same joint and survivor annuity form from both systems, or if the individual elects straight life annuities from both systems. The total payment must be equal to the amount that is payable if payments were kept separate. ~~The retiree must agree, in writing, to have the payment combined.~~

(b) Each plan must calculate the benefit amounts under the laws governing the plan and the required reserves ~~and future mortality losses or gains~~ must be paid ~~or accrued~~ to the plan ~~making the combined payment from which the plan where the service was earned.~~ Each plan must account for its portion of the payment separately, ~~and there may be no additional actuarial liabilities realized by either plan.~~

(c) The plan making the payment would be responsible for issuing one payment and making address changes, tax withholding changes, and other administrative functions needed to process the payment.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 44. Minnesota Statutes 2006, section 356.46, subdivision 3, is amended to read:

Subd. 3. **Requirement of notice to member's spouse.** (a) Except as specified in paragraph (c), if a public pension plan provides optional retirement annuity forms which include a joint and survivor optional retirement annuity form potentially applicable to the surviving spouse of a member, the executive director of the public pension plan shall send a copy of the written statement required by subdivision 2 to the spouse of the member before the member's election of ~~an optional~~ a retirement annuity.

(b) Following the election of a retirement annuity by the member, a copy of the completed retirement annuity application and retirement annuity beneficiary form, if applicable, must be sent by the executive director of the public pension plan to the spouse of the retiring member. A signed acknowledgment must be required from the spouse confirming receipt of a copy of the completed retirement annuity application and retirement annuity beneficiary form, unless the spouse's signature confirming the receipt is on the annuity application form. If the required signed acknowledgment is not received from the spouse within 30 days, the executive director of the public pension plan must send another copy of the completed retirement annuity application and retirement annuity beneficiary form, if applicable, to the spouse by certified mail with restricted delivery.

(c) For the Teachers Retirement Association, the statement to the spouse that is required under paragraph (a) must be sent before or upon the member's election of an annuity.

EFFECTIVE DATE. This section is effective July 1, 2007.

COMPREHENSIVE EMPLOYMENT TRAINING ACT
SERVICE CREDIT PURCHASE

Sec. 45. **[356.95] PURCHASE OF PRIOR COMPREHENSIVE EMPLOYMENT TRAINING ACT SERVICE.**

Subdivision 1. **Eligibility.** An eligible person is a person who:

(1) is currently an active plan member in a plan included under section 356.30, subdivision 3, other than clause (3);

(2) was excluded from pension coverage under the provisions of Laws 1978, chapter 720; and

(3) subsequently became employed in unsubsidized public employment covered by a pension plan included under section 356.30, subdivision 3, other than clause (3), with the same public employer which provided the subsidized employment or other public employer.

Subd. 2. **Authorization.** An eligible person under subdivision 1 is authorized to purchase service credit for that period of uncovered prior subsidized public employment, other than a period of prior subsidized public employment for which a repayment of a refund was made, with a public pension plan specified in subdivision 1, clause (3), which, except for the exclusion provided by Laws 1978, chapter 720, would have provided pension coverage for the subsidized employment.

Subd. 3. **Procedures.** Section 356.551 applies to purchases under this section, except that payment must be made before the expiration date of this section or termination from eligible employment covered by a pension plan under subdivision 1, clause (1), whichever is earlier.

Subd. 4. **Restriction.** (a) Pre-July 1, 1989, service credit purchased under this section does not extend eligibility to plan benefits applicable to individuals who became members prior to July 1, 1989, of a plan listed in section 356.30, subdivision 3.

(b) Service credit may not be purchased for any period for which the individual has service credit in a covered pension plan, as defined in section 356A.01, subdivision 8, other than a volunteer firefighter plan.

Subd. 5. **Expiration.** This section expires on June 30, 2009.

EFFECTIVE DATE. This section is effective the day after final enactment.

RECEIVABLES

Sec. 46. **[356.98] ALLOCATION OF RECEIVABLES.**

If an employing unit is dissolved or closed and amounts are owed to more than one Minnesota public pension plan, any amounts available to cover payments to the plans must be applied first to the employee contributions owed to the applicable plans, and next to the unpaid employer contributions, including any applicable employer additional contributions, and finally to the interest due on the employee and employer amounts. If, at any stage in this allocation process, the available amount is insufficient to fully cover the amount required, the remaining available payment amount must be prorated among the applicable plans based on each plan's share of combined covered payroll.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 47. Minnesota Statutes 2006, section 490.121, subdivision 15a, is amended to read:

Subd. 15a. **Early retirement date.** "Early retirement date" means ~~the last day of the month~~ any date after a judge attains the age of 60 but before the judge reaches the normal retirement date.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 48. Minnesota Statutes 2006, section 490.121, subdivision 21f, is amended to read:

Subd. 21f. **Normal retirement date.** "Normal retirement date" means ~~the last day of the month in which~~ date a judge attains the age of 65.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 49. **REVISOR INSTRUCTION.**

The revisor of statutes shall replace references to section 356.55, which was repealed in 2002, with references to section 356.551, wherever they appear in Minnesota Statutes or Minnesota Rules. The revisor shall also make related grammatical changes.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 50. **REPEALER.**

Minnesota Statutes 2006, sections 353.30, subdivision 1; 353.34, subdivision 7; 353.69; 354.49, subdivision 5; and 356.90, are repealed.

EFFECTIVE DATE. This section is effective the day after final enactment.

ARTICLE 3

MSRS-CORRECTIONAL PLAN MEMBERSHIP PROVISIONS

Section 1. Minnesota Statutes 2006, section 352.91, subdivision 3d, is amended to read:

Subd. 3d. **Other correctional personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or at the Minnesota Security Hospital specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner.

(b) The employment positions are as follows: baker; central services administrative specialist, intermediate; central services administrative specialist, principal; chaplain; ~~chemical dependency counselor supervisor~~; chief cook; cook; cook coordinator; corrections program therapist 1; corrections program therapist 2; corrections program therapist 3; corrections program therapist 4; corrections inmate program coordinator; corrections transitions program coordinator; corrections security caseworker; corrections security caseworker career; corrections teaching assistant; delivery van driver; dentist; electrician supervisor; ~~general maintenance worker~~; general repair worker; ~~laundry coordinator~~; library/information research services specialist; library/information research services specialist senior; library technician; plant maintenance engineer lead; plumber supervisor; psychologist 1; psychologist 3; recreation therapist; recreation therapist coordinator; recreation program assistant; recreation therapist senior; sports medicine specialist; ~~water treatment plant operator~~; work therapy assistant; work therapy program coordinator; and work therapy technician.

EFFECTIVE DATE. This section is effective the first day of the first payroll period next following June 15, 2007.

Sec. 2. Minnesota Statutes 2006, section 352.91, subdivision 3e, is amended to read:

Subd. 3e. **Minnesota extended treatment options program.** (a) "Covered correctional service" means service by a state employee in one of the employment positions with the Minnesota extended treatment options program specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with patients who are in the Minnesota extended treatment options program and if service in such a position is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

- (1) behavior analyst 1;
- (2) behavior analyst 2;
- (3) behavior analyst 3;
- (4) group supervisor;

- (5) group supervisor assistant;
- (6) human services support specialist;
- (7) ~~developmental disability~~ residential program lead;
- (8) psychologist 2;
- (9) recreation program assistant;
- (10) recreation therapist senior;
- (11) registered nurse senior;
- (12) skills development specialist;
- (13) social worker senior;
- (14) social worker specialist; and
- (15) speech pathology specialist.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 3. Minnesota Statutes 2006, section 352.91, subdivision 3f, is amended to read:

Subd. 3f. **Additional Department of Human Services personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions specified in paragraph (b) at the Minnesota Security Hospital or in the Minnesota sex offender program if at least 75 percent of the employee's working time is spent in direct contact with patients and the determination of this direct contact is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

- (1) behavior analyst 2;
- (2) behavior analyst 3;
- (3) certified occupational therapy assistant 1;
- (4) certified occupational therapy assistant 2;
- (5) chemical dependency counselor senior;
- (4) (6) client advocate;
- (5) (7) customer services specialist principal;
- (8) dental assistant registered;
- (6) (9) group supervisor;

- ~~(7)~~ (10) group supervisor assistant;
- ~~(8)~~ (11) human services support specialist;
- (12) licensed alcohol and drug counselor;
- (13) licensed practical nurse 1;
- ~~(9)~~ (14) management analyst 3;
- (15) occupational therapist;
- ~~(40)~~ (16) occupational therapist, senior;
- ~~(11)~~ ~~office and administrative specialist senior~~;
- ~~(42)~~ (17) psychologist 1;
- ~~(43)~~ (18) psychologist 2;
- ~~(44)~~ (19) psychologist 3;
- ~~(45)~~ (20) recreation program assistant;
- ~~(46)~~ (21) recreation therapist lead;
- (22) recreation therapist senior;
- ~~(47)~~ (23) rehabilitation counselor senior;
- ~~(48)~~ (24) security supervisor;
- (25) skills development specialist;
- ~~(49)~~ (26) social worker senior;
- ~~(20)~~ (27) social worker specialist;
- ~~(24)~~ (28) social worker specialist, senior;
- ~~(22)~~ (29) special education program assistant;
- (30) speech pathology clinician;
- ~~(23)~~ (31) work therapy assistant; and
- ~~(24)~~ (32) work therapy program coordinator.

EFFECTIVE DATE. This section is effective the first day of the first payroll period next following June 15, 2007.

Sec. 4. Minnesota Statutes 2006, section 352.91, subdivision 4b, is amended to read:

Subd. 4b. **Department of Corrections; procedure for coverage change considerations.** (a) The commissioner of corrections shall appoint a standing review committee to review and determine positions that should be included in legislative requests for correctional employees retirement plan coverage under subdivision 4a.

(b) Periodically, the Department of Corrections will convene meetings of the review committee. The review committee must review all requests and the supporting documentation for coverage by the correctional employees retirement plan and must determine which classes or positions meet the statutory requirements for coverage. The review committee also must determine if incumbents of and recent retirees from classes or positions determined for inclusion in correctional employees retirement plan coverage have prior Department of Corrections employment which also qualified as correctional service and which should be transferred from the general state employees retirement plan to the plan and the initial date for each potential service credit transfer.

(c) The review committee must evaluate and determine the eligibility date for initial plan participation and all periods of eligibility in the correctional employees retirement plan.

(d) The department must provide a notice of each determination and of the employee's right to appeal from the review committee to each employee who requested inclusion. Appeals must be filed with the agency human resource manager within 30 days of the date of the notice of determination.

~~(d)~~ (e) The commissioner of corrections shall appoint a standing appeals committee to hear appeals of determinations for coverage. The appeal committee must include relevant department employees and employee representatives. Appeal committee determinations are final.

~~(e)~~ (f) All positions approved for inclusion must be forwarded to the commissioner of corrections for the preparation of legislation to implement the coverage change and submission. The commissioner will submit a written recommendation documenting classes or positions that should or should not be covered by the correctional employees retirement plan. Documentation of each request and the final determination must be retained in the Department of Corrections' Office of Human Resource Management.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 5. **[352.955] TRANSFER OF PRIOR MSRS-GENERAL SERVICE CREDIT FOR CERTAIN EMPLOYEES WITH TRANSFERRED RETIREMENT COVERAGE.**

Subdivision 1. **Election to transfer prior MSRS-general service credit.** (a) An eligible employee described in paragraph (b) may elect to transfer service credit in the general state employees retirement plan of the Minnesota State Retirement System to the correctional state employees retirement plan for eligible prior correctional employment.

(b) An eligible employee is a person who is covered by section 6 or who became eligible for retirement coverage by the correctional state employees retirement plan of the Minnesota State Retirement System under Laws 2006, chapter 271, article 2, this article, or legislation implementing the recommendations under section 352.91, subdivision 4a.

(c) Eligible prior correctional employment is covered correctional service defined in section 6 or is employment by the Department of Corrections or by the Department of Human Services that preceded the effective date of the retirement coverage transfer under this article, Laws 2006, chapter 271, article 2, or legislation implementing the recommendations under section 352.91, subdivision 4a, is continuous service, and is certified by the commissioner of corrections and the commissioner of human services, whichever applies, and by the commissioner of employee

relations to the executive director of the Minnesota State Retirement System as service that would qualify for correctional state employees retirement plan coverage under Minnesota Statutes, section 352.91, if the service was rendered after the date of coverage transfer.

(d) The election to transfer past service credit under this section must be made in writing by the applicable person on a form prescribed by the executive director of the Minnesota State Retirement System and must be filed with the executive director of the Minnesota State Retirement System on or before (1) January 1, 2008, or the one year anniversary of the coverage transfer, whichever is later, or (2) the date of the eligible employee's termination of state employment, whichever is earlier.

Subd. 2. Payment of additional equivalent contributions; pre-July 1, 2007, coverage transfers. (a) An eligible employee who was transferred to plan coverage before July 1, 2007, and who elects to transfer past service credit under this section must pay an additional member contribution for that prior service period. The additional member contribution is the difference between the member contribution rate or rates for the general state employees retirement plan of the Minnesota State Retirement System for the period of employment covered by the service credit to be transferred and the member contribution rate or rates for the correctional state employees retirement plan for the period of employment covered by the service credit to be transferred, plus annual compound interest at the rate of 8.5 percent.

(b) The additional equivalent member contribution under this subdivision must be paid in a lump sum. Payment must accompany the election to transfer the prior service credit. No transfer election or additional equivalent member contribution payment may be made by a person or accepted by the executive director after January 1, 2008, or the date on which the eligible employee terminates state employment, whichever is earlier.

(c) If an eligible employee elects to transfer past service credit under this section and pays the additional equivalent member contribution amount under paragraphs (a) and (b), the applicable department shall pay an additional equivalent employer contribution amount. The additional employer contribution is the difference between the employer contribution rate or rates for the general state employees retirement plan for the period of employment covered by the service credit to be transferred and the employer contribution rate or rates for the correctional state employees retirement plan for the period of employment covered by the service credit to be transferred, plus annual compound interest at the rate of 8.5 percent.

(d) The additional equivalent employer contribution under this subdivision must be paid in a lump sum and must be paid within 30 days of the date on which the executive director of the Minnesota State Retirement System certifies to the applicable department that the employee paid the additional equivalent member contribution.

Subd. 3. Payment of additional equivalent contributions; post-June 30, 2007, coverage transfers. (a) An eligible employee who was transferred to plan coverage after June 30, 2007, and who elects to transfer past service credit under this section must pay an additional member contribution for that prior service period. The additional member contribution is (1) the difference between the member contribution rate or rates for the general state employees retirement plan of the Minnesota State Retirement System for the period of employment covered by the service credit to be transferred and the member contribution rate or rates for the correctional state employees retirement plan for the most recent 12-month period of employment covered by the service credit to be transferred, plus annual compound interest at the rate of 8.5 percent, and (2) 40 percent of the unfunded actuarial accrued liability attributable to the past service credit transfer. The unfunded actuarial accrued liability attributable to the past service credit transfer is the present value of the benefit obtained by the transfer of the service credit to the correctional state employees retirement plan reduced by the amount of the asset transfer under subdivision 4, by the amount of the member contribution equivalent payment under clause (1), and by the amount of the employer contribution equivalent payment under paragraph (c), clause (1).

(b) The additional equivalent member contribution under this subdivision must be paid in a lump sum. Payment must accompany the election to transfer the prior service credit. No transfer election or additional equivalent member contribution payment may be made by a person or accepted by the executive director after the one-year anniversary date of the effective date of the retirement coverage transfer, or the date on which the eligible employee terminates state employment, whichever is earlier.

(c) If an eligible employee elects to transfer past service credit under this section and pays the additional equivalent member contribution amount under subdivision 2, the applicable department shall pay an additional equivalent employer contribution amount. The additional employer contribution is (1) the difference between the employer contribution rate or rates for the general state employees retirement plan for the period of employment covered by the service credit to be transferred and the employer contribution rate or rates for the correctional state employees retirement plan for the period of employment covered by the service credit to be transferred, plus annual compound interest at the rate of 8.5 percent, and (2) 60 percent of the unfunded actuarial accrued liability attributable to the past service credit transfer calculated as provided in paragraph (a), clause (2).

(d) The additional equivalent employer contribution under this subdivision must be paid in a lump sum and must be paid within 30 days of the date on which the executive director of the Minnesota State Retirement System certifies to the applicable department that the employee paid the additional equivalent member contribution.

Subd. 4. **Transfer of assets.** Assets related to the transferred service credit of an eligible employee must be transferred from the general state employees retirement fund to the correctional state employees retirement fund in an amount equal to the present value of benefits earned under the general state employees retirement plan by the eligible employee transferring past service to the correctional state employees retirement plan, as determined by the actuary retained under section 356.214, multiplied by the accrued liability funding ratio of the active members of the general state employees retirement plan as derived from the most recent actuarial valuation prepared under section 356.215. The transfer of assets must be made within 45 days after the coverage transfer election is made.

Subd. 5. **Effect of the asset transfer.** Upon the transfer of assets under subdivision 4, the service credit in the general state employees retirement plan of the Minnesota State Retirement System is forfeited and may not be reinstated. The transferred service credit and the transferred assets must be credited to the correctional state employees retirement plan and fund, respectively.

Subd. 6. **Cost of actuarial calculations.** The applicable department shall pay the cost of the actuarial calculations required by this section as billed by the executive director of the Minnesota State Retirement System.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 6. **COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN PERSONS.**

(a) An employee who has retirement coverage for past correctional service transferred to the correctional state employees retirement plan under paragraph (b) is entitled to elect to obtain prior service credit for eligible state service performed as a stores clerk after April 24, 1990, and before September 8, 1994, with the Department of Corrections. All eligible prior service credit must be purchased.

(b) "Covered correction service" means service between April 25, 1990, through September 7, 1994, as a stores clerk at the Minnesota Correctional Facility-St. Cloud.

(c) The commissioner of corrections shall certify the eligible state service as a stores clerk rendered by the employee to the executive director of the Minnesota State Retirement System.

(d) The covered correctional plan employee who has past service is entitled to purchase the past service under Minnesota Statutes, section 352.955, if the department certifies that the employee met the eligibility requirements for coverage.

EFFECTIVE DATE. This section is effective the day after final enactment.

ARTICLE 4

DISABILITY BENEFIT CHANGES

Section 1. Minnesota Statutes 2006, section 353.01, subdivision 37, is amended to read:

Subd. 37. **Normal retirement age.** (a) "Normal retirement age" means age 65 for a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, clause (7), before July 1, 1989. For a person who first becomes a public employee after June 30, 1989, "normal retirement age" means the higher of age 65 or "retirement age," as defined in United States Code, title 42, section 416(l), as amended, but not to exceed age 66.

(b) "Normal retirement age" means age 55 for a person who is a member of a pension fund listed in section 356.30, subdivision 3, clauses (8) and (9).

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 2. Minnesota Statutes 2006, section 353.01, is amended by adding a subdivision to read:

Subd. 41. **Duty disability.** "Duty disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of the position held by a person who is a member of the public employees police and fire plan, and that is the direct result of an injury incurred during, or a disease arising out of, the performance of normal duties or the actual performance of less frequent duties, either of which are specific to protecting the property and personal safety of others and that present inherent dangers that are specific to the positions covered by the public employees police and fire plan.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 3. Minnesota Statutes 2006, section 353.01, is amended by adding a subdivision to read:

Subd. 42. **Less frequent duties.** "Less frequent duties" means tasks which are designated in the applicant's job description as either required from time to time or as assigned, but which are not carried out as part of the normal routine of the applicant's job.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 4. Minnesota Statutes 2006, section 353.01, is amended by adding a subdivision to read:

Subd. 43. **Line of duty death.** "Line of duty death" means a death that occurs while performing or as a direct result of performing normal or less frequent duties which are specific to protecting the property and personal safety of others and that present inherent dangers that are specific to the positions covered by the public employees police and fire plan.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 5. Minnesota Statutes 2006, section 353.01, is amended by adding a subdivision to read:

Subd. 44. **Normal duties.** "Normal duties" means specific tasks which are designated in the applicant's job description and which the applicant performs on a day-to-day basis, but do not include less frequent duties which may be requested to be done by the employer from time to time.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 6. Minnesota Statutes 2006, section 353.01, is amended by adding a subdivision to read:

Subd. 45. **Not line of duty death.** For purposes of survivor benefits under the public employees police and fire plan, a "not line of duty death" is any death not specified under subdivision 43.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 7. Minnesota Statutes 2006, section 353.01, is amended by adding a subdivision to read:

Subd. 46. **Regular disability.** "Regular disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of the position held by a person who is a member of the public employees police and fire plan, and which results from a disease or an injury that arises from any activities while not at work, or while at work and performing those normal or less frequent duties that do not present inherent dangers that are specific to the occupations covered by the public employees police and fire plan.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 8. **[353.031] DISABILITY DETERMINATION PROCEDURES.**

Subdivision 1. **Application.** This section applies to all disability determinations for the public employees general fund, the public employees police and fire fund, and the local government correctional service retirement plan and any other disability determination subject to approval by the board, except as otherwise specified in section 353.33, 353.656, or 353E.05. These requirements and the requirements of section 353.03, subdivision 3, are in addition to the specific requirements of each plan and govern in the event there is any conflict between these sections and the procedures specific to any of those plans under section 353.33, 353.656, or 353E.06.

Subd. 2. **Plan document policy statement.** Disability determinations for the public employees general fund must be made subject to section 353.01, subdivision 19; and for the police and fire plan and the local government correctional service retirement plan must be made consistent with the legislative policy and intent set forth in section 353.63.

Subd. 3. **Procedure to determine eligibility; generally.** (a) Every claim for a disability benefit must be initiated in writing on an application form and in the manner prescribed by the executive director and filed with the executive director. An application for disability benefits must be made within 18 months next following termination of public service as defined under section 353.01, subdivision 11a.

(b) All medical reports must support a finding that disability arose before the employee was placed on any paid or unpaid leave of absence or terminated public service, as defined under section 353.01, subdivision 11a.

(c) An applicant for disability shall provide a detailed report signed by a licensed medical doctor and at least one additional report signed by a medical doctor, psychologist, or chiropractor. The applicant shall authorize the release of all medical and health care evidence, including all medical records and relevant information from any source, to support the application for initial, or the continuing payment of, disability benefits.

(d) All reports must contain an opinion regarding the claimant's prognosis, the duration of the disability, and the expectations for improvement. Any report that does not contain and support a finding that the disability will last for at least one year may not be relied upon to support eligibility for benefits.

(e) Where the medical evidence supports the expectation that at some point in time the claimant will no longer be disabled, any decision granting disability may provide for a termination date upon which disability can be expected to no longer exist. In the event a termination date is made part of the decision granting benefits, prior to the actual termination of benefits, the claimant shall have the opportunity to show that the disabling condition for which benefits were initially granted continues. In the event the benefits terminate in accordance with the original decision, the claimant may petition for a review by the board of trustees under section 353.03, subdivision 3, or may reapply for disability in accordance with these procedures and section 353.33, 353.656, or 353E.06, as applicable.

(f) Any claim to disability must be supported by a report from the employer indicating that there is no available work that the employee can perform in the employee's disabled condition and that all reasonable accommodations have been considered. Upon request of the executive director, an employer shall provide evidence of the steps the employer has taken to attempt to provide reasonable accommodations and continued employment to the claimant. The employer shall also provide a certification of the member's past public service; the dates of any paid sick leave, vacation, or any other employer-paid salary continuation plan beyond the last working day; and whether or not any sick or annual leave has been allowed.

(g) An employee who is placed on leave of absence without compensation because of a disability is not barred from receiving a disability benefit.

(h) An applicant for disability benefits may file a retirement annuity application under section 353.29, subdivision 4, simultaneously with an application for disability benefits. If the application for disability benefits is approved, the retirement annuity application is cancelled. If disability benefits are denied, the retirement annuity application must be processed upon the request of the applicant. No member of the public employees general plan, the public employees police and fire plan, or the local government correctional service retirement plan may receive a disability benefit and a retirement annuity simultaneously from the same plan.

Subd. 4. Additional requirements to determine eligibility for police and fire or local government correctional service plan disability benefits. (a) If an application for disability benefits is filed within two years of the date of the injury or the onset of the illness that gave rise to the disability application, the application must be supported by evidence that the applicant is unable to perform the duties of the position held by the applicant on the date of the injury or the onset of the illness causing the disability. The employer must provide evidence indicating whether the applicant is able or unable to perform the duties of the position held on the date of the injury or onset of the illness causing the disability and the specifications of any duties that the individual can or cannot perform.

(b) If an application for disability benefits is filed more than two years after the date of injury or the onset of an illness causing the disability, the application must be supported by evidence that the applicant is unable to perform the most recent duties that are expected to be performed by the applicant during the 90 days before the filing of the application. The employer must provide evidence of the duties that are expected to be performed by the applicant during the 90 days before the filing of the application, whether the applicant can or cannot perform those duties overall, and the specifications of any duties that the applicant can or cannot perform.

(c) Any report supporting a claim to disability benefits under section 353.656 or 353E.06 must specifically relate the disability to its cause; and for any claim to duty disability from an injury or illness arising out of an act of duty, the report must relate the cause of disability to specific tasks or functions required to be performed by the employee in fulfilling the employee's duty-related acts which must be specific to the inherent dangers of the positions eligible for membership in the police and fire fund and the local government correctional service retirement plan. Any report that does not relate the cause of disability to specific acts or functions performed by the employee may not be relied upon as evidence to support eligibility for benefits and may be disregarded in the executive director's decision-making process.

(d) Any application for duty disability must be supported by a first report of injury as defined in section 176.231.

(e) If a member who has applied for and been approved for disability benefits before the termination of service does not terminate service or is not placed on an authorized leave of absence as certified by the governmental subdivision within 45 days following the date on which the application is approved, the application shall be canceled. If an approved application for disability benefits has been canceled, a subsequent application for disability benefits may not be filed on the basis of the same medical condition for a minimum of one year from the date on which the previous application was canceled.

Subd. 5. **Medical adviser.** The executive director may contract with licensed physicians or physicians on the staff of the state commissioner of health, as designated by the commissioner, to be the medical adviser of the association. The medical adviser shall review all medical reports submitted to the association, including the findings of an independent medical examination requested under this section, and shall advise the executive director.

Subd. 6. **Independent medical examination.** Any individual applying for or receiving disability benefits must submit to an independent medical examination if requested by the executive director. The medical examination must be paid for by the association.

Subd. 7. **Refusal of examination or medical evidence.** If a person applying for or receiving a disability benefit refuses to submit to a medical examination under subdivision 6, or fails to provide or to authorize the release of medical evidence under subdivision 3, the association shall cease the application process or shall discontinue the payment of a disability benefit, whichever is applicable. Upon the receipt of the requested medical evidence, the association shall resume the application process or the payment of a disability benefit upon approval for the continuation, whichever is applicable.

Subd. 8. **Proof of continuing disability.** (a) A disability benefit payment must not be made except upon adequate proof furnished to the executive director of the association that the person remains disabled.

(b) During the time when disability benefits are being paid, the executive director of the association has the right, at reasonable times, to require the disabled member to submit proof of the continuance of the disability claimed.

(c) Adequate proof of a disability must include a written expert report by a licensed physician, a licensed chiropractor, or, with respect to a mental impairment, a licensed psychologist.

Subd. 9. **Application approval or denial; decision of executive director.** Any decision of the executive director is final, except that a member whose application for disability benefits or whose continuation of disability benefits is denied may appeal the executive director's decision to the board of trustees within 60 days of receipt of a certified letter notifying the member of the decision to deny the application or continuation of benefits. In developing the record for review by the board when a decision is appealed, the executive director may direct that the applicant participate in a fact-finding session conducted by an administrative law judge assigned by the Office of Administrative Hearings, and, as applicable, a vocational assessment conducted by the qualified rehabilitation counselor on contract with the Public Employees Retirement Association.

Subd. 10. **Restoring forfeited service.** To restore forfeited service, a repayment of a refund must be made within six months after the effective date of disability benefits or within six months after the date of the filing of the disability application, whichever is later. No purchase of prior service or payment made in lieu of salary deductions otherwise authorized under section 353.01 may be made after the occurrence of the disability for which an application is filed under this section.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 9. Minnesota Statutes 2006, section 353.33, subdivision 1, is amended to read:

Subdivision 1. **Age, service, and salary requirements.** A coordinated member who has at least three years of allowable service and becomes totally and permanently disabled before normal retirement age, and a basic member who has at least three years of allowable service and who becomes totally and permanently disabled, upon application as defined under section 353.031, is entitled to a disability benefit in an amount determined under subdivision 3. If the disabled person's public service has terminated at any time, at least two of the required three years of allowable service must have been rendered after last becoming an active member. ~~A repayment of a refund must be made within six months after the effective date of disability benefits under subdivision 2 or within six months after the date of the filing of the disability application, whichever is later. No purchase of prior service and no payment made in lieu of salary deductions otherwise authorized under section 353.01, subdivision 16, may be made after the occurrence of the disability for which an application under this section is filed.~~

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 10. Minnesota Statutes 2006, section 353.33, subdivision 2, is amended to read:

Subd. 2. ~~**Applications; Accrual of benefits.** Every claim or demand for a total and permanent disability benefit must be initiated by written application in the manner and form prescribed by the executive director showing compliance with the statutory conditions qualifying the applicant for a total and permanent disability benefit and filed with the executive director. A member or former member who became totally and permanently disabled during a period of membership shall file application for total and permanent disability benefits within three years next following termination of public service. (a) This benefit begins to accrue the day following the commencement of disability, when the applicant is no longer receiving any form of compensation, whether salary or paid leave; 90 days preceding the filing of the application, or, if annual or sick leave or any other employer-paid salary continuation plan is paid for more than the 90-day period, from the date salary ceased, whichever is later. No member is entitled to receive a disability benefit payment when there remains to the member's credit any unused annual leave or, sick leave, or any other employer-paid salary continuation plan, or under any other circumstances when, during the period of disability, there has been no impairment of the person's salary.~~

(b) Payment must not accrue beyond the end of the month in which entitlement has terminated. If the disabled member dies prior to negotiating the check for the month in which death occurs, payment is made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate. ~~An applicant for total and permanent disability benefits may file a retirement annuity application under section 353.29, subdivision 4, simultaneously with an application for total and permanent disability benefits. The retirement annuity application is void upon the determination of the entitlement for disability benefits by the executive director. If disability benefits are denied, the retirement annuity application must be initiated and processed.~~

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 11. Minnesota Statutes 2006, section 353.33, subdivision 4, is amended to read:

Subd. 4. **Procedure to determine eligibility.** ~~(a) The applicant shall provide an expert report signed by a licensed physician, psychologist, or chiropractor and the applicant must authorize the release of medical and health care evidence, including all medical records and relevant information from any source, to support the application for total and permanent disability benefits. Eligibility for disability benefits must be determined following the procedures defined in section 353.031.~~

~~(b) The medical adviser shall verify the medical evidence and, if necessary for disability determination, suggest the referral of the applicant to specialized medical consultants.~~

~~(c) The association shall also obtain from the employer a certification of the member's past public service, the dates of any paid sick leave and vacation beyond the last working day and whether or not any sick leave or annual leave has been allowed.~~

~~(d)~~ (b) If, after following the procedures for determining eligibility for benefits under section 353.031, and upon consideration of the medical evidence received and the recommendations of the medical adviser, it is determined by the executive director that the applicant is totally and permanently disabled within the meaning of the law, the association shall grant the person a disability benefit.

~~(e) An employee who is placed on leave of absence without compensation because of a disability is not barred from receiving a disability benefit.~~

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 12. Minnesota Statutes 2006, section 353.33, subdivision 6, is amended to read:

Subd. 6. **Continuing eligibility for benefits.** ~~The association shall determine eligibility for continuation of disability benefits and require periodic examinations and evaluations of disabled members as frequently as deemed necessary. The association shall require the disabled member to provide an expert report signed by a licensed physician, psychologist, or chiropractor and the disabled member shall authorize the release of medical and health care evidence, including all medical and health care records and information from any source, relating to an application for continuation of disability benefits. Disability benefits are contingent upon a disabled person's participation in a vocational rehabilitation evaluation if the executive director determines that the disabled person may be able to return to a gainful occupation. If, after a review by the executive director under section 353.031, subdivision 8, a member is found to be no longer totally and permanently disabled, payments must cease the first of the month following the expiration of a 30-day period after the member receives a certified letter notifying the member that payments will cease.~~

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 13. Minnesota Statutes 2006, section 353.33, subdivision 7a, is amended to read:

Subd. 7a. **Trial work period.** (a) This subdivision applies only to the Public Employees Retirement Association general employees retirement plan.

(b) If, following a work or non-work-related injury or illness, a disabled member attempts to return to work for their previous public employer or attempts to return to a similar position with another public employer, on a full-time or less than full-time basis, the Public Employees Retirement Association shall continue paying the disability benefit for a period not to exceed six months. The disability benefit must continue in an amount that, when added to the subsequent employment earnings and workers' compensation benefit, does not exceed the salary at the date of disability or the salary currently paid for similar positions, whichever is higher.

~~(b)~~ (c) No deductions for the general employees retirement fund plan may be taken from the salary of a disabled person who is attempting to return to work under this provision unless the member waives further disability benefits.

~~(e)~~ (d) A member only may return to employment and continue disability benefit payments once while receiving disability benefits from a the general employees retirement plan administered by the Public Employees Retirement Association.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 14. Minnesota Statutes 2006, section 353.651, subdivision 4, is amended to read:

Subd. 4. **Early retirement.** (a) A person who becomes a police and fire plan member after June 30, 2007, or a former member who is reinstated as a member of the plan after that date, who is at least 50 years of age with at least three years of allowable service, upon the termination of public service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by two-tenths of one percent for each month that the member is under age 55 at the time of retirement.

~~(b) Upon the termination of public service, any police officer or firefighter and fire plan member who has become not specified in paragraph (a), upon attaining at least 50 years old and who has of age with at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by one-tenth of one percent for each month that the member is under age 55 at the time of retirement.~~

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 15. Minnesota Statutes 2006, section 353.656, subdivision 1, is amended to read:

Subdivision 1. **In-line-of Duty disability; computation of benefits.** (a) A member of the police and fire plan who:

~~(1) has not met the requirements for a retirement annuity under section 353.651, subdivision 1, or~~

~~(2) has met the requirements for a retirement annuity under section 353.651, subdivision 1, but who does not have 20 years of credited service; and 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 is determined to qualify for duty disability as defined in section 353.01, subdivision 41, shall receive disability benefits during the period of such disability-~~

~~(b) The benefits must be in an amount equal to 60 percent of the "average salary" as defined in section 353.01, subdivision 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.~~

(b) To be eligible for a benefit under paragraph (a), the member must have:

(1) not met the requirements for a retirement annuity under section 353.651, subdivision 1; or

(2) met the requirements under that subdivision, but not have at least 20 years of allowable service credit.

(c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period of 60 months from the disability benefit accrual date and at the end of that period is subject to provisions of subdivision 5a.

(d) 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.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 16. Minnesota Statutes 2006, section 353.656, is amended by adding a subdivision to read:

Subd. 1a. Total and permanent duty disability; computation of benefits. (a) A member of the police and fire plan whose disabling condition is determined to be a duty disability that is also a permanent and total disability as defined in section 353.01, subdivision 19, is entitled to receive, for life, disability benefits in an amount equal to 60 percent of the average salary as defined in section 353.01, subdivision 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.

(b) A disability benefit payable under paragraph (a) is subject to eligibility review under section 353.33, subdivision 6, but the review may be waived if the executive director receives a written statement from the association's medical advisor that no improvement can be expected in the member's disabling condition that was the basis for payment of the benefit under paragraph (a). A member receiving a disability benefit under this subdivision who is found to no longer be permanently and totally disabled as defined under section 353.01, subdivision 19, but continues to meet the definition for receipt of a duty disability under section 353.01, subdivision 41, is subject to subdivision 1 under this section upon written notice from the association's medical advisor that the person is no longer considered permanently and totally disabled.

(c) If a member approved for disability benefits under this subdivision dies before attaining normal retirement age as defined in section 353.01, subdivision 37, paragraph (b), or within 60 months of the effective date of the disability, whichever is later, the surviving spouse is entitled to receive a survivor benefit under section 353.657, subdivision 2, paragraph (a), clause (1), if the death is the direct result of the disabling condition for which disability benefits were approved, or section 353.657, subdivision 2, paragraph (a), clause (2), if the death is not directly related to the disabling condition for which benefits were approved under this subdivision.

(d) If the election of an actuarial equivalent optional annuity is not made at the time the permanent and total disability benefit accrues, an election must be made within 90 days before the member attains normal retirement age as defined under section 353.01, subdivision 37, paragraph (b), or having collected total and permanent disability benefits for 60 months, whichever is later. If a member receiving disability benefits who has dependent children dies, subdivision 6a, paragraph (c), applies.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 17. Minnesota Statutes 2006, section 353.656, subdivision 1a, is amended to read:

Subd. 1a 1b. Optional annuity election. (a) A disabled member of the police and fire fund may elect to receive the normal disability benefit or an actuarial equivalent optional annuity as provided in section 353.30, subdivision 3. If the election of an actuarial equivalent optional annuity may be is made prior to before the commencement of payment of the disability benefit or as specified under subdivision 6a., the optional annuity shall must begin to accrue on the same date as provided for the disability benefit covering only the disabilitant would have accrued.

(b) If an election of an optional annuity is not made before the commencement of the disability benefit, the disabiltant may elect an optional annuity:

(1) within 90 days before normal retirement age;

(2) upon the filing of an application to convert to an early retirement annuity, if electing to convert to an early retirement annuity before the normal retirement age; or

(3) within 90 days before the expiration of the 60-month period for which a disability benefit is paid, if the disability benefit is payable because the disabled member did not have at least 20 years of allowable service at normal retirement age.

(c) If ~~the person~~ a disabled member who is ~~not the spouse of the member~~ is ~~has~~ named as beneficiary of the a joint and survivor optional annuity, beneficiary dies before the disability benefit ceases and is recalculated under subdivision 5a, the person is beneficiary eligible to receive the joint and survivor annuity only if the spouse, ~~on may elect to have the disability application form prescribed by~~ annuity converted at the executive director, permanently waives times designated in paragraph (b), clause (1), (2), or (3), whichever allows for the surviving spouse benefits under section 353.657, subdivisions 2 and 2a earliest payment of a higher joint and survivor annuity option resulting from recalculation under subdivision 5a, paragraph (e).

(d) A disabled member may name a person other than the spouse as beneficiary of a joint and survivor annuity only if the spouse of the disabled member ~~refuses to permanently waive the~~ waives surviving spouse coverage, the selection of a person other than the spouse of the member as a joint annuitant is invalid on the disability application form prescribed by the executive director.

~~(2) (e) If the spouse of the member permanently waives survivor coverage, the dependent child or children, if any, continue to be eligible for survivor dependent child benefits, including the minimum benefit under section 353.657, subdivision 3, and the designated optional annuity beneficiary may draw the monthly benefit; however, the amount payable to the dependent child or children and joint annuitant must not exceed the 70 percent maximum family benefit under section 353.657, subdivision 3. If the maximum is exceeded, the benefit of the joint annuitant must be reduced to the amount necessary so that the total family benefit does not exceed the 70 percent maximum family benefit amount.~~

~~(3) If the spouse is named as the beneficiary of the joint and survivor optional annuity, the spouse may draw the monthly benefit; however, the amount payable to the dependent child or children and the joint annuitant must not exceed the 70 percent maximum family benefit under section 353.657, subdivision 3. If the maximum is exceeded, each dependent child will receive ten percent of the member's specified average monthly salary, and the benefit to the joint annuitant must be reduced to the amount necessary so that the total family benefit does not exceed the 70 percent maximum family benefit amount. The joint and survivor optional annuity must be restored to the surviving spouse, plus applicable postretirement adjustments under section 356.41, as the dependent child or children become no longer dependent under section 353.01, subdivision 15.~~

(f) Any optional annuity under this subdivision, plus dependent child benefits, if applicable, are subject to the maximum and minimum family benefit amounts specified in section 353.657, subdivision 3a.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 18. Minnesota Statutes 2006, section 353.656, subdivision 3, is amended to read:

Subd. 3. **Non-duty Regular disability benefit.** (a) Any A member of the police and fire plan who:

~~(1) has not met the requirements for a retirement annuity under section 353.651, subdivision 1, or~~

~~(2) has met the requirements for a retirement annuity under section 353.651, subdivision 1, but who does not have 15 years of credited service; and who becomes disabled after not less than one year of allowable service because of sickness or injury occurring while not on duty as a police officer, firefighter, or paramedic as defined under section 353.64, subdivision 10, and by reason of that sickness or injury the member has been or is expected to be 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, is entitled to qualify for a regular disability benefit as defined in section 353.01, subdivision 46, is entitled to receive a disability benefit, after filing a valid application, in an amount equal to 45 percent of the average salary as defined in section 353.01, subdivision 17a.~~

~~(b) The benefit must be paid in the same manner as if the benefit were paid under section 353.651. If a disability under this subdivision occurs after one but in less than 15 years of allowable service, the disability benefit must be the same as though the member had at least 15 years service. To be eligible for a benefit under paragraph (a), the member must have at least one year of allowable service credit and have:~~

~~(1) not met the requirements for a retirement annuity under section 353.651, subdivision 1, or~~

~~(2) met the requirements under that subdivision, but does not have at least 15 years of allowable service credit.~~

~~(c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period of 60 months from the disability benefit accrual date and, at the end of that period is subject to provisions of subdivision 5a.~~

~~(d) For a member who is employed as a full-time firefighter by the Department of Military Affairs of the state of Minnesota, allowable service as a full-time state Military Affairs Department firefighter credited by the Minnesota State Retirement System may be used in meeting the minimum allowable service requirement of this subdivision.~~

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 19. Minnesota Statutes 2006, section 353.656, is amended by adding a subdivision to read:

Subd. 3a. **Total and permanent regular disability; computation of benefits.** (a) A member of the police and fire plan whose disabling condition is determined to be a regular disability under section 353.01, subdivision 46, that is also a permanent and total disability as defined in section 353.01, subdivision 19, is entitled to a receive, for life, disability benefit in an amount equal to 45 percent of the average salary as defined in section 353.01, subdivision 17a, plus an additional percent specified in section 356.315, subdivision 6, of that average salary for each year of service in excess of 15 years.

(b) A disability benefit payable under paragraph (a) is subject to eligibility review under section 353.33, subdivision 6, but the review may be waived if the executive director receives a written statement from the association's medical advisor that no improvement can be expected in the member's disabling condition that was the basis for payment of the benefit under paragraph (a). A member receiving a disability benefit under this subdivision who is found to no longer be permanently and totally disabled as defined under section 353.01, subdivision 19, but continues to meet the definition for receipt of a regular disability under section 353.01, subdivision 46, is subject to subdivision 3 under this section upon written notice from the association's medical advisor that the person is no longer considered permanently and totally disabled.

(c) A member approved for disability benefits under this subdivision may elect to receive a normal disability benefit or an actuarial equivalent optional annuity. If the election of an actuarial equivalent optional annuity is not made at the time the total and permanent disability benefit accrues, an election must be made within 90 days before the member attains normal retirement age as defined in section 353.01, subdivision 37, paragraph (b), or having collected disability benefits for 60 months, whichever is later. No surviving spouse benefits are payable if the member dies during the period in which a normal total and permanent disability benefit is being paid. If a member receiving disability benefits who has dependent children dies, subdivision 6a, paragraph (c), applies.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 20. Minnesota Statutes 2006, section 353.656, subdivision 4, is amended to read:

Subd. 4. **Limitation on disability benefit payments.** (a) No member is entitled to receive a disability benefit payment when there remains to the member's credit unused annual leave ~~or~~, sick leave, or any other employer-provided salary continuation plan, or under any other circumstances when, during the period of disability, there has been no impairment of the person's salary as a police officer, a firefighter, or a paramedic as defined in section 353.64, subdivision 10, whichever applies.

(b) If a disabled member resumes a gainful occupation with earnings that, when added to the normal disability benefit, and workers' compensation benefit if applicable, exceed the disabilitant reemployment earnings limit, the amount of the disability benefit must be reduced as provided in this paragraph. The disabilitant reemployment earnings limit is the greater of:

(1) the salary earned at the date of disability; or

(2) 125 percent of the base salary currently paid by the employing governmental subdivision for similar positions.

(c) The disability benefit must be reduced by one dollar for each three dollars by which the total amount of the current disability benefit, any workers' compensation benefits if applicable, and actual earnings exceed the greater disabilitant reemployment earnings limit. In no event may the disability benefit as adjusted under this subdivision exceed the disability benefit originally allowed.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 21. Minnesota Statutes 2006, section 353.656, subdivision 5a, is amended to read:

Subd. 5a. **Cessation of disability benefit.** (a) The association shall cease the payment of ~~an in-line-of-duty or non-duty~~ any disability benefit the first of the month following the reinstatement of a member to full time or less than full-time service in a position covered by the police and fire fund.

(b) A disability benefit paid to a disabled member of the police and fire plan, that was granted under laws in effect after June 30, 2007, terminates:

(1) at the end of the month in which the member reaches normal retirement age;

(2) if the disability benefit is payable for a 60-month period as determined under subdivisions 1 and 3, as applicable, the first of the month following the expiration of the 60-month period; or

(3) if the disabled member so chooses, the end of the month in which the member has elected to convert to an early retirement annuity under section 353.651, subdivision 4.

(c) If the police and fire plan member continues to be disabled when the disability benefit terminates under this subdivision, the member is deemed to be retired. The individual is entitled to receive a normal retirement annuity or an early retirement annuity under section 353.651, whichever is applicable, as further specified in paragraph (d) or (e). If the individual did not previously elect an optional annuity under subdivision 1a, paragraph (a), the individual may elect an optional annuity under subdivision 1a, paragraph (b).

(d) A member of the police and fire plan who is receiving a disability benefit under this section may, upon application, elect to receive an early retirement annuity under section 353.651, subdivision 4, at any time after attaining age 50, but must convert to a retirement annuity no later than the end of the month in which the disabled member attains normal retirement age. An early retirement annuity elected under this subdivision must be calculated on the disabled member's accrued years of service and average salary as defined in section 353.01, subdivision 17a, and when elected, the member is deemed to be retired.

(e) When an individual's benefit is recalculated as a retirement annuity under this section, the annuity must be based on clause (1) or (2), whichever provides the greater amount:

(1) the benefit amount at the time of reclassification, including all prior adjustments provided under section 11A.18; or

(2) a benefit amount computed on the member's actual years of accrued allowable service credit and the law in effect at the time the disability benefit first accrued, plus any increases that would have applied since that date under section 11A.18.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 22. Minnesota Statutes 2006, section 353.656, subdivision 6a, is amended to read:

Subd. 6a. **Disability survivor benefits for pre-July 1, 2007, disabilitants.** (a) If a member who is receiving a disability benefit under subdivision 1 or 3:

(1) that was granted under the laws in effect before July 1, 2007, dies before attaining the normal retirement age required for receipt of a retirement annuity under section 353.651, subdivision 1 as defined under section 353.01, subdivision 37, paragraph (b), or within five years of the effective date of the disability, whichever is later, the surviving spouse shall receive a survivor benefit under section 353.657, subdivision 2, paragraph (a), clause (2); or 2a, unless the surviving spouse elected to receive a refund under section 353.32, subdivision 1. The joint and survivor optional annuity under subdivision 2a is based on the minimum disability benefit under subdivision 1 or 3, or the deceased member's allowable service, whichever is greater;

(2) (b) If the disability benefit was granted under the laws in effect before July 1, 2007, and the disabilitant is living at the age required for receipt of a retirement annuity under section 353.651, subdivision 1, or five years after the effective date of the disability, whichever is later, the disabled member may continue to receive a normal disability benefit, or the member may elect a joint and survivor optional annuity under section 353.30. The optional annuity is based on the minimum disability benefit under subdivision 1 or 3, or the member's allowable service, whichever is greater. The election of this joint and survivor annuity must occur within 90 days of the before attaining normal retirement age required for receipt of a retirement annuity under section 353.651, subdivision 1 as defined under section 353.01, subdivision 37, paragraph (b), or within 90 days before the five-year anniversary of

the effective date of the disability benefit, whichever is later. The optional annuity takes effect the first of the month following the month in which the person attains the age required for receipt of a retirement annuity under section 353.651, subdivision 1, or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later; ~~or,~~

~~(3)~~ (c) If any disabled member dies while receiving a benefit and has a dependent child or children ~~under clause (1) or (2)~~, the association shall grant a dependent child benefit under section 353.657, subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to survivor benefit applicants where the application is based on the death of a public employee that occurred after June 30, 2007.

Sec. 23. Minnesota Statutes 2006, section 353.656, subdivision 8, is amended to read:

Subd. 8. **Application procedure to determine eligibility for police and fire plan disability benefits.** ~~(a) An application for disability benefits must be made in writing on a form or forms prescribed by the executive director.~~

~~(b) If an application for disability benefits is filed within two years of the date of the injury or the onset of the illness that gave rise to the disability application, the application must be supported by evidence that the applicant is unable to perform the duties of the position held by the applicant on the date of the injury or the onset of the illness causing the disability. The employer must provide evidence indicating whether the applicant is able or unable to perform the duties of the position held on the date of the injury or onset of illness causing the disability and the specifications of any duties that the individual can or cannot perform.~~

~~(c) If an application for disability benefits is filed more than two years after the date of the injury or the onset of an illness causing the disability, the application must be supported by evidence that the applicant is unable to perform the most recent duties that are expected to be performed by the applicant during the 90 days before the filing of the application. The employer must provide evidence of the duties that are expected to be performed by the applicant during the 90 days before the filing of the application, whether the applicant can or cannot perform those duties overall, and the specifications of any duties that the applicant can or cannot perform.~~

~~(d) Unless otherwise permitted by law, no application for disability benefits can be filed by a former member of the police and fire plan more than three years after the former member has terminated from Public Employees Retirement Association police and fire plan covered employment. If an application is filed within three years after the termination of public employment, the former member must provide evidence that the disability is the direct result of an injury or the contracting of an illness that occurred while the person was still actively employed and participating in the police and fire plan.~~

~~(e) Any application for duty related disability must be supported by a first report of injury as defined in section 176.231.~~

~~(f) If a member who has applied for and been approved for disability benefits before the termination of service does not terminate service or is not placed on an authorized leave of absence as certified by the governmental subdivision within 45 days following the date on which the application is approved, the application shall be canceled. If an approved application for disability benefits has been canceled, a subsequent application for disability benefits may not be filed on the basis of the same medical condition for a minimum of one year from the date on which the previous application was canceled.~~

~~(g) An applicant may file a retirement application under section 353.29, subdivision 4, at the same time as the disability application is filed. If the disability application is approved, the retirement application is canceled. If the disability application is denied, the retirement application must be initiated and processed upon the request of the applicant. A police and fire fund member may not receive a disability benefit and a retirement annuity from the police and fire fund at the same time.~~

~~(h) A repayment of a refund must be made within six months after the effective date of disability benefits or within six months after the date of the filing of the disability application, whichever is later. No purchase of prior service or payment made in lieu of salary deductions otherwise authorized under section 353.01 may be made after the occurrence of the disability for which an application is filed under this section.~~

The application procedures to determine eligibility for police and fire plan disability benefits are defined under section 353.031.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 24. Minnesota Statutes 2006, section 353.656, subdivision 10, is amended to read:

Subd. 10. **Accrual of benefits.** (a) Except for a total and permanent disability under subdivision 1a, a disability benefit begins to accrue the day following the commencement of disability, when the applicant is no longer receiving any form of compensation, whether salary or paid leave 90 days preceding the filing of an application; or, if annual or sick leave, or any other employer-paid salary continuation plan is paid for more than the 90-day period, from the date on which the payment of salary ceased, whichever is later. Except for a total and permanent disability under subdivision 1a, no member is entitled to receive a disability benefit payment when there remains to the member's credit any unused annual leave, sick leave, or any other employer-paid salary continuation benefit, or under any other circumstances when, during the period of disability, there has been no impairment of the person's salary.

(b) Payment of the disability benefit must not continue beyond the end of the month in which entitlement has terminated. If the disabilitant dies prior to negotiating the check for the month in which death occurs, payment must be made to the surviving spouse or, if none, to the designated beneficiary or, if none, to the estate.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 25. Minnesota Statutes 2006, section 353.656, is amended by adding a subdivision to read:

Subd. 13. **Chemical dependency limitations to disability benefit eligibility.** (a) No benefits are payable for any disability resulting in whole or in part from the member's current use of illegal drugs. This exclusion does not apply to a member who:

(1) has successfully completed a supervised drug rehabilitation program or has otherwise been rehabilitated successfully and is no longer engaging in such use; or

(2) is participating in a supervised rehabilitation program and is no longer engaging in such use.

(b) "Illegal use of drugs" means the use of drugs, the possession or distribution of which is unlawful under United States Code, title 21, section 801. "Illegal use of drugs" does not include the use of a drug taken under the supervision of a licensed health care professional, or other uses authorized by United States Code, title 21, or other provisions of law.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 26. Minnesota Statutes 2006, section 353.657, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) In the event that a member of the police and fire fund dies from any cause before retirement or after before becoming disabled and receiving disability benefits, the association shall grant survivor benefits to a surviving spouse, as defined in section 353.01, subdivision 20, and who was married to the member for

a period of at least one year, except that if death occurs in the line of duty no time limit is required and to a dependent child or children, as defined in section 353.01, subdivision 15, except that if the death is not a line of duty death, the member must have accrued at least three years of credited service.

For purposes of this section, line of duty also includes active military service, as defined in section 190.05, subdivision 5. The association shall also grant survivor benefits to a dependent child or children, as defined in section 353.01, subdivision 15.

(b) Notwithstanding the definition of surviving spouse, a former spouse of the member, if any, is entitled to a portion of the monthly surviving spouse benefit if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under section 353.32, subdivision 1, if provided for in a marriage dissolution decree but not a monthly surviving spouse benefit despite the terms of a marriage dissolution decree filed with the association.

(c) The spouse and child or children are entitled to monthly benefits as provided in the following subdivisions 2 to 4.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to survivor benefit applicants where the application is based on the death of a public employee that occurred after June 30, 2007.

Sec. 27. Minnesota Statutes 2006, section 353.657, subdivision 2, is amended to read:

Subd. 2. **Benefit amount.** (a) The spouse, for life, of a deceased member shall is entitled to receive receive a monthly benefit for life equal to 50 percent the following percentage of the member's average full-time monthly salary rate as a member of the police officer or firefighter and fire plan in effect over the last six months of allowable service preceding the month in which death occurred-;

(1) if the death was a line of duty death, 60 percent of the stated average salary is payable; and

(2) if the death was not a line of duty death or if death occurred while receiving disability benefits that accrued before July 1, 2007, 50 percent of the stated average salary is payable.

(b) If the member was a part-time employee in the position for which the employee qualified for participation in the police officer or firefighter and fire plan, the monthly survivor benefit is based on the salary rate in effect for that member's part-time service during the last six months of allowable service. If the member's status changed from full time to part time for health reasons during the last year of employment, the monthly survivor benefit is based on the full-time salary rate of a the position held as a member of the police officer or firefighter and fire plan in effect over the last six months of allowable service preceding the month in which the death occurred.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to survivor benefit applicants where the application is based on the death of a public employee that occurred after June 30, 2007.

Sec. 28. Minnesota Statutes 2006, section 353.657, subdivision 2a, is amended to read:

Subd. 2a. **Death while eligible survivor benefit.** (a) If a member or former member who has attained the age of at least 50 years and has credit for not less than three years allowable service or who has credit for at least 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit becomes payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive a death while eligible survivor benefit.

(b) Notwithstanding the definition of surviving spouse in section 353.01, subdivision 20, a former spouse of the member, if any, is entitled to a portion of the death while eligible survivor benefit if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under section 353.32, subdivision 1, if provided for in a marriage dissolution decree but not a death while eligible survivor benefit despite the terms of a marriage dissolution decree filed with the association.

(c) The benefit may be elected instead of a refund with interest under section 353.32, subdivision 1, or surviving spouse benefits otherwise payable under subdivisions 1 and 2. The benefit must be an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. ~~If there is a dependent child or children, and the 100 percent joint and survivor optional annuity for the surviving spouse, when added to the benefit of the dependent child or children under subdivision 3, exceeds an amount equal to 70 percent of the member's specified average monthly salary, the 100 percent joint and survivor annuity must be reduced by the amount necessary so that the total family benefit does not exceed the 70 percent maximum family benefit amount under subdivision 3. The 100 percent joint and survivor optional annuity must be restored to the surviving spouse, plus applicable postretirement fund adjustments under section 356.41, as the dependent child or children become no longer dependent under section 353.01, subdivision 15.~~

(d) The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision.

(e) No payment ~~shall accrue~~ accrues beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member.

(f) Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter.

(g) For a member who is employed as a full-time firefighter by the Department of Military Affairs of the state of Minnesota, allowable service as a full-time state Military Affairs Department firefighter credited by the Minnesota State Retirement System may be used in meeting the minimum allowable service requirement of this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 29. Minnesota Statutes 2006, section 353.657, subdivision 3, is amended to read:

Subd. 3. **Dependent children.** A dependent child, as defined in section 353.01, subdivision 15, ~~shall~~ is entitled to receive receive a monthly benefit equal to ten percent of the member's average full-time monthly salary rate as a ~~member of the police officer or firefighter and fire plan~~ in effect over the last six months of allowable service preceding the month in which death occurred. Payments for the benefit of a dependent child must be made to the surviving parent, or to the legal guardian of the child or to any adult person with whom the child may at the time be living, provided only that the parent or other person to whom any amount is to be paid advises the board in writing that the amount will be held or used in trust for the benefit of the child.

Subd. 3a. **Maximum and minimum family benefits.** (a) ~~The maximum monthly benefit for one per family must not exceed an amount equal to the following percentages of the member's average monthly salary as specified in subdivision 3:~~

(1) 80 percent, if the member's death was a line of duty death; or

(2) 70 percent of the member's specified average monthly salary, and, if the member's death is not a line of duty death or occurred while the member was receiving a disability benefit that accrued before July 1, 2007.

(b) The minimum monthly benefit per family, including the joint and survivor optional annuity under subdivision 2a, and section 353.656, subdivision 1a, must not be less than the following percentage of the member's average monthly salary as specified in subdivision 3:

(1) 60 percent, if the death is a line of duty death; or

(2) 50 percent of the member's specified average monthly salary, if the death is not a line of duty death or occurred while the member was receiving a disability benefit that accrued before July 1, 2007.

(c) If the maximum under paragraph (a) is exceeded, the monthly benefit of the joint annuitant must be reduced to the amount necessary so that the total family benefit does not exceed the applicable maximum. The joint and survivor optional annuity must be restored, plus applicable postretirement adjustments under section 356.41, as the dependent child or children become no longer dependent under section 353.01, subdivision 15.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 30. Minnesota Statutes 2006, section 353B.08, subdivision 11, is amended to read:

Subd. 11. **Subsequent medical reexaminations.** Periodically, upon the recommendation of the medical adviser appointed as provided in section ~~353.33, subdivision 6a~~ 353.031, based on the medical nature of the initial qualifying disability and its potential for improvement or recovery, the executive director of the Public Employees Retirement Association shall have a former member of a consolidating relief association who is receiving a disability benefit reexamined and reevaluated for continued entitlement to a disability benefit. If, upon the recommendation of the medical adviser, the executive director determines that the person is no longer entitled to receive a disability benefit, the disability benefit shall be discontinued effective as of the first day of the second month following that determination and the person shall be considered for reemployment as a police officer or a firefighter, whichever applies, by the municipality in which the consolidating relief association was located.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 31. **[353E.001] DEFINITIONS.**

Subdivision 1. **Duty disability.** "Duty disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of a local government correctional service employee as defined under section 353E.02 and that is the direct result of an injury incurred during, or a disease arising out of, the performance of normal duties or the actual performance of less frequent duties, either of which are specific to protecting the property and personal safety of others and that present inherent dangers that are specific to the positions covered by the local government correctional service retirement plan.

Subd. 2. **Less frequent duties.** "Less frequent duties" means tasks designated in the applicant's job description as either required from time to time or as assigned, but which are not carried out as part of the normal routine of the applicant's job.

Subd. 3. **Normal duties.** "Normal duties" means specific tasks designated in the applicant's job description and which the applicant performs on a day-to-day basis, but do not include less frequent duties which may be requested to be done by the employer from time to time.

Subd. 4. **Regular disability.** "Regular disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of a local government correctional service employee as defined under section 353E.02 and that results from a disease or an injury that arises from any activities while not at work or while at work from performing those normal or less frequent duties that do not present inherent dangers that are specific to the occupations covered by the local government correctional service retirement plan.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 32. Minnesota Statutes 2006, section 353E.06, subdivision 1, is amended to read:

Subdivision 1. **Duty disability qualification requirements.** A local government correctional employee who becomes disabled and physically or mentally unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability that is medically determinable, that was incurred in or arose out of any act of duty, and that renders the employee physically or mentally unable to perform the employee's duties is determined to qualify for a duty disability as defined in section 353E.001, subdivision 1, is entitled to a disability benefit. The disability benefit must be based on covered service under this chapter only and is an amount equal to 47.5 percent of the average salary defined in section 353E.04, subdivision 2, plus an additional percent equal to that specified in section 356.315, subdivision 5a, for each year of covered service under this chapter in excess of 25 years.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 33. Minnesota Statutes 2006, section 353E.06, subdivision 2, is amended to read:

Subd. 2. ~~Non-duty~~ **Regular disability qualification requirements.** A local government correctional employee who has at least one year of covered service under this chapter and becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury that is medically determinable and that occurs while not engaged in covered employment, who is determined to qualify for a regular disability benefit as defined in section 353E.001, subdivision 4, is entitled to a disability benefit based on covered service under this chapter. The disability benefit must be computed in the same manner as an annuity under section 353E.04, subdivision 3, and as though the employee had at least ten years of covered correctional service.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to disability benefit applicants whose last day of public employment was after June 30, 2007.

Sec. 34. Minnesota Statutes 2006, section 353E.06, subdivision 4, is amended to read:

Subd. 4. **Disability benefit application; accrual of benefits.** A claim or demand for a disability benefit must be initiated by written application in the manner and form prescribed by the executive director, filed in the office of the association, showing compliance with the statutory conditions qualifying the applicant for a disability benefit. A member or former member who became disabled during a period of membership may file an application for disability benefits within three years following termination of local government correctional service, but not after that time has elapsed. (a) Procedures for the application process and determining eligibility for disability benefits are defined in section 353.031.

(b) The disability benefit begins to accrue the day following the commencement of disability, when the applicant is no longer receiving any form of compensation, whether salary or paid leave; 90 days preceding the filing of the application, or, if annual or sick leave, or any other employer-paid salary continuation plan is paid for more than the 90-day period, from the date salary ceased, whichever is latest. No member is entitled to receive a disability benefit payment when there remains to the member's credit any unused annual leave, sick leave, or any other employer-paid salary continuation benefits or under any other circumstances when, during the period of disability, there has been no impairment of the person's salary.

(c) No payment may accrue beyond the end of the month in which entitlement has terminated. If the disablitant dies before negotiating the check for the month in which death occurs, payment must be made to the optional annuitant or beneficiary.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 35. Minnesota Statutes 2006, section 353E.06, subdivision 8, is amended to read:

Subd. 8. **Continuing benefit eligibility.** Continuing eligibility for a disability benefit is subject to section ~~353.33, subdivision 6~~ 353.031, subdivision 8.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 36. **REPEALER.**

Minnesota Statutes 2006, sections 353.33, subdivisions 6a, 6b, and 8; and 353.656, subdivisions 5, 9, 11, and 12, are repealed.

EFFECTIVE DATE. This section is effective July 1, 2007.

ARTICLE 5

HEALTH CARE FACILITY PRIVATIZATIONS

Section 1. Minnesota Statutes 2006, section 353F.02, subdivision 4, is amended to read:

Subd. 4. **Medical facility.** "Medical facility" means:

- (1) Bridges Medical Services;
- (2) the City of Cannon Falls Hospital;
- (3) Clearwater County Memorial Hospital doing business as Clearwater Health Services in Bagley;
- (4) the Dassel Lakeside Community Home;
- (5) the Fair Oaks Lodge, Wadena;
- (6) the Glencoe Area Health Center;
- (7) the Hutchinson Area Health Care;
- (8) the Kanabec Hospital;

- (9) the Lakefield Nursing Home;
- (10) the Lakeview Nursing Home in Gaylord;
- (11) the Luverne Public Hospital;
- ~~(40)~~ (12) the Northfield Hospital;
- (13) the Oakland Park Nursing Home;
- ~~(44)~~ (14) the RenVilla Nursing Home;
- ~~(42)~~ (15) the Renville County Hospital in Olivia;
- ~~(43)~~ (16) the St. Peter Community Healthcare Center; and
- ~~(44)~~ (17) the Waconia-Ridgeview Medical Center.

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective upon the latter of:

(a) for the Lakefield Nursing Home,

(1) the day after the governing body of the city of Lakefield and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the Lakefield City Council 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 Lakefield 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 under Minnesota Statutes, section 356.214. The cost of the actuarial calculations must be borne by the current employer or by the entity which is the employer following the privatization, and the date of the actuarial calculations must be within one year of the date the Lakefield Nursing Home is sold or leased;

(b) for the Lakeview Nursing Home in Gaylord,

(1) the day after the governing body of the city of Gaylord and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the Gaylord City Council 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 Lakeview 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 under Minnesota Statutes, section 356.214. The cost of the actuarial calculations must be borne by the current employer or by the entity which is the employer following the privatization, and the date of the actuarial calculations must be within one year of the date the Lakeview Nursing Home is sold or leased; and

(c) for the Oakland Park Nursing Home,

(1) the day after the governing body of Pennington County and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to Pennington County 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 Oakland Park Nursing Home employees under this section 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. The cost of the actuarial calculations must be borne by the current employer or by the entity which is the employer following the privatization, and the date of the actuarial calculations must be within one year of the date the Oakland Park Nursing Home is sold or leased.

Sec. 2. Minnesota Statutes 2006, section 353F.04, subdivision 1, is amended to read:

Subdivision 1. **Enhanced augmentation rates.** (a) The deferred annuity of a terminated medical facility or other public employing unit employee is subject to augmentation under section 353.71, subdivision 2, of the edition of Minnesota Statutes published in the year in which the privatization occurred, except that the rate of augmentation is as specified in paragraph (b) or (c), whichever is applicable.

(b) This paragraph applies if the legislation adding the medical facility or other employing unit to section 353F.02, subdivision 4 or 5, as applicable, was enacted before July 26, 2005, and became effective before January 1, 2008, for the Hutchinson Area Health Care or before January 1, 2007, for all other medical facilities and all other employing units. For a terminated medical facility or other public employing unit employee, the augmentation rate is 5.5 percent compounded annually until January 1 following the year in which the person attains age 55. From that date to the effective date of retirement, the augmentation rate is 7.5 percent compounded annually.

(c) If paragraph (b) is not applicable, the augmentation rate is four percent compounded annually until January 1, following the year in which the person attains age 55. From that date to the effective date of retirement, the augmentation rate is six percent compounded annually.

EFFECTIVE DATE. This section is effective the day after final enactment.

ARTICLE 6

STATEWIDE RETIREMENT PLAN APPEALS PROCESS

Section 1. Minnesota Statutes 2006, section 353.03, subdivision 3, is amended to read:

Subd. 3. **Duties and powers of the board.** (a) The board shall elect a president and vice-president. The board shall approve the staffing complement necessary to administer the fund. The cost of administering this chapter must be paid by the fund.

(b) The board shall adopt bylaws for its own government and for the management of the fund consistent with the laws of the state and may modify them at pleasure. It shall adopt, alter, and enforce reasonable rules consistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits. It shall pass upon and allow or disallow all applications for membership in the fund and shall allow or disallow claims for withdrawals, pensions, or benefits payable from the fund. It shall adopt an appropriate mortality table based on experience of the fund as recommended by the association actuary, with interest set at the rate specified in section 356.215, subdivision 8. It shall provide for the payment out of the fund of all necessary expenses for the administration of the fund and of all claims for withdrawals, pensions, or benefits allowed. The board shall approve or disapprove all recommendations and actions of the executive director made subject to its approval or disapproval by subdivision 3a.

(c) In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the fund, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine their validity and merit. ~~The board shall establish procedures to assure that a benefit applicant and recipient may have a review of a benefit eligibility or benefit amount determination affecting the applicant or recipient. The review procedure may afford the benefit applicant or benefit recipient an opportunity to present views at any review proceeding conducted, but is not a contested case under chapter 14.~~

(d) The board may continue to authorize the sale of life insurance to members under the insurance program in effect on January 1, 1985, but must not change that program without the approval of the commissioner of finance. The association shall not receive any financial benefit from the life insurance program beyond the amount necessary to reimburse the association for costs incurred in administering the program. The association shall not engage directly or indirectly in any other activity involving the sale or promotion of goods or services, or both, whether to members or nonmembers.

(e) The board shall establish procedures governing reimbursement of expenses to board members. These procedures shall define the types of activities and expenses that qualify for reimbursement, shall provide that all out-of-state travel must be authorized by the board, and shall provide for independent verification of claims for expense reimbursement. The procedures must comply with applicable rules and policies of the Department of Finance, the Department of Administration, and the Department of Employee Relations.

(f) The board may purchase fiduciary liability insurance and official bonds for the officers and members of the board of trustees and employees of the association and may purchase property insurance or may establish a self-insurance risk reserve including, but not limited to, data processing insurance and "extra-expense" coverage.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 2. **[356.95] PENSION PLAN APPEAL PROCEDURES.**

Subdivision 1. **Definitions.** (a) Unless the language or context clearly indicates that a different meaning is intended, for the purpose of this section, the terms in paragraphs (b) to (e) have the meanings given them.

(b) "Chief administrative officer" means the executive director of a covered pension plan or the executive director's designee or representative.

(c) "Covered pension plan" means a plan enumerated in section 356.20, subdivision 2, clauses (1) to (4), (10), and (12) to (14), but does not mean the deferred compensation plan administered under sections 352.96 and 352.97 or to the postretirement health care savings plan administered under section 352.98.

(d) "Governing board" means the Board of Trustees of the Public Employees Retirement Association, the Board of Trustees of the Teachers Retirement Association, or the Board of Directors of the Minnesota State Retirement System.

(e) "Person" includes an active, retired, deferred, or nonvested inactive participant in a covered pension plan or a beneficiary of a participant, or an individual who has applied to be a participant or who is or may be a survivor of a participant, or a state agency or other governmental unit that employs active participants in a covered pension plan.

Subd. 2. **Right to review.** A determination made by the administration of a covered pension plan regarding a person's eligibility, benefits, or other rights under the plan with which the person does not agree is subject to review under this section.

Subd. 3. **Notice of determination.** If the applicable chief administrative officer denies an application or a written request, modifies a benefit, or terminates a benefit of a person claiming a right or potential rights under a covered pension plan, the chief administrative officer shall notify that person through a written notice containing:

(1) a statement of the reasons for the determination;

(2) a notice that the person may petition the governing board of the covered pension plan for a review of the determination and that a person's petition for review must be filed in the administrative office of the covered pension plan within 60 days of the receipt of the written notice of the determination;

(3) a statement indicating that a failure to petition for review within 60 days precludes the person from contesting in any other administrative review or court procedure the issues determined by the chief administrative officer;

(4) a statement indicating that all relevant materials, documents, affidavits, and other records that the person wishes to be reviewed in support of the petition must be filed with and received in the administrative office of the covered pension plan at least 30 days before the date of the hearing under subdivision 10; and

(5) a copy of this section.

Subd. 4. **Termination of benefits.** (a) If a covered pension plan decides to terminate a benefit that is being paid to a person, before terminating the benefit, the chief administrative officer must, in addition to the other procedures prescribed in this section, provide the individual with written notice of the pending benefit termination by certified mail. The notice must explain the reason for the pending benefit termination. The person must be given an opportunity to explain, in writing, in person, by telephone, or by e-mail, the reasons that the benefit should not be terminated.

(b) If the chief administrative officer is unable to contact the person and determines that a failure to terminate the benefit will result in unauthorized payment by a covered pension plan, the chief administrative officer may terminate the benefit immediately upon mailing a written notice containing the information required by subdivision 3 to the address to which the most recent benefit payment was sent and, if that address is that of a financial institution, to the last known address of the person.

Subd. 5. **Petition for review.** (a) A person who claims a right under subdivision 2 may petition for a review of that decision by the governing board of the covered pension plan.

(b) A petition under this section must be sent to the chief administrative officer by mail and must be postmarked no later than 60 days after the person received the notice required by subdivision 3. The petition must include the person's statement of the reason or reasons that the person believes the decision of the chief administrative officer should be reversed or modified. The petition may include all documentation and written materials that the petitioner deems to be relevant.

Subd. 6. **Failure to petition.** If a timely petition for review under subdivision 5 is not filed with the chief administrative officer, the covered pension plan's determination is final and is not subject to further administrative or judicial review.

Subd. 7. **Notice of hearing.** (a) After receiving a petition, and not less than 30 calendar days from the date of the next regular board meeting, the chief administrative officer must schedule a timely review of the petition before the governing board of the covered pension plan. The review must be scheduled to take into consideration any necessary accommodations to allow the petitioner to participate in the governing board's review.

(b) Not less than 15 calendar days before the scheduled hearing date, the chief administrative officer must provide by mail to the petitioner an acknowledgment of the receipt of the person's petition and a follow-up notice of the time and place of the meeting at which the governing board is scheduled to consider the petition and must provide a copy of all relevant documents, evidence, summaries, and recommendations assembled by or on behalf of the plan administration to be considered by the governing board.

(c) Except as provided in subdivision 8, paragraph (c), all documents and materials that the petitioner wishes to be part of the record for review must be filed with the chief administrative officer and must be received in the offices of the covered pension plan at least 30 days before the date of the meeting at which the petition is scheduled to be heard.

(d) A petitioner, within ten calendar days of the scheduled date of the applicable board meeting, may request a continuance on a scheduled petition. The chief administrative officer must reschedule the review within 60 days of the date of the continuance request. Only one continuance may be granted to any petitioner.

Subd. 8. **Record for review.** (a) All evidence, including all records, documents, and affidavits in the possession of the covered pension plan of which the covered pension plan desires to avail itself and be considered by the governing board, and all evidence which the petitioner wishes to present to the governing board, including any evidence which would otherwise be classified by law as "private," must be made part of the hearing record.

(b) Not later than seven days before the scheduled hearing date, the chief administrative officer must provide a copy of the record to each member of the governing board.

(c) At least five days before the hearing, the petitioner may submit to the chief administrative officer, for submission to the governing board, any additional document, affidavit, or other relevant information that was not initially submitted with the petition.

Subd. 9. **Amended determination.** At any time before the hearing before the governing board, for good cause shown and made part of the records of the plan, the chief administrative officer may reverse, alter, amend, or modify the prior decision which is subject to review under this section by issuing an amended decision. Upon doing so, the chief administrative officer may cancel the governing board's scheduled review of the person's petition and shall so notify the petitioner.

Subd. 10. **Hearing.** (a) The governing board shall hold a timely hearing on a petition for review as part of a regularly scheduled board meeting, or as part of a special meeting if so scheduled. All governing board members who participate in the decision-making process must be familiar with the record. The governing board shall make its decision on a petition solely on the record as submitted and on the proceedings of the hearing. At the hearing, the petitioner, the petitioner's attorney, and the chief administrative officer may state and discuss with the governing board their positions with respect to the petition. The governing board may allow further documentation to be placed in the record at the board meeting only with the agreement of both the chief administrative officer and the petitioner. The chief administrative officer may not otherwise participate in the board's decision-making process.

(b) When a petition presents a contested issue of law, an assistant attorney general may participate and may argue on behalf of the legal position taken by the chief administrative officer if that assistant attorney general does not also serve as the governing board's legal advisor during the board's decision-making process.

(c) A motion by a board member, supported by a summary of the relevant facts, conclusions and reasons, as properly amended and approved by a majority of the governing board, constitutes the board's final decision. A verbatim statement of the board's final decision must be served upon the petitioner. If the decision is contrary to the petitioner's desired outcome, the notice shall inform the petitioner of the appeal rights set forth in subdivision 13.

(d) If a petitioner who received timely notice of a scheduled hearing fails to appear, the governing board may nevertheless hear the petition and issue a decision.

Subd. 11. **Disability medical issues.** (a) If a person petitions the governing board to reverse or modify a determination which found that there exists no medical data supporting an application for disability benefits, the board may reverse that determination only if there is in fact medical evidence supporting the application. The board has the discretion to resubmit a disability benefit application at any time to a medical advisor for reconsideration, and the resubmission may include an instruction that further medical examinations be obtained.

(b) The governing board may make a determination contrary to the recommendation of the medical advisor only if there is expert medical evidence in the record to support its contrary decision. If there is no medical evidence contrary to the opinion of the medical advisor in the record and the medical advisor attests that the decision was made in accordance with the applicable disability standard, the board must follow the decision of the medical advisor regarding the cause of the disability.

(c) The obligation of the governing board to follow the decision of the medical advisor under paragraph (b) does not apply to instances when the governing board makes a determination different from the recommendation of the medical advisor on issues that do not involve medical issues.

Subd. 12. **Referral for administrative hearing.** (a) Notwithstanding any provision of sections 14.03, 14.06, and 14.57 to 14.69 to the contrary, a challenge to a determination of the chief administrative officer of a covered pension plan must be conducted exclusively under the procedures set forth in this section and is not a contested case under chapter 14.

(b) Notwithstanding the provisions of paragraph (a), a governing board, in its sole discretion, may refer a petition brought under this section to the Office of Administrative Hearings for a contested case hearing under sections 14.57 to 14.69.

Subd. 13. **Appeal of the governing board's decision; judicial review.** Within 60 days of the date of the mailing of the notice of the governing board's decision, the petitioner may appeal the decision by filing a writ of certiorari with the Court of Appeals under section 606.01 and Rule 115 of the Minnesota Rules of Civil Appellate Procedure. Failure by a person to appeal to the Court of Appeals within the 60-day period precludes the person from later raising, in any subsequent administrative hearing or court proceeding, those substantive and procedural issues that reasonably should have been raised upon a timely appeal.

Subd. 14. **Petitions without notice.** Notwithstanding the petition notice and requirements under this section, a person who believes that the person's rights have been affected by a decision made by the administration of a covered pension plan may request a review under this section by the appropriate governing board. The petition under this subdivision must be made within 45 days of the time that the person knew or should have known of the disputed decision.

Subd. 15. **Governing board review panel.** Any covered pension plan subject to this section, by motion duly made and adopted, may appoint a panel of governing board members to hear and determine any or all petitions brought under this section. The governing board review panel must contain a minimum number of board members that would otherwise constitute a quorum of board members under the governing body's rules and procedures.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 3. **REPEALER.**

Minnesota Statutes 2006, sections 352.031; and 354.071, are repealed.

EFFECTIVE DATE. This section is effective the day after final enactment.

ARTICLE 7

FIRST CLASS CITY TEACHER
RETIREMENT FUND ASSOCIATION CHANGES**Section 1. ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION; PILOT POSTRETIREMENT ADJUSTMENT; LIMITATIONS.**

(a) Notwithstanding any provision of Minnesota Statutes, chapter 354A, to the contrary, for calendar years 2008 and 2009 and for postretirement adjustments initially payable on January 1, 2008, or January 1, 2009, as a pilot program this section supersedes Minnesota Statutes, section 354A.29, subdivisions 3 and 4, and the applicable bylaw provisions of the St. Paul Teachers Retirement Fund Association.

(b) The postretirement adjustment under the pilot program must be determined by the executive director and approved by the board annually using the procedures under this section.

(c) On January 1, each eligible person who has accrued or received an annuity or benefit under the articles of incorporation, the bylaws, or this chapter for at least three full calendar months as of the end of the calendar year is eligible to receive a postretirement adjustment that is payable the following January 1.

(d) A percentage adjustment must be computed and paid under this paragraph to eligible persons under paragraph (c). This adjustment is determined by reference to the Consumer Price Index for urban wage earners and clerical workers all items index as reported by the Bureau of Labor Statistics of the United States Department of Labor each year as part of the determination of annual cost-of-living adjustments to recipients of federal old-age, survivors, and disability insurance. For calculations of the cost-of-living adjustment under paragraph (b), the term "average third quarter Consumer Price Index value" means the sum of the monthly index values as initially reported by the Bureau of Labor Statistics for the months of July, August, and September, divided by 3.

(e) Before January 1 of each year, the executive director must calculate the amount of the cost-of-living adjustment by dividing the most recent average third quarter index value by the same average third quarter index value from the previous year, subtract one from the resulting quotient, and express the result as a percentage amount, which must be rounded to the nearest one-tenth of one percent. The final amount may not be a negative number and may not exceed 2.5 percent if the rate of investment return of the retirement fund either for the most recent fiscal year or for the most recent five-year period, each calculated under the formula specified in section 11A.04, clause (11), is less than 8.5 percent and may not exceed 5.0 percent if the rate of investment return of the retirement fund both for the most recent fiscal year and for the most recent five-year period, each calculated under the formula specified in section 11A.04, clause (11), are equal to or greater than 8.5 percent.

(f) The amount calculated under paragraph (b) is the full cost-of-living adjustment to be applied as a permanent increase to the regular payment of each eligible member on January 1 of the next calendar year. For any eligible member whose effective date of benefit commencement occurred during the calendar year before the cost-of-living adjustment is applied, the full increase amount must be prorated on the basis of whole calendar quarters in benefit payment status in the calendar year prior to the January 1 on which the cost-of-living adjustment is applied, calculated to the third decimal place.

(g) This pilot postretirement adjustment program does not constitute a precedent for this or any other retirement plan.

Sec. 2. **MANDATED STUDY AND REPORT ON SPTRFA POSTRETIREMENT ADJUSTMENT EXPERIENCE.**

(a) The Legislative Commission on Pensions and Retirement shall study the experience of the St. Paul Teachers Retirement Fund Association under the temporary postretirement adjustment mechanism under section 1 and shall consider any proposals or analyses presented by other Minnesota public retirement plans regarding potential or proposed postretirement adjustment mechanism changes. Following the completion of its study, on or before January 15, 2009, the Legislative Commission on Pensions and Retirement shall report to the chair of the house Committee on Governmental Operations, Reform Technology and Elections, the chair of the house Committee on Finance, the chair of the senate Committee on State and Local Governmental Operations, and the chair of the senate Committee on Finance its findings and recommendations regarding a possible continuation, modification, or elimination of the temporary mechanism specified in section 1.

(b) For fiscal years 2007 and 2008, in addition to the regular actuarial valuation prepared under Minnesota Statutes, section 356.215, the St. Paul Teachers Retirement Fund Association shall have prepared and shall file with the Legislative Commission on Pensions and Retirement a supplemental actuarial valuation report providing comparative data on the funded status, actuarial requirements, contribution sufficiency or deficiency, and any other relevant results if the temporary postretirement adjustment mechanism under section 1 were a permanent mechanism. This report must be submitted for inclusion in the study required under paragraph (a).

Sec. 3. **REPEALER.**

Minnesota Statutes 2006, sections 354A.12, subdivision 3d; and 354A.29, subdivision 6, are repealed.

ARTICLE 8

MINNEAPOLIS EMPLOYEES RETIREMENT FUND
LIQUIDITY CHANGES

Section 1. Minnesota Statutes 2006, 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 the 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, and must first be applied to any remaining interest charge and then must be applied to the principal amount of transfer amount payable outstanding.

Sec. 2. Minnesota Statutes 2006, 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 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) To the extent that the deposit accumulation fund has insufficient assets to cover a full required transfer amount, the applicable fund must be credited with an interest-bearing transfer amount payable.

(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.

~~(d)~~ (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~~ under 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. 3. Minnesota Statutes 2006, section 422A.06, subdivision 7, is amended to read:

Subd. 7. **Disability benefit fund.** (a) A disability benefit fund is established, containing the required reserves for disability allowances under this chapter. A proportionate share of income from investments must be allocated to this fund and any interest charge under subdivision 3, paragraph (c), must be credited to the fund. ~~There must be paid from this fund~~ The disability allowances payable under this chapter must be paid from this fund.

(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 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 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 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 must be funded by a transfer of the appropriate amount of assets from the deposit accumulation fund.

Sec. 4. Minnesota Statutes 2006, 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 actuary retained under section 356.214 ~~shall~~ 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 under section 356.214 and must be certified to the retirement board by the actuary retained under section 356.214.

(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 under section 356.214.

Sec. 5. Minnesota Statutes 2006, 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 actuary retained under section 356.214 ~~pursuant to~~ consistent with 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~~ under section 422A.10, and the amount of employer contributions required ~~pursuant to~~ under 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 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. 6. **REPEALER.**

Minnesota Statutes 2006, section 422A.101, subdivision 4, is repealed.

Sec. 7. **EFFECTIVE DATE; LOCAL APPROVAL.**

Sections 1 to 8 are effective the day after the city council of the city of Minneapolis and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 9

MINNEAPOLIS POLICE AND FIREFIGHTERS
RELIEF ASSOCIATIONS CHANGES

Section 1. Minnesota Statutes 2006, 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 ~~22.5 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~~ eight 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 ~~22.5 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.

EFFECTIVE DATE. This section is effective retroactively from the effective date of Laws 1997, chapter 233, article 4, section 7, and Laws 2005, First Special Session chapter 8, article 11, section 12. Benefit amounts paid to surviving spouse members previously paid that are consistent with this section are hereby ratified and confirmed.

Sec. 2. Minnesota Statutes 2006, section 423C.06, subdivision 2, is amended to read:

Subd. 2. **Actuarial assets of special fund less than 102 percent.** (a) When the actuarial assets of the special fund in any year are less than 102 percent of its accrued liabilities according to the most recent annual actuarial valuation of the special fund prepared in accordance with sections 356.215 and 356.216, investment-related postretirement adjustments shall be determined and paid pursuant to this subdivision. Payment of the annual postretirement adjustment may be made only if there is excess investment income.

(b) The board shall determine by May 1 of each year whether or not the special fund has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the executive secretary to the mayor and governing body of the city, the state auditor, the commissioner of finance, and the executive director of the Legislative Commission on Pensions and Retirement. The dollar amount of excess investment income up to one percent of the assets of the special fund must be applied for the purpose specified in paragraph (c). Excess investment income must not be considered as income to or assets of the special fund for actuarial valuations of the special fund for that year under this section and sections 69.77, 356.215, and 356.216, except to offset the annual postretirement adjustment. Additional investment income is any realized or unrealized investment income other than the excess investment income and must be included in the actuarial valuations performed under this section and sections 69.77, 356.215, and 356.216.

(c) ~~The amount determined under paragraph (b) must be applied as follows: the association shall apply the first one-half of one percent of assets that constitute excess investment income to the payment of an annual postretirement adjustment to eligible members and the second one-half of one percent of assets which constitute excess investment income shall be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due the association under section 423A.02 for the current calendar year. The amounts of all payments to eligible members shall not exceed one-half of one percent of the assets of the fund. The amount of each eligible member's postretirement adjustment shall be calculated by dividing the total number of units to which eligible members are entitled into the excess investment income available for distribution to eligible members, and then multiplying that result by the number of units to which each eligible member is entitled. If this amount exceeds the total monthly benefit that the eligible member was entitled to in the prior year under the terms of this chapter, the association shall pay the eligible member the lesser amount. Payment of the annual postretirement adjustment must be in a lump-sum amount on June 1 following the determination date in any year. In the event an eligible member dies prior to the payment of the annual postretirement adjustment, the executive secretary shall pay the eligible member's estate the amount to which the member was entitled.~~

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective the day after the city council of the city of Minneapolis and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 10

VOLUNTEER FIREFIGHTER
BENEFIT CHANGES

Section 1. Minnesota Statutes 2006, section 424A.10, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section:

(1) "qualified recipient" means an individual who receives a lump sum distribution of pension or retirement benefits from a firefighters' relief association for service that the individual has performed as a volunteer firefighter;

(2) "survivor of a deceased active or deferred volunteer firefighter" means the legally married spouse of a deceased volunteer firefighter, or, if none, the surviving minor child or minor children of a deceased volunteer firefighter;

(3) "active volunteer firefighter" means a person who regularly renders fire suppression service for a municipal fire department or an independent nonprofit firefighting corporation, who has met the statutory and other requirements for relief association membership, and who has been a fully qualified member of the relief association for at least one month; and

(4) "deferred volunteer firefighter" means a former active volunteer firefighter who terminated active firefighting service, has sufficient service credit from the applicable relief association to be entitled to a service pension, but has not applied for or has not received the service pension.

EFFECTIVE DATE. This section is effective for supplemental benefits paid after July 1, 2007.

Sec. 2. Minnesota Statutes 2006, section 424A.10, subdivision 2, is amended to read:

Subd. 2. **Payment of supplemental benefit.** (a) Upon the payment by a firefighters' relief association of a lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association ~~may~~ must pay the supplemental benefit out of its special fund. The amount of this benefit equals ten percent of the regular lump sum distribution that is paid on the basis of the recipient's service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000. A supplemental benefit under this paragraph may not be paid to a survivor of a deceased active or deferred volunteer firefighter in that capacity.

(b) Upon the payment by a relief association of a lump sum survivor benefit or funeral benefit to a survivor of a deceased active volunteer firefighter or of a deceased deferred volunteer firefighter, the association may pay a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer firefighter from the special fund of the relief association if its articles of incorporation or bylaws so provide. The amount of the supplemental survivor benefit is 20 percent of the survivor benefit or funeral benefit, but not to exceed \$2,000.

(c) An individual may receive a supplemental benefit under paragraph (a) or under paragraph (b), but not under both paragraphs with respect to one lump sum volunteer firefighter benefit.

EFFECTIVE DATE. This section is effective for supplemental benefits paid after July 1, 2007.

Sec. 3. Minnesota Statutes 2006, section 424A.10, subdivision 3, is amended to read:

Subd. 3. **State reimbursement.** (a) By February 15 of each year, the treasurer of the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15, the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients and to survivors of deceased active or deferred volunteer firefighters.

(b) The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement.

(c) The reimbursement payment must be deposited in the special fund of the relief association.

(d) A sum sufficient to make the payments is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2006.

ARTICLE 11

VARIOUS BENEFIT AND OTHER CHANGES

Section 1. Minnesota Statutes 2006, section 3.85, subdivision 3, is amended to read:

Subd. 3. **Membership.** The commission consists of ~~five~~ seven members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and ~~five~~ seven members of the house of representatives appointed by the speaker. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. Members continue to serve until their successors are appointed. Vacancies that occur while the legislature is in session shall be filled like regular appointments. If the legislature is not in session, senate vacancies shall be filled by the last Subcommittee on Committees of the senate Committee on Rules and Administration or other appointing authority designated by the senate rules, and house vacancies shall be filled by the last speaker of the house, or if the speaker is not available, by the last chair of the house Rules Committee.

Sec. 2. Minnesota Statutes 2006, section 3.85, subdivision 10, is amended to read:

Subd. 10. **Standards for pension valuations and cost estimates.** The commission shall adopt standards prescribing specific detailed methods to calculate, evaluate, and display current and proposed law liabilities, costs, and actuarial equivalents of all public employee pension plans in Minnesota. These standards shall be consistent with chapter 356 and be updated annually. The standards must not contain a valuation requirement that is inconsistent with generally accepted accounting principles applicable to government pension plans.

Sec. 3. Minnesota Statutes 2006, 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 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 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 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 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 55 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.

(d) The surviving spouse of a deceased former legislator may elect an optional joint and survivor annuity under paragraph (a) in lieu of surviving spouse benefits under section 3A.04, subdivision 1, on or after the date the former legislator would have reached age 55.

EFFECTIVE DATE. This section is effective the day after final enactment and also applies to the surviving spouse of a former legislator who died on March 5, 2007.

Sec. 4. **[3A.021] OPTIONAL DIVISION OF RETIREMENT ALLOWANCE.**

Subdivision 1. **Election of division.** Notwithstanding section 518.58, subdivision 4, paragraph (a), clause (5), a former legislator or the former spouse of a former legislator, if a portion of the former legislator's retirement allowance is awarded to the former spouse under a marriage dissolution property division decree by a court of competent jurisdiction, may elect to have payment of the portion of the legislator's retirement allowance designated in the decree as payable to the former spouse beginning as of the first day of the month next following the date on which the former legislator attains the age of 62, even if the former legislator has not applied for the receipt of retirement allowance as of that date. In all other respects, the optional retirement allowance division is governed by section 518.58, subdivision 4.

Subd. 2. **Calculation of subsequent portion of the retirement allowance.** Upon the eventual application for a retirement allowance under this chapter by a former legislator who elected or was affected by the election of a benefit under subdivision 1, the subsequent retirement allowance must be adjusted to be the actuarial equivalent of the balance of the present value of the retirement allowance of the former legislator upon the effective date of the application remaining after a reduction equal to the present value of the partial benefit previously paid and subsequently payable to the former spouse, as calculated by the actuary retained under section 356.214 or as calculated under a procedure specified by the actuary. The retirement allowance present value calculations must include the effect of section 356.30.

Subd. 3. **No optional annuity form.** Section 3A.02, subdivision 5, does not apply to a partial retirement allowance payable under subdivision 1.

EFFECTIVE DATE. This section is effective the day after final enactment and applies to any retirement allowance affected by a marriage dissolution decree rendered after September 2003.

Sec. 5. Minnesota Statutes 2006, section 43A.346, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "state employee" means a person currently occupying a civil service position in the executive branch of state government, the Minnesota State Retirement System, the Public Employees Retirement Association, or the Office of the Legislative Auditor, or a person employed by the Metropolitan Council.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 6. Minnesota Statutes 2006, section 43A.346, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) This section applies to a state or Metropolitan Council employee who:

(1) for at least the five years immediately preceding separation under clause (2), has been regularly scheduled to work 1,044 or more hours per year in a position covered by a pension plan administered by the Minnesota State Retirement System or the Public Employees Retirement Association;

(2) terminates state or Metropolitan Council employment;

(3) at the time of termination under clause (2), meets the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfies requirements for the commencement of the retirement annuity or, for an employee under the unclassified employees retirement plan, meets the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfies requirements for the commencement of the retirement annuity or elects a lump-sum payment; and

(4) agrees to accept a postretirement option position with the same or a different appointing authority, working a reduced schedule that is both (i) a reduction of at least 25 percent from the employee's number of regularly scheduled work hours; and (ii) 1,044 hours or less in state or Metropolitan Council service.

(b) For purposes of this section, an unreduced retirement annuity includes a retirement annuity computed under a provision of law which permits retirement, without application of an earlier retirement reduction factor, whenever age plus years of allowable service total at least 90.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 7. Minnesota Statutes 2006, 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;

(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; and

(18) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply.

(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.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 8. Minnesota Statutes 2006, section 352B.01, subdivision 2, is amended to read:

Subd. 2. **Member.** "Member" means:

(1) a State Patrol member currently employed 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 who is a peace officer under section 626.84, subdivision 1, paragraph (c), and who is employed by the Division of Alcohol and Gambling Enforcement under section 299L.01;

(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; ~~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; and

(8) an employee of the Department of Public Safety, who is a licensed peace officer under section 626.84, subdivision 1, paragraph (c), and is employed as the statewide coordinator of the Gang and Drug Oversight Council.

EFFECTIVE DATE. This section is effective the day after final enactment and applies retroactive to April 1, 2007.

Sec. 9. Minnesota Statutes 2006, section 356.87, is amended to read:

356.87 HEALTH INSURANCE WITHHOLDING.

Subdivision. 1. Public employees insurance program withholding. (a) Upon authorization of a person entitled to receive a retirement annuity, disability benefit or survivor benefit, the executive director of a public pension fund enumerated in section 356.20, subdivision 2, shall withhold health insurance premium amounts from the retirement annuity, disability benefit or survivor benefit, and shall pay the premium amounts to the public employees insurance program.

(b) The public employees insurance program shall reimburse a public pension fund for the administrative expense of withholding the premium amounts and shall assume liability for the failure of a public pension fund to properly withhold the premium amounts.

Subd. 2. Public safety retiree insurance withholding. (a) For purposes of this subdivision, "governing board" means the governing board or body that has been assigned the chief policy-making powers and management duties of the applicable pension plan.

(b) For a pension plan covered under section 356.20, subdivision 2, that provides monthly annuity payments, the governing board may direct the plan's chief administrative officer to withhold health, accident, and long-term care insurance premiums from the retirement annuity or disability benefit and to transmit the amount to an approved insurance provider specified by the eligible person. A governing board which agrees to participate may revise or revoke that decision at a later date if the board provides reasonable notice to the applicable parties.

(c) An eligible person is a person who:

(1) is a retiree or disabilitant from a participating plan;

(2) was a public safety officer as defined in United States Code, title 42, section 3796b;

(3) terminated service as a public safety officer due to disability or attainment of normal retirement age and commences receipt of an annuity without any period of deferral; and

(4) satisfies any other requirements to have all or a portion of the health, accident, or long-term care insurance premiums excluded from income for taxation purposes, as specified in section 845 of Public Law 109-28, the Pension Protection Act of 2006.

(d) An approved insurance provider is:

(1) any regulated, licensed insurance company;

(2) a fraternal or any other organization sponsoring a regulated, licensed insurance program; or

(3) an employer-sponsored insurance program, whether directly through the employer or a third-party administrator.

(e) An eligible person may elect to have the applicable plan administrator withhold and transmit the insurance amounts described in paragraph (b). The eligible person must make this election on a form prescribed by the chief administrative officer of the applicable plan.

(f) A pension fund and the plan fiduciaries which authorize or administer withholding of insurance premiums under this subdivision are not liable for failure to properly withhold or transmit the premium amounts.

EFFECTIVE DATE. This section is effective retroactive to January 1, 2007.

Sec. 10. Minnesota Statutes 2006, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections' Fugitive Apprehension Unit officers, ~~and~~ Department of Commerce Insurance Fraud Unit officers, and the statewide coordinator of the Gang and Drug Oversight Council; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state; and

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e).

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

EFFECTIVE DATE. This section is effective the day after final enactment and applies retroactive to April 1, 2007.

Sec. 11. Laws 1981, chapter 68, section 42, subdivision 1, as amended by Laws 1985, chapter 261, section 14, is amended to read:

Sec. 42. **THIEF RIVER FALLS POLICE; SURVIVOR BENEFITS.**

Subdivision 1. **Benefits.** Notwithstanding Minnesota Statutes, section 423.58, when a service pensioner, disability pensioner, deferred pensioner, or an active member of the Thief River Falls police relief association dies, leaving a surviving spouse, one or more surviving children, or both, the surviving spouse and child or children shall be entitled to a pension or pensions as follows:

(1) To the surviving spouse a pension in an amount not to exceed \$300 per month payable for life; provided, however, that if the surviving spouse shall remarry, the pension shall terminate as of the date of remarriage.

(2) To the child or children, until the child reaches the age of 18 years, a monthly benefit in an amount not to exceed \$125 per month. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent or if none, to the legal guardian of the child. The maximum monthly benefit for any one family shall not exceed \$750. If the member shall die under circumstances which entitle his surviving spouse and dependent children to receive benefits under the workers' compensation law, the amounts so received by them shall not be deducted from the benefits payable under this section.

(3) Pensions payable to a surviving spouse pursuant to paragraph (1) shall be adjusted annually on January 1, 1986, and January 1 of each year thereafter in proportion to salary increases paid to active patrolmen by the city during the preceding calendar year, to a maximum of three and one-half percent in any calendar year. In no event shall the pension of a surviving spouse exceed \$600 per month.

(4) Notwithstanding any provision of paragraph (3) to the contrary, a surviving spouse benefit under paragraph (1) must be increased on January 1, 2008, by an amount equal to 3.5 percent of the benefit payable during the preceding month, but not to exceed \$640 per month. The adjustment under this paragraph is in lieu of the adjustment under paragraph (3).

EFFECTIVE DATE. This section is effective on the day after the governing body of the city of Thief River Falls and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 12. Laws 2006, chapter 271, article 3, section 43, is amended to read:

Sec. 43. ~~EARLY RETIREMENT INCENTIVE.~~

Subdivision 1. **Eligibility.** ~~(a) An eligible appointing authority in the executive or legislative branch of state government or the Board of Public Defense or the Minnesota Historical Society or the Minnesota State Colleges and Universities or any school district may offer the early retirement incentive in this section to an employee who:~~

~~(1) has at least 15 years of allowable service in one or more of the funds listed in Minnesota Statutes, section 356.30, subdivision 3, or has at least ~~five~~ 15 years of coverage by the individual retirement account plan governed by Minnesota Statutes, chapter 354B, and upon retirement is immediately eligible for a retirement annuity or benefit from one or more of these funds; and~~

~~(2) terminates ~~state or teaching~~ service after the effective date of this section and before ~~September 1, 2006~~ July 15, 2009; and~~

~~(3) is not in receipt of a public retirement plan retirement annuity, retirement allowance, or service pension during the month preceding the termination of qualified employment.~~

~~(b) An eligible appointing authority is any Minnesota governmental employing unit which employs one or more employees with retirement coverage by a retirement plan listed in Minnesota Statutes, section 356.30, by virtue of that employment.~~

~~(c) An elected official is not eligible to receive an incentive under this section.~~

Subd. 2. **Incentive.** (a) For an employee eligible under subdivision 1, if approved under paragraph (b), the employer may provide an amount up to \$17,000, to an employee who terminates service, to be used:

~~(1) for an employee who terminates state service after the effective date of this section and on or before July 15, 2006, unless the appointing authority has designated the use under clause (2) or (3) for the initial retirement incentive applicable to that employing entity under this enactment after the effective date of this section, for deposit in the employee's account in the health care savings plan established by Minnesota Statutes, section 352.98; or~~

~~(2) for an employee who terminates state service after July 15, 2006, and before September 1, 2006;~~

~~(3) notwithstanding Minnesota Statutes, section 352.01, subdivision 11, or 354.05, subdivision 13, whichever applies, if the appointing authority has designated the use under this clause for the initial retirement incentive applicable to that employing entity under this enactment after the effective date of this section, for purchase of service credit for unperformed service sufficient to enable the employee to retire under Minnesota Statutes, section 352.116, subdivision 1, paragraph (b); 353.30; or 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph (b), whichever applies; or~~

(ii) (3) if the appointing authority has designated the use under this clause for the initial retirement incentive applicable to the employing entity under this enactment after the effective date of this section, for purchase of a lifetime annuity or an annuity for a specific number of years from the state unclassified applicable retirement program plan to provide additional benefits under Minnesota Statutes, section 352D.06, subdivision 1, as provided in paragraph (d).

(b) Approval to provide the incentive must be obtained from the commissioner of finance if the eligible employee is a state employee and must be obtained from the applicable governing board with respect to any other employing entity. An employee is eligible for the payment under paragraph (a), clause (2), ~~item (i)~~, if the employee uses money from a deferred compensation account that, combined with the payment under paragraph (a), clause (2), ~~item (i)~~, would be sufficient to purchase enough service credit to qualify for retirement under Minnesota Statutes, section 352.116, subdivision 1, paragraph (b); 353.30, subdivision 1a; ~~or~~ 354.44, subdivision 6, paragraph (b), or 354A.31, subdivision 6, paragraph (b), whichever applies.

(c) The cost to purchase service credit under ~~this section~~ paragraph (a), clause (2), must be made in accordance with Minnesota Statutes, section 356.551.

(d) The annuity purchase under paragraph (a), clause (3), must be made using annuity factors derived from the applicable factors used by the applicable retirement plan to transfer amounts to the Minnesota postretirement investment fund and to calculate optional annuity forms. The purchased annuity must be the actuarial equivalent of the incentive amount.

Subd. 3. Designation of positions; employer discretion. (a) Before offering an incentive under this section, an appointing authority must be experiencing employee layoffs due to budget shortfalls or a reorganization that would be offset by offering the incentive. The appointing authority must document that the incentive payment is equal to or less than the cost of the employee layoff. The appointing authority must designate the job classifications or positions within the job classifications that qualify for the incentive. The appointing authority may modify this designation at any time. Designation of positions eligible for the incentive under this section, participation of individual employees, and the amount of the payment under this section are at the sole discretion of the appointing authority. Unilateral implementation of this section by the employer is not an unfair labor practice under Minnesota Statutes, chapter 179A.

(b) An employee who is eligible for an incentive under this section, who is offered an incentive by the appointing authority, and who accepts the incentive offer, must do so in writing. A copy of the acceptance document must be provided by the appointing authority to the applicable retirement plan within 15 days of its execution.

Subd. 4. Reemployment prohibition. No appointing authority referenced in subdivision 1 is permitted to employ or retain as a consultant an individual who received an early retirement incentive under this section for a period of three years after the receipt of the incentive. This provision does not prohibit a school district from employing as a substitute teacher an individual who received an early retirement incentive under this section.

Subd. 5. Utilization report. On August 1, 2008, and annually thereafter, the commissioner of employee relations, with respect to the executive branch of state government, the commissioner of education, with respect to school districts, and the chancellor of the Minnesota State Colleges and Universities System, with respect to the system, shall report to the chair of the House Finance Committee, the chair of the House Governmental Operations, Reform, Technology and Elections Committee, the chair of the Senate Finance Committee, the chair of the State and Local Government Operations and Oversight Committee, and the executive director of the Legislative Commission on Pensions and Retirement on the utilization of the early retirement incentive. The report must include the total

number of employees who utilized the incentive, the age of each retiring employee, the length of service of each retiring employee, the incentive amount paid to each retiring employee, the amount of salary savings through the previous June 30 obtained for each retiring employee, and the amount of any other financial or budgetary impact related to each retiring employee.

EFFECTIVE DATE. (a) This section is effective the day after final enactment.

(b) This section expires on July 15, 2009.

ARTICLE 12

SMALL GROUP/SINGLE PERSON PROVISIONS

Section 1. **PERA-GENERAL; CITY OF ST. PAUL EMPLOYEE SERVICE CREDIT PURCHASE.**

(a) An eligible person described in paragraph (b) is entitled to purchase allowable service credit from the general employees retirement plan of the Public Employees Retirement Association for the period of employment by the city of St. Paul between November 11, 1988, and September 30, 1989, that qualified as employment by a public employee under Minnesota Statutes 1988, section 353.01, subdivision 2b, that was not previously credited by the retirement plan.

(b) An eligible person is a person who:

(1) was born on December 29, 1958;

(2) was first employed by the city of St. Paul as a part-time or seasonal employee in 1985;

(3) qualified for Public Employees Retirement Association general plan coverage in November 1988 but was not reported by the city of St. Paul to the Public Employees Retirement Association for coverage until October 1989; and

(4) became a member of the general employees retirement plan of the Public Employees Retirement Association in October 1989.

(c) The eligible person described in paragraph (b) is authorized to apply with the executive director of the Public Employees Retirement Association to make the service credit purchase under this section. The application must be in writing and must include all necessary documentation of the applicability of this section and any other relevant information that the executive director may require.

(d) Allowable service credit under Minnesota Statutes, section 353.01, subdivision 16, must be granted by the general employees retirement plan of the Public Employees Retirement Association to the account of the eligible person upon the receipt of the prior service credit purchase payment amount required under Minnesota Statutes, section 356.551.

(e) Of the prior service credit purchase payment amount under Minnesota Statutes, section 356.551, the eligible person must pay an amount equal to the employee contribution rate or rates in effect during the uncredited employment period applied to the actual salary rates in effect during the period, plus annual compound interest at the rate of 8.5 percent from the date the member contribution payment should have been made if made in a timely fashion until the date on which the contribution is actually made. If the equivalent member contribution payment, plus interest, is made, the city of St. Paul shall pay the balance of the total prior service credit purchase payment amount under Minnesota Statutes, section 356.551, within 60 days of notification by the executive director of the Public Employees Retirement Association that the member contribution equivalent payment has been received by the association.

(f) Authority for an eligible person to make a prior service credit purchase under this section expires June 30, 2009, or upon termination of employment covered by the Public Employees Retirement Association, whichever is earlier.

(g) If the city of St. Paul fails to pay its portion of the prior service credit purchase payment amount under paragraph (e), the executive director of the Public Employees Retirement Association must notify the commissioners of finance and revenue of that fact and the commissioners shall order the deduction of the required payment amount from the next payment of any state aid to the city of St. Paul and the commissioners shall transmit the applicable amount to the general employees retirement fund of the Public Employees Retirement Association.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 2. PERA-POLICE AND FIRE PLAN; EXEMPTING CERTAIN ANOKA COUNTY FIELD INVESTIGATORS FROM REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.

Notwithstanding any provision of Minnesota Statutes, section 353.37, to the contrary, a person who is receiving a retirement annuity from the Public Employees Retirement Association police and fire plan and who was employed by Midwest Forensic Pathology, P.A., as of December 31, 2006, who became employed by Anoka County on January 1, 2007, as a field investigator, when the functions of Midwest Forensic Pathology, P.A., transferred to the county, is exempt from the limitation on reemployed annuitant earnings under Minnesota Statutes, section 353.37, for the duration of that employment as a field investigator.

EFFECTIVE DATE. This section is effective retroactive to January 1, 2007.

Sec. 3. MSRS-GENERAL AND PERA-GENERAL; ANNUITY BACK PAYMENTS.

(a) Notwithstanding any provision of Minnesota Statutes, sections 352.115, subdivision 8, and 353.29, subdivision 7, to the contrary, an eligible annuitant described in paragraph (b) is entitled to a back payment of annuities from the general state employees retirement plan of the Minnesota State Retirement System and from the general employees retirement plan of the Public Employees Retirement Association as provided in paragraph (c). The back payments are intended to correct the consequences of any negligence or error of the retirement plans in failing to promptly implement a combined service annuity.

(b) An eligible annuitant is a person who:

(1) was born on April 1, 1947;

(2) was employed by Clearwater County and was covered by the general employees retirement plan of the Public Employees Retirement Association in 1968, 1969, and 1970;

(3) was employed by the Rural Minnesota Concentrated Employment Program in 1970;

(4) was employed by the state of Minnesota by the Department of Human Services or its predecessor from 1970 to 2004; and

(5) retired from state employment under the rule of 90 on April 20, 2004.

(c) The back payments are the amount of the annuity of the eligible annuitant from the general employees retirement plan of the Public Employees Retirement Association for eight months, representing the period May 1, 2004, to December 31, 2004, and the amount of the increase in the annuity of the eligible annuitant from the general state employees retirement plan of the Minnesota State Retirement System pursuant to Minnesota Statutes, section 356.30, for 20 months, representing the period May 1, 2004, to December 31, 2005.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 4. **TEACHERS RETIREMENT ASSOCIATION; SABBATICAL LEAVE SALARY CREDIT PURCHASE.**

(a) Notwithstanding any provisions to the contrary of Minnesota Statutes, chapter 354 or 354A, an eligible person described in paragraph (b) is entitled to purchase credit for the salary amount specified in paragraph (c) by making the payment required by paragraph (d).

(b) An eligible person is a person who:

(1) was born on August 2, 1948;

(2) has 2.95 years of service credit from the Teachers Retirement Association for teaching service rendered in the early 1970's;

(3) has 26 years of service credit from the former Minneapolis Teachers Retirement Fund Association transferred to the Teachers Retirement Association under Laws 2006, chapter 277, article 3, sections 5 and 9, subdivision 3;

(4) took a sabbatical leave from Special School District No. 1, Minneapolis, for the 2004-2005 school year;

(5) obtained full salary credit from the former Minneapolis Teachers Retirement Fund Association for the 2004-2005 school year under the applicable law and benefit plan provisions; and

(6) has uncredited full-time equivalent salary from the 2005-2006 school year based on a reduced salary figure related to the sabbatical leave arrangement.

(c) The salary amount is an amount equal to the difference between the salary credit the eligible person received from the former Minneapolis Teachers Retirement Fund Association for the 2005-2006 school year and the full-time equivalent salary of the eligible person for the 2005-2006 school year.

(d) The required payment amount is an amount equal to 13.64 percent of the salary amount determined under paragraph (c), plus interest at an 8.5 percent compound rate from the date on which the contribution amounts would have been made if made in a timely fashion and the date on which the amount is actually paid. The amount is payable only in a lump sum.

(e) The eligible person shall provide any relevant documentation related to the eligibility to make this purchase that is required by the executive director of the Teachers Retirement Association.

(f) Authority for an eligible person to make the purchase under this section expires June 30, 2008.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 5. **COMMUNITY EDUCATION TEACHER; PRIOR SERVICE PURCHASE.**

(a) An eligible person described in paragraph (b) is entitled to purchase prior uncredited service rendered as a community education teacher for Independent School District No. 535, Rochester, from the general employees retirement plan of the Public Employees Retirement Association.

(b) An eligible person is a person who:

(1) was born on March 4, 1939;

(2) began teaching Independent School District No. 535, Rochester, in 1962 and retired June 1997;

(3) was a contributing member of the Teachers Retirement Association until retirement;

(4) subsequent to retirement began teaching for community education; and

(5) because of an error, no deductions were taken from the person's pay and no contributions were made on the person's behalf by the school district to the Public Employees Retirement Association for the community education service.

(c) The purchase payment amount for the uncredited community education service must be determined under Minnesota Statutes, section 356.551. Notwithstanding Minnesota Statutes, section 356.551, subdivision 2, paragraphs (d) and (e), the purchase payment amount must be allocated on the basis of one-third of the total by the eligible person and of the balance of the total by Independent School District No. 535, Rochester. If the eligible person pays the person's required portion, Independent School District No. 535, Rochester, shall make its payment within 30 days of notification by the Public Employees Retirement Association of its payment obligation. If Independent School District No. 535, Rochester, does not pay the balance within 30 days of notification by the executive director of the Public Employees Retirement Association of the payment of the member contribution payment by the eligible person under paragraph (a), the executive director shall notify the commissioner of finance of that fact and the commissioner shall deduct from any state aid payable to Independent School District No. 535, Rochester, that amount, plus interest on that amount of 1.5 percent per month for each month or portion of a month that has elapsed from the effective date of this section.

(d) This authority expires on May 31, 2009, or on the first day of the month next following the conclusion of the eligible member's elected public service, whichever occurs earlier.

EFFECTIVE DATE. This section is effective the day after final enactment.

Sec. 6. **PERA-GENERAL; LATE DISABILITY BENEFIT APPLICATION AUTHORIZED.**

(a) Notwithstanding any provision of Minnesota Statutes, section 353.33, subdivision 2, to the contrary, a person described in paragraph (b) is authorized to apply for a disability benefit from the general employees retirement plan of the Public Employees Retirement Association under Minnesota Statutes, section 353.33.

(b) An eligible person is a person who:

(1) was born on February 1, 1956;

(2) became a Public Employees Retirement Association general plan member on December 18, 1994, until January 31, 1996, while employed by the city of Benson;

(3) was employed by Independent School District No. 777, Benson, with Public Employees Retirement Association general plan coverage, from October 1, 1996, until July 31, 2003;

(4) is disabled within the meaning of Minnesota Statutes, section 353.01, subdivision 19; and

(5) failed to apply for disability benefits under Minnesota Statutes, section 353.33, within the three-year time period permitted in that statute following termination of covered employment.

(c) The eligible person under paragraph (b) must provide, in conjunction with the disability application, any relevant evidence that the executive director of the Public Employees Retirement Association requires about the existence of a total and permanent disability as defined in Minnesota Statutes, section 353.01, subdivision 19, and about the date on which the disability occurred and its relationship to the termination of active service in July 2003.

(d) If the eligible person files a disability benefit application and if the eligible person provides sufficient evidence of disability and the occurrence of the disability under paragraph (c), to qualify for a disability benefit under Minnesota Statutes, section 353.33, the disability benefit becomes payable on the first day of the first month next following the approval of the application. The disability benefit must be calculated under the laws in effect at the time the eligible person terminated active service in July 2003. The disability benefit must include any applicable deferred annuities augmentation under Minnesota Statutes, section 353.71, subdivision 2.

(e) Nothing in this section may be deemed to exempt the eligible person from the partial reemployment of a disabilitant provision under Minnesota Statutes, section 353.33, subdivision 7, or from the trial work period provision under Minnesota Statutes, section 353.33, subdivision 7a.

EFFECTIVE DATE. (a) This section is effective the day after final enactment.

(b) This section expires, if not utilized, on December 31, 2007."

Delete the title and insert:

"A bill for an act relating to retirement; various retirement plans; authorizing an optional annuity election for the surviving spouse of a deceased former legislator; permitting the optional early division of legislators retirement plan retirement allowances upon a marriage dissolution; expanding the membership of the general state employees retirement plan and the State Patrol retirement plan; providing special coverage to privatized employees of Lakefield Nursing Home, Lakeview Nursing Home, Oakland Park Nursing Home, and Hutchinson Area Health Care; permitting various prior service credit purchases; exempting certain Anoka County employees from reemployed annuitant earnings limitations; permitting certain combined service annuity back payments; permitting a delayed disability benefit application; making various administrative changes in various statewide retirement plans; modifying disability determination procedures and disability benefits in various plans administered by the Public Employees Retirement Association; authorizing investment in the State Board of Investment by the Minneapolis Employees Retirement Fund; relaxing certain Minneapolis Employees Retirement Fund liquidity transfer requirements; expanding the coverage group of the state employees correctional retirement plan to include various Department of Corrections and Department of Human Services employees; modifying various aspects of the volunteer fire supplemental benefit coverage; correcting various 2006 drafting errors; establishing a pilot postretirement adjustment; requiring a study and report; modifying certain Minneapolis Police Relief Association surviving spouse benefit amounts and validating prior payments; increasing the amount available for distribution by the Minneapolis Firefighters Relief Association as a postretirement adjustment; including the Public Employees Retirement Association staff in the state's postretirement option; extending the 2006 special retirement incentive to 2009 and making certain modifications; authorizing an additional postretirement adjustment for surviving spouses receiving benefits from the Thief River Falls Police Trust Fund; amending Minnesota Statutes 2006, sections 3.85, subdivisions 3, 10; 3A.02, subdivisions 1, 5; 3A.05; 13.632, subdivision 1; 43A.346, subdivisions 1, 2; 126C.41, subdivision 4; 352.01, subdivisions 2a, 2b, 11; 352.12, subdivision 2a; 352.27; 352.91, subdivisions 3d, 3e, 3f, 4b;

352.951; 352.98, by adding a subdivision; 352B.01, subdivision 2; 352D.02, subdivisions 1, 3; 352D.06, subdivision 3; 353.01, subdivisions 2a, 2b, 6, 16, 28, 37, by adding subdivisions; 353.03, subdivisions 3, 3a, 4; 353.27, by adding a subdivision; 353.28, subdivision 6; 353.29, subdivision 3; 353.30, subdivisions 1a, 1b, 1c; 353.32, subdivisions 1a, 1b; 353.33, subdivisions 1, 2, 4, 6, 7a; 353.34, subdivision 3; 353.651, subdivision 4; 353.656, subdivisions 1, 1a, 3, 4, 5a, 6a, 8, 10, by adding subdivisions; 353.657, subdivisions 1, 2, 2a, 3; 353B.08, subdivision 11; 353E.06, subdivisions 1, 2, 4, 8; 353F.02, subdivision 4; 353F.04, subdivision 1; 354.05, subdivision 13; 354.093; 354.094; 354.095; 354.096, subdivision 2; 354.35; 354.44, subdivision 6; 354.45, subdivision 1a; 354.48, subdivision 3; 354A.12, subdivisions 3b, 3c, 3d; 354B.21, subdivision 3; 355.01, subdivision 3h; 356.195, subdivision 1; 356.405; 356.46, subdivision 3; 356.87; 356A.06, subdivision 6; 422A.06, subdivisions 3, 5, 7, 8; 422A.101, subdivision 3; 423A.02, subdivisions 3, 5; 423B.10, subdivision 1; 423C.06, subdivision 2; 424A.10, subdivisions 1, 2, 3; 490.121, subdivisions 15a, 21f; 626.84, subdivision 1; Laws 1981, chapter 68, section 42, subdivision 1, as amended; Laws 2006, chapter 271, article 2, sections 12, subdivision 1; 13, subdivision 3; article 3, section 43; article 14, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 353E; 354; 356; repealing Minnesota Statutes 2006, sections 352.031; 353.30, subdivision 1; 353.33, subdivisions 6a, 6b, 8; 353.34, subdivision 7; 353.656, subdivisions 5, 9, 11, 12; 353.69; 354.071; 354.49, subdivision 5; 354A.12, subdivision 3d; 354A.29, subdivision 6; 356.90; 422A.101, subdivision 4."

Tingelstad was excused between the hours of 6:00 p.m. and 9:50 p.m.

Svigum moved to amend the Murphy, M., amendment to S. F. No. 430, the third engrossment, as follows:

Pages 110 to 114, delete article 8

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 44 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Gunther	Lanning	Peppin	Urdahl
Anderson, S.	Demmer	Hackbarth	Liebling	Poppe	Welti
Beard	Eastlund	Hamilton	Magnus	Ruth	Westrom
Berns	Emmer	Heidgerken	McFarlane	Seifert	Zellers
Brod	Erickson	Holberg	McNamara	Severson	
Brown	Finstad	Hoppe	Nornes	Shimanski	
Buesgens	Garofalo	Howes	Olson	Simpson	
Dean	Gottwalt	Kohls	Paulsen	Svigum	

Those who voted in the negative were:

Abeler	Benson	Brynaert	Clark	Dill	Doty
Anzelc	Bigham	Bunn	Cornish	Dittrich	Eken
Atkins	Bly	Carlson	Davnie	Dominguez	Erhardt

Faust	Huntley	Lieder	Murphy, E.	Rukavina	Thissen
Fritz	Jaros	Lillie	Murphy, M.	Ruud	Tillberry
Gardner	Johnson	Loeffler	Nelson	Sailer	Tschumper
Greiling	Juhnke	Madore	Norton	Scalze	Wagenius
Hansen	Kahn	Mahoney	Olin	Sertich	Walker
Hausman	Kalin	Mariani	Otremba	Simon	Ward
Haws	Knuth	Marquart	Ozment	Slawik	Wardlow
Hilstrom	Koenen	Masin	Paymar	Slocum	Winkler
Hilty	Kranz	Moe	Pelowski	Smith	Wollschlager
Hornstein	Laine	Morgan	Peterson, A.	Solberg	Spk. Kelliher
Hortman	Lenczewski	Morrow	Peterson, N.	Swails	
Hosch	Lesch	Mullery	Peterson, S.	Thao	

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

The question recurred on the Murphy, M., amendment to S. F. No. 430, the third engrossment. The motion prevailed and the amendment was adopted.

S. F. No. 430, A bill for an act relating to retirement; various retirement plans; authorizing an optional annuity election for the surviving spouse of a deceased former legislator; permitting the optional early division of legislators retirement plan retirement allowances upon a marriage dissolution; expanding the membership of the general state employees retirement plan and the State Patrol retirement plan; permitting withholding of insurance premiums from public safety employee annuities; providing special coverage to privatized employees of Lakefield Nursing Home, Lakeview Nursing Home, Oakland Park Nursing Home, and Hutchinson Area Health Care; permitting various prior service credit purchases; exempting certain Anoka County employees from reemployed annuitant earnings limitations; permitting certain combined service annuity back payments; permitting a delayed disability benefit application; making various administrative changes in various statewide retirement plans; modifying disability determination procedures and disability benefits in various plans administered by the Public Employees Retirement Association; authorizing investment in the State Board of Investment by the Minneapolis Employees Retirement Fund; relaxing certain Minneapolis Employees Retirement Fund liquidity transfer requirements; expanding the coverage group of the state employees correctional retirement plan to include various Department of Corrections and Department of Human Services employees; modifying various aspects of the volunteer fire supplemental benefit coverage; correcting various 2006 drafting errors; establishing a pilot postretirement adjustment; requiring a study and report; modifying certain Minneapolis Police Relief Association surviving spouse benefit amounts and validating prior payments; increasing the amount available for distribution by the Minneapolis Firefighters Relief Association as a postretirement adjustment; including the Public Employees Retirement Association staff in the state's postretirement option; extending the 2006 special retirement incentive to 2009 and making certain modifications; authorizing an additional postretirement adjustment for surviving spouses receiving benefits from the Thief River Falls Police Trust Fund; amending Minnesota Statutes 2006, sections 3.85, subdivision 10; 3A.02, subdivisions 1, 5; 3A.05; 13.632, subdivision 1; 43A.346, subdivisions 1, 2; 126C.41, subdivision 4; 352.01, subdivisions 2a, 2b, 11; 352.12, subdivision 2a; 352.27; 352.91, subdivisions 3d, 3e, 3f, 4b; 352.951; 352.98, by adding a subdivision; 352B.01, subdivision 2; 352D.02, subdivisions 1, 3; 352D.06, subdivision 3; 353.01, subdivisions 2a, 2b, 6, 16, 28, 37, by adding subdivisions; 353.03, subdivisions 3, 3a, 4; 353.27, by adding a subdivision; 353.28, subdivision 6; 353.29, subdivision 3; 353.30, subdivisions 1a, 1b, 1c; 353.32, subdivisions 1a, 1b; 353.33, subdivisions 1, 2, 4, 6, 7a; 353.34, subdivision 3; 353.651, subdivision 4; 353.656, subdivisions 1, 1a, 3, 4, 5a, 6a, 8, 10, by adding subdivisions; 353.657, subdivisions 1, 2, 2a, 3; 353B.08, subdivision 11; 353E.06, subdivisions 1, 2, 4, 8; 353F.02, subdivision 4; 353F.04, subdivision 1; 354.05, subdivision 13; 354.093; 354.094; 354.095; 354.096, subdivision 2; 354.35; 354.44, subdivision 6; 354.45, subdivision 1a; 354.48, subdivision 3; 354A.12, subdivisions 3b, 3c, 3d; 354B.21, subdivision 3; 355.01, subdivision 3h; 356.195, subdivision 1; 356.405;

356.46, subdivision 3; 356.87; 356A.06, subdivision 6; 422A.01, subdivision 13a; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 7, 8; 422A.101, subdivision 3; 423A.02, subdivisions 3, 5; 423B.10, subdivision 1; 423C.06, subdivision 2; 424A.10, subdivisions 1, 2, 3; 490.121, subdivisions 15a, 21f; 626.84, subdivision 1; Laws 1981, chapter 68, section 42, subdivision 1, as amended; Laws 2006, chapter 271, article 2, sections 12, subdivision 1; 13, subdivision 3; article 3, section 43; article 14, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 353E; 354; 356; repealing Minnesota Statutes 2006, sections 352.031; 353.30, subdivision 1; 353.33, subdivisions 6a, 6b, 8; 353.34, subdivision 7; 353.656, subdivisions 5, 9, 11, 12; 353.69; 354.071; 354.49, subdivision 5; 354A.12, subdivision 3d; 354A.29, subdivision 6; 356.90; 422A.101, 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.

Pursuant to rule 2.05, Speaker pro tempore Thissen excused Ozment from voting on final passage of S. F. No. 430, as amended.

There were 96 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeler	Doty	Huntley	Madore	Olin	Slocum
Anzelc	Eken	Jaros	Magnus	Otremba	Smith
Atkins	Erhardt	Johnson	Mahoney	Paymar	Solberg
Benson	Fritz	Juhnke	Mariani	Pelowski	Swails
Bigham	Gardner	Kahn	Marquart	Peterson, A.	Thao
Bly	Greiling	Kalin	Masin	Peterson, N.	Thissen
Brown	Hamilton	Knuth	McFarlane	Peterson, S.	Tillberry
Brynaert	Hansen	Koenen	McNamara	Poppe	Tschumper
Bunn	Hausman	Kranz	Moe	Rukavina	Wagenius
Carlson	Haws	Laine	Morgan	Ruud	Walker
Clark	Hilstrom	Lenczewski	Morrow	Sailer	Ward
Cornish	Hilty	Lesch	Mullery	Scalze	Wardlow
Davnie	Hornstein	Liebling	Murphy, E.	Sertich	Welti
Dill	Hortman	Lieder	Murphy, M.	Shimanski	Winkler
Dittrich	Hosch	Lillie	Nelson	Simon	Wollschlager
Dominguez	Howes	Loeffler	Norton	Slawik	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Dean	Faust	Heidgerken	Olson	Simpson
Anderson, S.	DeLaForest	Finstad	Holberg	Paulsen	Sviggum
Beard	Demmer	Garofalo	Hoppe	Peppin	Urdahl
Berns	Eastlund	Gottwalt	Kohls	Ruth	Westrom
Brod	Emmer	Gunther	Lanning	Seifert	Zellers
Buesgens	Erickson	Hackbarth	Nornes	Severson	

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

H. F. No. 413 was reported to the House.

Lillie and Olin moved to amend H. F. No. 413, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **OUTDOOR SPORT EQUIPMENT DEALERSHIP AGREEMENT TASK FORCE.**

(a) A task force is created to study dealership agreements between outdoor sport equipment manufacturers and outdoor sport equipment dealers. The task force shall study issues relating to state regulation of dealership agreements including terminations and cancellations, warranties, remedies, and violations. For purposes of this section, the following terms have the meanings given:

(1) "outdoor sport equipment" means snowmobiles as defined in Minnesota Statutes, section 84.81, subdivision 3; all-terrain vehicles as defined in Minnesota Statutes, section 84.92, subdivision 8; personal watercraft as defined in Minnesota Statutes, section 86B.005, subdivision 14a; watercraft as defined in Minnesota Statutes, section 86C.01; and motorcycles, as defined in Minnesota Statutes, section 65B.001, subdivision 5;

(2) "outdoor sport equipment manufacturer" or "manufacturer" means a person, partnership, corporation, association, or other form of business enterprise engaged in the manufacturing, assembly, or wholesale distribution of outdoor sport equipment; and

(3) "outdoor sport equipment dealer" or "dealer" means a person, partnership, corporation, association, or other form of business enterprise engaged in acquiring outdoor sport equipment from a manufacturer and reselling the outdoor sport equipment at wholesale or retail.

(b) The membership of the task force consists of:

(1) five members designated by the national manufacturers associations;

(2) five Minnesota members designated by the retailers associations representing each segment of outdoor sport equipment described in paragraph (a);

(3) two members of the Minnesota house of representatives, one appointed by the speaker of the house and one appointed by the minority leader; and

(4) two members of the Minnesota senate, one appointed by the senate majority leader and one appointed by the senate minority leader.

(c) Nonlegislative members shall not be compensated.

(d) The commissioner of commerce shall set the time and place for the first meeting of the task force, which must be no later than July 1, 2007. The task force shall elect a chair from among its members. On or before February 1, 2008, the task force shall report the results of its study and make recommendations with respect to dealership agreements to the chairs of the house and senate committees with jurisdiction over commerce. The task force expires April 15, 2008.

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

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 413, A bill for an act relating to commerce; creating an outdoor sport equipment dealership agreement task force.

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, Speaker pro tempore Thissen excused Shimanski from voting on final passage of H. F. No. 413, as amended.

There were 123 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Hoppe	Lillie	Ozment	Solberg
Anderson, S.	Dominguez	Hornstein	Loeffler	Paulsen	Sviggum
Anzelc	Doty	Hortman	Madore	Paymar	Swails
Atkins	Eastlund	Hosch	Magnus	Pelowski	Thao
Beard	Eken	Howes	Mahoney	Peppin	Thissen
Benson	Erhardt	Huntley	Mariani	Peterson, A.	Tillberry
Berns	Faust	Jaros	Marquart	Peterson, N.	Tschumper
Bigham	Finstad	Johnson	Masin	Peterson, S.	Urdahl
Bly	Fritz	Juhnke	McFarlane	Poppe	Wagenius
Brod	Gardner	Kahn	McNamara	Rukavina	Walker
Brown	Garofalo	Kalin	Moe	Ruth	Ward
Brynaert	Gottwalt	Knuth	Morgan	Ruud	Wardlow
Bunn	Greiling	Koenen	Morrow	Sailer	Welti
Carlson	Gunther	Kohls	Mullery	Scalze	Westrom
Clark	Hamilton	Kranz	Murphy, E.	Seifert	Winkler
Cornish	Hansen	Laine	Murphy, M.	Sertich	Wollschlager
Davnie	Hausman	Lanning	Nornes	Severson	Zellers
Dean	Haws	Lenczewski	Norton	Simon	Spk. Kelliher
DeLaForest	Heidgerken	Lesch	Olin	Simpson	
Demmer	Hilstrom	Liebling	Olson	Slawik	
Dill	Hilty	Lieder	Otremba	Slocum	

Those who voted in the negative were:

Anderson, B.	Emmer	Hackbarth	Nelson
Buesgens	Erickson	Holberg	Smith

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2433, A bill for an act relating to capital investment; providing disaster relief for Browns Valley, Rogers, and Warroad; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 26.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 26

A bill for an act relating to health occupations; extending the expiration dates for the Board of Medical Practices' advisory councils; amending Minnesota Statutes 2006, sections 147A.27, subdivision 2; 147B.05, subdivision 2; 147C.35, subdivision 2; 147D.25, subdivision 2; 214.32, subdivision 1.

May 15, 2007

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 26 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 26 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 144.121, subdivision 5, is amended to read:

Subd. 5. **Examination for individual operating x-ray equipment.** ~~After January 1, 1997, an individual in a facility with x-ray equipment for use on humans that is registered under subdivision 1 may not operate, nor may the facility allow the individual to operate, x-ray equipment unless the individual has passed an examination approved by the commissioner of health, or an examination determined to the satisfaction of the commissioner of health to be an equivalent national, state, or regional examination, that demonstrates the individual's knowledge of basic radiation safety, proper use of x-ray equipment, darkroom and film processing, and quality assurance procedures. The commissioner shall establish by rule criteria for the approval of examinations required for an individual operating an x-ray machine in Minnesota~~ (a) After January 1, 2008, an individual in a facility with x-ray equipment for use on humans that is registered under subdivision 1 may not operate, nor may the facility allow the individual to operate, x-ray equipment unless the individual has passed a national examination for limited x-ray machine operators that meets the requirements of paragraphs (b) and (c) and is approved by the commissioner of health.

(b) The commissioner shall establish criteria for the approval of examinations based on national standards, such as the examination in radiography from the American Registry of Radiologic Technologists, the examination for limited scope of practice in radiography from the American Registry of Radiologic Technologists for limited x-ray machine operators, and the American Registry of Chiropractic Radiography Technologists for limited radiography in spines and extremities; or equivalent examinations approved by other states. Equivalent examinations may be approved by the commissioner, if the examination is consistent with the standards for educational and psychological testing as recommended by the American Education Research Association, the American Psychological Association, the National Council on Measurement in Education, or the National Commission for Certifying Agencies. The organization proposing the use of an equivalent examination shall submit a fee to the commissioner of \$1,000 per examination to cover the cost of determining the extent to which the examination meets the examining standards. The collected fee shall be deposited in the state treasury and credited to the state government special revenue fund.

(c) The examination for limited x-ray machine operators must include:

(1) radiation protection, equipment maintenance and operation, image production and evaluation, and patient care and management; and

(2) at least one of the following regions of the human anatomy: chest, extremities, skull and sinus, spine, or ankle and foot. The examinations must include the anatomy of, and positioning for, the specific regions.

(d) A limited x-ray operator who is required to take an examination under this subdivision must submit to the commissioner an application for the examination, a \$25 processing fee, and the required examination fee set by the national organization offering the examination. The processing fee and the examination fee shall be deposited in the state treasury and credited to the state government special revenue fund. The commissioner shall submit the fee to the national organization providing the examination.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 2. Minnesota Statutes 2006, section 144.121, is amended by adding a subdivision to read:

Subd. 5a. **Limited x-ray machine operator practice.** (a) A limited x-ray operator may only practice medical radiography on limited regions of the human anatomy for which the operator has successfully passed an examination identified in subdivision 5, unless the operator meets one of the exemptions described in paragraph (b). The

operator may practice using only routine radiographic procedures, for the interpretation by and under the direction of a licensed practitioner, excluding computed tomography, the use of contrast media, and the use of fluoroscopic or mammographic equipment.

(b) This subdivision does not apply to:

(1) limited x-ray machine operators who passed the examination that was required before January 1, 2008;

(2) certified radiologic technologists, licensed dental hygienists, registered dental assistants, certified registered nurse anesthetists, and registered physician assistants;

(3) individuals who are licensed in Minnesota to practice medicine, osteopathy, chiropractic, podiatry, or dentistry; and

(4) individuals who are participating in a training course in any of the occupations listed in clause (2) or (3) for the duration and within the scope of the training course.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 3. Minnesota Statutes 2006, section 144.121, is amended by adding a subdivision to read:

Subd. 5b. **Variance of scope of practice.** The commissioner may grant a variance according to Minnesota Rules, parts 4717.7000 to 4717.7050, to a facility for the scope of practice of an x-ray operator in cases where the delivery of health care would otherwise be compromised if a variance were not granted. The request for a variance must be in writing, state the circumstances that constitute hardship, state the period of time the facility wishes to have the variance for the scope of practice in place, and state the alternative measures that will be taken if the variance is granted. The commissioner shall set forth in writing the reasons for granting or denying the variance. Variances granted by the commissioner specify in writing the time limitation and required alternative measures to be taken by the facility. A request for the variance shall be denied if the commissioner finds the circumstances stated by the facility do not support a claim of hardship, the requested time period for the variance is unreasonable, the alternative measures proposed by the facility are not equivalent to the scope of practice, or the request for the variance is not submitted to the commissioner in a timely manner.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 4. Minnesota Statutes 2006, section 147.02, subdivision 1, is amended to read:

Subdivision 1. **United States or Canadian medical school graduates.** The board shall issue a license to practice medicine to a person not currently licensed in another state or Canada and who meets the requirements in paragraphs (a) to (i).

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed an examination as described in clause (1) or (2).

(1) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the National Board of Medical Examiners, the Federation of State Medical Boards, the National Board of Medical Examiners, the Medical Council of Canada, or the appropriate state board that the board determines acceptable. The board shall by rule determine what constitutes a passing score in the examination.

(2) The applicant taking the United States Medical Licensing Examination (USMLE) must have passed steps one, two, and three ~~within a seven-year period. This seven-year period begins when the applicant first passes either step one or two, as applicable. Applicants actively enrolled in or graduated from accredited MD/PhD, MD/JD, MD/MBA, or MD/MPH dual degree programs or osteopathic equivalents must have passed each of steps one, two, and three within three attempts in seven years plus the time taken to obtain the non-MD degree or ten years, whichever occurs first. Step three must be passed within five years of passing step two, or before the end of residency training.~~ The applicant must pass each of steps one, two, and three with passing scores as recommended by the USMLE program within three attempts. The applicant taking combinations of Federation of State Medical Boards, National Board of Medical Examiners, and USMLE may be accepted only if the combination is approved by the board as comparable to existing comparable examination sequences and all examinations are completed prior to the year 2000.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.

(e) The applicant shall make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a fee established by the board by rule. The fee may not be refunded. Upon application or notice of license renewal, the board must provide notice to the applicant and to the person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:

- (1) state the dollar amount of the additional costs; and
- (2) clearly identify to the applicant the payment schedule of additional costs.

(g) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(h) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (g). If the applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

(i) If the examination in paragraph (c) was passed more than ten years ago, the applicant must either:

(1) pass the special purpose examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(2) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada.

Sec. 5. Minnesota Statutes 2006, section 147.02, is amended by adding a subdivision to read:

Subd. 1b. **Examination extension; medical reasons.** The board may grant an extension to the time period and to the number of attempts permitted to pass the United States Medical Licensing Examination (USMLE) as specified in subdivision 1, paragraph (c), clause (2), if an applicant has been diagnosed with a medical illness during the process of taking the USMLE but before passage of all steps, or fails to pass a step within three attempts due to the applicant's medical illness. Proof of the medical illness must be submitted to the board on forms and according to the timelines of the board.

Sec. 6. Minnesota Statutes 2006, section 147.037, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to any person who satisfies the requirements in paragraphs (a) to (g).

(a) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (e), (f), (g), and (h).

(b) The applicant shall present evidence satisfactory to the board that the applicant is a graduate of a medical or osteopathic school approved by the board as equivalent to accredited United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation, or other relevant data. If the applicant is a graduate of a medical or osteopathic program that is not accredited by the Liaison Committee for Medical Education or the American Osteopathic Association, the applicant ~~must~~ may use the Federation of State Medical Boards' Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses this service as ~~required~~ allowed under this paragraph, the physician application fee may be less than \$200 but must not exceed the cost of administering this paragraph.

(c) The applicant shall present evidence satisfactory to the board that the applicant has been awarded a certificate by the Educational Council for Foreign Medical Graduates, and the applicant has a working ability in the English language sufficient to communicate with patients and physicians and to engage in the practice of medicine.

(d) The applicant shall present evidence satisfactory to the board of the completion of two years of graduate, clinical medical training in a program located in the United States, its territories, or Canada and accredited by a national accrediting organization approved by the board. This requirement does not apply:

(1) to an applicant who is admitted as a permanent immigrant to the United States on or before October 1, 1991, as a person of exceptional ability in the sciences according to Code of Federal Regulations, title 20, section 656.22(d);

(2) to an applicant holding a valid license to practice medicine in another country and issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary ability in the field of science or as an outstanding professor or researcher according to Code of Federal Regulations, title 8, section 204.5(h) and (i), or a temporary nonimmigrant visa as a person of extraordinary ability in the field of science according to Code of Federal Regulations, title 8, section 214.2(o),

provided that a person under clause (1) or (2) is admitted pursuant to rules of the United States Department of Labor; or

(3) to an applicant who is licensed in another state, has practiced five years without disciplinary action in the United States, its territories, or Canada, has completed one year of the graduate, clinical medical training required by this paragraph, and has passed the Special Purpose Examination of the Federation of State Medical Boards within three attempts in the 24 months before licensing.

(e) The applicant must:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the United States Medical Licensing Examination program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2), or the Medical Council of Canada; and

(2) have a current license from the equivalent licensing agency in another state or country and, if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, of the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada.

(f) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

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

Sec. 7. Minnesota Statutes 2006, section 147A.27, subdivision 2, is amended to read:

Subd. 2. **Organization.** The council shall be organized and administered under section 15.059, ~~except that the advisory council shall expire on June 30, 2007.~~

Sec. 8. Minnesota Statutes 2006, section 147B.05, subdivision 2, is amended to read:

Subd. 2. **Administration; compensation; removal; quorum.** The advisory council is governed by section 15.059, ~~except that the council does not expire until June 30, 2007.~~

Sec. 9. Minnesota Statutes 2006, section 147C.35, subdivision 2, is amended to read:

Subd. 2. **Organization.** The advisory council shall be organized and administered under section 15.059. ~~The council expires June 30, 2007.~~

Sec. 10. Minnesota Statutes 2006, section 147D.25, subdivision 2, is amended to read:

Subd. 2. **Organization.** The advisory council shall be organized and administered under section 15.059. ~~The council expires June 30, 2007.~~

Sec. 11. Minnesota Statutes 2006, section 148.10, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) The state Board of Chiropractic Examiners may refuse to grant, or may revoke, suspend, condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the court administrator of the district court for:

(1) Advertising that is false or misleading; that violates a rule of the board; or that claims the cure of any condition or disease.

(2) The employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06 or conduct which subverts or attempts to subvert the licensing examination process.

(3) The practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name.

(4) The conviction of a crime involving moral turpitude.

(5) The conviction, during the previous five years, of a felony reasonably related to the practice of chiropractic.

(6) Habitual intemperance in the use of alcohol or drugs.

(7) Practicing under a license which has not been renewed.

(8) Advanced physical or mental disability.

(9) The revocation or suspension of a license to practice chiropractic; or other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country; or failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction.

(10) The violation of, or failure to comply with, the provisions of sections 148.01 to 148.105, the rules of the state Board of Chiropractic Examiners, or a lawful order of the board.

(11) Unprofessional conduct.

(12) Being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material, or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that the person can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to health data, obtain health data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a doctor of chiropractic comes under this clause. The health data may be requested from a provider, as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the Department of Human Services. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider or entity giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding.

(13) Aiding or abetting an unlicensed person in the practice of chiropractic, except that it is not a violation of this clause for a doctor of chiropractic to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of the license or registration or delegated authority.

(14) Improper management of health records, including failure to maintain adequate health records as described in clause (18), to comply with a patient's request made under section 144.335 or to furnish a health record or report required by law.

(15) Failure to make reports required by section 148.102, subdivisions 2 and 5, or to cooperate with an investigation of the board as required by section 148.104, or the submission of a knowingly false report against another doctor of chiropractic under section 148.10, subdivision 3.

(16) Splitting fees, or promising to pay a portion of a fee or a commission, or accepting a rebate.

(17) Revealing a privileged communication from or relating to a patient, except when otherwise required or permitted by law.

(18) Failing to keep written chiropractic records justifying the course of treatment of the patient, including, but not limited to, patient histories, examination results, test results, and x-rays. Unless otherwise required by law, written records need not be retained for more than seven years and x-rays need not be retained for more than four years.

(19) Exercising influence on the patient or client in such a manner as to exploit the patient or client for financial gain of the licensee or of a third party which shall include, but not be limited to, the promotion or sale of services, goods, or appliances.

(20) Gross or repeated malpractice or the failure to practice chiropractic at a level of care, skill, and treatment which is recognized by a reasonably prudent chiropractor as being acceptable under similar conditions and circumstances.

(21) Delegating professional responsibilities to a person when the licensee delegating such responsibilities knows or has reason to know that the person is not qualified by training, experience, or licensure to perform them.

(b) For the purposes of paragraph (a), clause (2), conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) For the purposes of paragraph (a), clauses (4) and (5), conviction as used in these subdivisions includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(d) For the purposes of paragraph (a), clauses (4), (5), and (6), a copy of the judgment or proceeding under seal of the administrator of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

(e) For the purposes of paragraph (a), clause (11), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

- (1) gross ignorance of, or incompetence in, the practice of chiropractic;
- (2) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;
- (3) performing unnecessary services;
- (4) charging a patient an unconscionable fee or charging for services not rendered;
- (5) directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;
- (6) perpetrating fraud upon patients, third-party payors, or others, relating to the practice of chiropractic, including violations of the Medicare or Medicaid laws or state medical assistance laws;
- (7) advertising that the licensee will accept for services rendered assigned payments from any third-party payer as payment in full, if the effect is to give the impression of eliminating the need of payment by the patient of any required deductible or co-payment applicable in the patient's health benefit plan; ~~or advertising a fee or charge for a service or treatment different from the fee or charge the licensee submits to a third party payer for that service or treatment.~~ As used in this clause, "advertise" means solicitation by the licensee by means of handbills, posters, circulars, motion pictures, radio, newspapers, television, or in any other manner. In addition to the board's power to punish for violations of this clause, violation of this clause is also a misdemeanor;
- (8) accepting for services rendered assigned payments from any third-party payer as payment in full, if the effect is to eliminate the need of payment by the patient of any required deductible or co-payment applicable in the patient's health benefit plan, ~~except as hereinafter provided; or collecting a fee or charge for a service or treatment different from the fee or charge the licensee submits to a third party payer for that service or treatment, except as hereinafter provided. This clause is intended to prohibit offerings to the public of the above listed practices and those actual practices as well, except that in instances where the intent is not to collect an excessive remuneration from the third party payer but rather to provide services at a reduced rate to a patient unable to afford the deductible or co payment, the services may be performed for a lesser charge or fee. The burden of proof for establishing that this is the case shall be on the licensee;~~ and
- (9) any other act that the board by rule may define.

Sec. 12. Minnesota Statutes 2006, section 148.515, subdivision 2, is amended to read:

Subd. 2. **Master's or doctoral degree required for speech-language pathology applicants.** (a) An applicant for speech-language pathology must possess a master's or doctoral degree that meets the requirements of paragraph (b). (b). If completing a doctoral program in which a master's degree has not been conferred, an applicant must submit a transcript showing completion of course work equivalent to, or exceeding, a master's degree that meets the requirement of paragraph (b).

(b) All of the speech-language pathology applicant's graduate coursework and clinical practicum required in the professional area for which licensure is sought must have been initiated and completed at an institution whose program meets the current requirements and was accredited by the Educational Standards Board of the Council on Academic Accreditation in Audiology and Speech-Language Pathology, a body recognized by the United States Department of Education, or an equivalent as determined by the commissioner, in the area for which licensure is sought.

Sec. 13. Minnesota Statutes 2006, section 148.515, is amended by adding a subdivision to read:

Subd. 2a. **Master's or doctoral degree required for audiology applicants.** (a) An applicant for audiology must possess a master's degree or doctoral degree that meets the following requirements:

(1) if graduate training is completed prior to August 30, 2007, an audiology applicant must possess a master's or doctoral degree in audiology from an accredited educational institution; or

(2) if graduate training is completed after August 30, 2007, an audiology applicant must possess a doctoral degree with an emphasis in audiology, or its equivalent as determined by the commissioner, from an accredited educational institution.

(b) All of the audiology applicant's graduate coursework and clinical practicum required in the professional area for which licensure is sought must have been initiated and completed at an institution whose program meets the current requirements and was accredited by the Educational Standards Board of the Council on Academic Accreditation in Audiology and Speech-Language Pathology, a body recognized by the United States Department of Education, or an equivalent as determined by the commissioner, in the area for which licensure is sought.

Sec. 14. Minnesota Statutes 2006, section 148.65, subdivision 2, is amended to read:

Subd. 2. **Physical therapist.** "Physical therapist" means a person licensed by the board who practices physical therapy as defined in sections 148.65 to 148.78.

Sec. 15. Minnesota Statutes 2006, section 148.65, subdivision 3, is amended to read:

Subd. 3. **Physical therapist assistant.** "Physical therapist assistant" means a ~~graduate of a physical therapist assistant educational program accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE) or a recognized comparable national accrediting agency approved by the board. The physical therapist assistant,~~ person licensed by the board who provides physical therapy under the direction and supervision of the a physical therapist, and who performs physical therapy interventions and assists with coordination, communication, and documentation; and patient-client-related instruction. The physical therapist is not required to be on-site except as required under Minnesota Rules, part 5601.1500, but must be easily available by telecommunications.

Sec. 16. Minnesota Statutes 2006, section 148.65, is amended by adding a subdivision to read:

Subd. 8. **Licensee.** "Licensee" means a person licensed as a physical therapist or a physical therapist assistant.

Sec. 17. Minnesota Statutes 2006, section 148.67, subdivision 1, is amended to read:

Subdivision 1. **Board of Physical Therapy appointed.** The governor shall appoint a state Board of Physical Therapy to administer sections 148.65 to 148.78, regarding the qualifications and examination of physical therapists and physical therapist assistants. The board shall consist of nine members, citizens and residents of the state of Minnesota, composed of ~~four~~ five physical therapists, one licensed and registered doctor of medicine, ~~one~~ two physical ~~therapy assistant~~ therapist assistants and three public members. The ~~four~~ physical therapist members and and

~~the physical therapist assistant members must be licensed physical therapists in this state. Each of the four physical therapist members must and~~ have at least five years' experience in physical therapy practice, physical therapy administration, or physical therapy education. The five years' experience must immediately precede appointment. Membership terms, compensation of members, removal of members, filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214. Each member of the board shall file with the secretary of state the constitutional oath of office before beginning the term of office.

Sec. 18. Minnesota Statutes 2006, section 148.70, is amended to read:

148.70 APPLICANTS, QUALIFICATIONS.

The Board of Physical Therapy must:

(1) establish the qualifications of applicants for licensing and continuing education requirements for ~~relicensing~~ renewal of licensure;

(2) provide for and conduct all examinations following satisfactory completion of all didactic requirements;

(3) determine the applicants who successfully pass the examination; and

(4) duly license an applicant after the applicant has presented evidence satisfactory to the board that the applicant ~~has completed an accredited physical therapy educational program of education or continuing education approved by the board~~ met all requirements for licensure as a physical therapist or physical therapist assistant.

~~The passing score for examinations taken after July 1, 1995, shall be based on objective, numerical standards, as established by a nationally recognized board approved testing service.~~

Sec. 19. Minnesota Statutes 2006, section 148.705, is amended to read:

148.705 APPLICATION.

Subdivision 1. Form; fee. An applicant for ~~licensing~~ licensure as a physical therapist or physical therapist assistant shall ~~file~~ submit a written application on forms provided by the board together with ~~a~~ the appropriate fee in the amount set by the board. No portion of the fee is refundable. No applicant will be approved to sit for the national examination until the application is complete, as determined by the board.

~~An approved program for physical therapists shall include the following:~~

(1) ~~a minimum of 60 academic semester credits or its equivalent from an accredited college, including courses in the biological and physical sciences; and~~

(2) ~~an accredited course in physical therapy education which has provided adequate instruction in the basic sciences, clinical sciences, and physical therapy theory and procedures, as determined by the board. In determining whether or not a course in physical therapy is approved, the board may take into consideration the accreditation of such schools by the appropriate council of the American Medical Association, the American Physical Therapy Association, or the Canadian Medical Association.~~

Subd. 2. Contents of application. (a) The application must include the following information:

(1) evidence satisfactory to the board that the applicant has met the educational requirements of section 148.721 or 148.722 as demonstrated by a certified copy of a transcript;

(2) recommendations by two physical therapists registered or licensed to practice physical therapy in the United States or Canada attesting to the applicant's ethical and moral character;

(3) a recent full-face photograph of the applicant attached to the application with the affidavit on the form completed and notarized;

(4) a record of the applicant's high school, college, and board-approved physical therapy school education listing the names, locations, dates of attendance, and diplomas, degrees, or certificates awarded;

(5) a record of the applicant's postgraduate work and military service;

(6) a listing of the United States jurisdictions, and countries in which the applicant is currently licensed or registered, or has been in the past, including the applicant's license or registration certificate number, the date the license or registration was obtained, and the method by which the license or registration was received;

(7) a record of the applicant's current and previous physical therapy practice experience;

(8) a record of disciplinary action taken on past complaints, refusal of licensure or registration, or denial of examination eligibility by another state board or physical therapy society against the applicant;

(9) a record of the applicant's personal use or administration of any controlled substances and any treatment for alcohol or drug abuse;

(10) a record by the applicant of any disease, illness, or injury that impairs the applicant's ability to practice physical therapy;

(11) a record of any convictions for crimes related to the practice of physical therapy, felonies, gross misdemeanors, and crimes involving moral turpitude;

(12) a listing of any memberships in a physical therapy professional association;

(13) the applicant's name and address;

(14) the applicant's Social Security number, alien registration card number, or tax identification number, whichever is applicable;

(15) completed copies of credentials verification forms provided by the board; and

(16) any information deemed necessary by the board to evaluate the applicant.

(b) A person who has previously practiced in another state shall submit the following information for the five-year period of active practice preceding the date of filing application in this state:

(1) the name and address of the person's professional liability insurer in the other state; and

(2) the number, date, and disposition of any malpractice settlement or award made to a plaintiff relating to the quality of services provided.

Sec. 20. Minnesota Statutes 2006, section 148.706, is amended to read:

148.706 SUPERVISION OF PHYSICAL THERAPIST ASSISTANTS, AIDES, AND STUDENTS.

Subdivision 1. **Supervision.** Every physical therapist who uses the services of a physical therapist assistant or physical therapy aide for the purpose of assisting in the practice of physical therapy is responsible for functions performed by the assistant or aide while engaged in such assistance. The physical therapist shall delegate duties to the physical therapist assistant and assign tasks to the physical therapy aide in accordance with ~~Minnesota Rules, part 5601.1400~~ subdivision 2. Physical therapists who instruct student physical therapists and student physical therapist assistants are responsible for the functions performed by the students and shall supervise the students as provided under section 148.65, subdivisions 5 and 6. A licensed physical therapist may supervise no more than two physical therapist assistants at any time.

Subd. 2. **Delegation of duties.** The physical therapist may delegate patient treatment procedures only to a physical therapist assistant who has sufficient didactic and clinical preparation. The physical therapist may not delegate the following activities to the physical therapist assistant or to other supportive personnel: patient evaluation, treatment planning, initial treatment, change of treatment, and initial or final documentation.

Subd. 3. **Observation of physical therapist assistants.** When components of a patient's treatment are delegated to a physical therapist assistant, a physical therapist must provide on-site observation of the treatment and documentation of its appropriateness at least every six treatment sessions. The physical therapist is not required to be on-site, but must be easily available by telecommunications.

Subd. 4. **Observation of physical therapy aides.** The physical therapist must observe the patient's status before and after the treatment administered by a physical therapy aide. The physical therapy aide may perform tasks related to preparation of patient and equipment for treatment, housekeeping, transportation, clerical duties, departmental maintenance, and selected treatment procedures. The tasks must be performed under the direct supervision of a physical therapist who is readily available for advice, instruction, or immediate assistance.

Sec. 21. Minnesota Statutes 2006, section 148.71, is amended to read:

148.71 LICENSING TEMPORARY PERMITS.

~~Subdivision 1. **Qualified applicant.** The state Board of Physical Therapy shall license as a physical therapist and shall furnish a license to an applicant who successfully passes an examination provided for in sections 148.65 to 148.78 for licensing as a physical therapist and who is otherwise qualified as required in sections 148.65 to 148.78.~~

Subd. 2. **Temporary permit Issuance.** (a) The board may, upon completion of the application prescribed by the board and payment of a fee set by the board, issue a temporary permit to practice physical therapy under supervision to a physical therapist who is a graduate of an approved school of physical therapy an applicant for licensure as a physical therapist or physical therapist assistant who meets the educational requirements of section 148.721 or 148.722 and qualified for admission to examination for licensing as a physical therapist or physical therapist assistant. A temporary permit ~~to practice physical therapy under supervision~~ may be issued only once and cannot be renewed. It expires 90 days after the next examination for licensing given by the board or on the date on which the board, after examination of the applicant, grants or denies the applicant a license to practice, whichever occurs first. A temporary permit expires on the first day the board begins its next examination for license after the permit is issued if the holder does not submit to examination on that date. The holder of a temporary permit to practice ~~physical therapy~~ under supervision may practice physical therapy as defined in section 148.65 if the entire practice is under the supervision of a person holding a valid license to practice physical therapy in this state. The supervision shall be direct, immediate, and on premises.

(b) ~~A physical therapist~~ An applicant from another state who is licensed or otherwise registered in good standing as a physical therapist by that state and meets the requirements for licensing under section 148.72 does not require supervision to practice physical therapy while holding a temporary permit in this state. The temporary permit remains valid only until the meeting of the board at which the application for licensing is considered.

Subd. 3. **~~Foreign-trained~~ Foreign-educated physical therapists; temporary permits.** (a) The Board of Physical Therapy may issue a temporary permit to a ~~foreign-trained~~ foreign-educated physical therapist who:

(1) is enrolled in a supervised physical therapy traineeship that meets the requirements under paragraph (b);

(2) has completed a physical therapy education program equivalent to that under section ~~148.705 and Minnesota Rules, part 5601.0800, subpart 2~~ 148.721, and has provided to the board a Foreign Credentialing Commission on Physical Therapy (FCCPT) comprehensive credentials evaluation (Type I certificate) or FCCPT educational credentials review demonstrating completion of the program;

(3) has achieved a passing score of at least 550 according to section 148.725, subdivision 3, on the test of English as a foreign language or a score of at least 85 on the Minnesota battery test an alternate equivalent examination, as determined by the board; and

(4) has paid a nonrefundable fee set by the board.

A ~~foreign-trained~~ foreign-educated physical therapist must have the temporary permit before beginning a traineeship.

(b) A supervised physical therapy traineeship must:

(1) be at least six months;

(2) be at a board-approved facility;

(3) provide a broad base of clinical experience to the ~~foreign-trained~~ foreign-educated physical therapist including a variety of physical agents, therapeutic exercises, evaluation procedures, and patient diagnoses;

(4) be supervised by a physical therapist who has at least three years of clinical experience and is licensed under subdivision 1; and

(5) be approved by the board before the ~~foreign-trained~~ foreign-educated physical therapist begins the traineeship.

(c) A temporary permit is effective on the first day of a traineeship and expires 90 days after the next examination for licensing given by the board following successful completion of the traineeship or on the date on which the board, after examination of the applicant, grants or denies the applicant a license to practice, whichever occurs first.

(d) A ~~foreign-trained~~ foreign-educated physical therapist must successfully complete a traineeship to be licensed as a physical therapist under subdivision 1. The traineeship may be waived for a ~~foreign-trained~~ foreign-educated physical therapist who is licensed or otherwise registered in good standing in another state and has successfully practiced physical therapy in that state under the supervision of a licensed or registered physical therapist for at least six months at a facility that meets the requirements under paragraph (b), clauses (2) and (3).

(e) A temporary permit will not be issued to a ~~foreign-trained~~ foreign-educated applicant who has been issued a temporary permit for longer than six months in any other state.

Sec. 22. **[148.721] EDUCATIONAL REQUIREMENTS FOR LICENSED PHYSICAL THERAPIST.**

Subdivision 1. **Accredited program.** All applicants for licensure as a physical therapist must complete a course in physical therapy education accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE) or which meets the accreditation requirements of CAPTE, as determined by the board.

Subd. 2. **General education.** In addition to completion of the accredited program required in subdivision 1, applicants must complete an additional 60 academic semester credits or its quarter equivalent from an institution of higher education that is accredited by a regional accrediting organization. Coursework used to satisfy this requirement may not have been earned as part of the accredited program requirement of subdivision 1.

Sec. 23. **[148.722] EDUCATIONAL REQUIREMENTS FOR LICENSED PHYSICAL THERAPIST ASSISTANT.**

All applicants for licensure as a physical therapist assistant must graduate from a physical therapist assistant educational program accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE) or meet its standards, as determined by the board.

Sec. 24. **[148.723] EXAMINATION FOR LICENSED PHYSICAL THERAPIST.**

Subdivision 1. **National test.** All applicants for licensure as a physical therapist must take and pass the National Physical Therapy Examination (NPTE) administered by the Federation of State Boards of Physical Therapy (FSBPT) or an alternate national examination determined by the board to be equivalent. For purposes of this section, passing scores are defined in subdivisions 2 and 3.

Subd. 2. **Examinations taken on or before July 1, 1995.** The passing score for qualifying examinations taken prior to July 1, 1995, is one standard deviation below the mean of all persons taking the examination.

Subd. 3. **Examinations taken after July 1, 1995.** The passing score for qualifying examinations taken after July 1, 1995, shall be based on objective, numerical standards established by the administering testing agency.

Sec. 25. **[148.724] EXAMINATION FOR LICENSED PHYSICAL THERAPIST ASSISTANT.**

Subdivision 1. **National test.** All applicants for licensure as a physical therapist assistant must take and pass the National Physical Therapy Examination (NPTE) for physical therapist assistants administered by the Federation of State Boards of Physical Therapy (FSBPT) or an alternate national examination determined by the board to be equivalent. For purposes of this section, passing scores are defined in subdivisions 2 to 4.

Subd. 2. **Examinations taken on or before July 1, 1995.** The passing score for qualifying examinations taken prior to July 1, 1995, is one standard deviation below the mean of all persons taking the examination.

Subd. 3. **Examinations taken after July 1, 1995.** The passing score for qualifying examinations taken after July 1, 1995, shall be based on objective, numerical standards established by the administering testing agency.

Subd. 4. **Grandparenting provision.** Applicants for licensure as a physical therapist assistant who meet the educational requirements of section 148.722 prior to September 1, 2007, are not required to take and pass the examination required by this section. This provision expires on July 1, 2008.

Sec. 26. **[148.725] REQUIREMENTS FOR FOREIGN-EDUCATED APPLICANTS.**

Subdivision 1. **Scope and documentation.** An applicant for licensure who is a foreign-educated physical therapist must fulfill the requirements in subdivisions 2 to 5, providing certified English translations of board-required relevant documentation.

Subd. 2. **Education evaluation.** The applicant must present evidence of completion of physical therapy schooling equivalent to that required in section 148.721 by having a Type I comprehensive credentials evaluation or educational credentials review performed by the Foreign Credentialing Commission on Physical Therapy (FCCPT). The evaluation must be sent directly to the board from the FCCPT. The applicant shall be responsible for the expenses incurred as a result of the evaluation.

Subd. 3. **English test.** If not completed as part of the FCCPT Type I comprehensive credentials evaluation, the applicant must demonstrate English language proficiency by taking the test of English as a foreign language examination (TOEFL) and achieving a passing score as established by the board, or a passing score on a comparable nationally recognized examination approved by the board. For purposes of this subdivision, the passing score adopted by the board shall be applied prospectively.

Subd. 4. **Experience.** The applicant must have practiced satisfactorily for at least six months under the supervision of a licensed physical therapist at a board-approved facility. A facility that offers such practice must provide a broad base of experience including a variety of physical agents, therapeutic exercises, evaluation procedures, and patient diagnoses. Supervision must be provided by a licensed physical therapist with at least three years of clinical experience. A proposed outline of clinical experiences must be approved by the board before the facility begins offering the experience.

Subd. 5. **Examination.** The applicant must satisfactorily complete the board-approved examination as stated in section 148.72 or 148.73.

Sec. 27. Minnesota Statutes 2006, section 148.73, is amended to read:

148.73 RENEWALS.

Every licensed physical therapist ~~and physical therapist assistant shall, during each January before January 1 each year,~~ apply to the board for an extension of a license and pay a fee in the amount set by the board. The extension of the license is contingent upon demonstration that the continuing education requirements set by the board under section 148.70 have been satisfied. For purposes of this section, the continuing education requirements for physical therapist assistants are the same as those for physical therapists.

Sec. 28. Minnesota Statutes 2006, section 148.735, is amended to read:

148.735 CANCELLATION OF LICENSE IN GOOD STANDING.

Subdivision 1. **Board approval; reporting.** A physical therapist or physical therapist assistant holding an active license to practice physical therapy in the state may, upon approval of the board, be granted license cancellation if the board is not investigating the person as a result of a complaint or information received or if the board has not begun disciplinary proceedings against the person. Such action by the board shall be reported as a cancellation of a license in good standing.

Subd. 2. **Fees nonrefundable.** A physical therapist or physical therapist assistant who receives board approval for license cancellation is not entitled to a refund of any license fees paid for the licensure year in which cancellation of the license occurred.

Subd. 3. **New license after cancellation.** If a physical therapist or physical therapist assistant who has been granted board approval for license cancellation desires to resume the practice of physical therapy in Minnesota, that physical therapist or physical therapist assistant must obtain a new license by applying for licensure and fulfilling the requirements then in existence for obtaining an initial license to practice physical therapy in Minnesota.

Sec. 29. Minnesota Statutes 2006, section 148.736, subdivision 1, is amended to read:

Subdivision 1. **Board approval; reporting.** A physical therapist; or physical therapist assistant whose right to practice is under suspension, condition, limitation, qualification, or restriction by the board may be granted cancellation of credentials by approval of the board. Such action by the board shall be reported as cancellation while under discipline. Credentials, for purposes of this section, means board authorized documentation of the privilege to practice physical therapy.

Sec. 30. Minnesota Statutes 2006, section 148.74, is amended to read:

148.74 RULES.

The board may adopt rules needed to carry out sections 148.65 to 148.78. ~~The secretary treasurer of the board shall keep a record of proceedings under these sections and a register of all persons licensed under it. The register shall show the name, address, date and number of the license, and the renewal of the license. Any other interested person in the state may obtain a copy of the list on request to the board upon paying an amount fixed by the board. The amount shall not exceed the cost of the list furnished. The board shall provide blanks, books, certificates, and stationery and assistance necessary to transact business of the board. All money received by the board under sections 148.65 to 148.78 shall be paid into the state treasury as provided for by law. The board shall set by rule the amounts of the application fee and the annual licensing fee. The fees collected by the board must be sufficient to cover the costs of administering sections 148.65 to 148.78.~~

Sec. 31. Minnesota Statutes 2006, section 148.75, is amended to read:

148.75 LICENSES; DENIAL, SUSPENSION, REVOCATION DISCIPLINARY ACTION.

(a) ~~The state board of Physical Therapy may refuse to grant a license to any physical therapist, or may suspend or revoke the license of any physical therapist for any of the following grounds may impose disciplinary action specified in paragraph (b) against an applicant or licensee whom the board, by a preponderance of the evidence, determines:~~

~~(1) using drugs or intoxicating liquors to an extent which affects professional competence;~~

~~(2) conviction of a felony;~~

(1) has violated a statute, rule, order, or agreement for corrective action that the board issued or is otherwise authorized or empowered to enforce;

(2) is unable to practice physical therapy with reasonable skill and safety by reason of any mental or physical illness or condition, including deterioration through the aging process or loss of motor skills, or use of alcohol, drugs, narcotics, chemicals, or any other type of material;

(3) has been convicted of or has pled guilty or nolo contendere to a felony or other crime, an element of which is dishonesty or fraud, or has been shown to have engaged in acts or practices tending to show that the applicant or licensee is incompetent or has engaged in conduct reflecting adversely on the applicant's or licensee's ability or fitness to engage in the practice of physical therapy;

~~(3) conviction for~~ (4) has been convicted of violating any state or federal narcotic law;

~~(4) obtaining~~ (5) has obtained or attempted to obtain a license or attempting to obtain a license or approval of continuing education activities, or passed an examination, by fraud or deception;

~~(5) conduct unbecoming a person licensed as a physical therapist or conduct detrimental to the best interests of the public;~~

(6) has engaged in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;

~~(6)~~ (7) has engaged in gross negligence in the practice of physical therapy as a physical therapist;

~~(7) treating~~ (8) has treated human ailments by physical therapy after an initial 30-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state in the practice of medicine as defined in section 147.081, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05 and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by board of physical therapy rule;

~~(8) treating~~ (9) has treated human ailments, without referral, by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records;

~~(9) failing~~ (10) has failed to consult with the patient's health care provider who prescribed the physical therapy treatment if the treatment is altered by the physical therapist from the original written order. The provision does not include written orders to "evaluate and treat";

~~(10) treating human ailments other than by physical therapy unless duly licensed or registered to do so under the laws of this state;~~

~~(11) inappropriate delegation~~ has inappropriately delegated to a physical therapist assistant or inappropriate task assignment inappropriately assigned tasks to an aide, or inadequate supervision of inadequately supervised a student physical therapist, physical therapist assistant, student physical therapist assistant, or a physical therapy aide;

~~(12) practicing~~ has practiced as a physical therapist performing medical diagnosis, the practice of medicine as defined in section 147.081, or the practice of chiropractic as defined in section 148.01;

~~(13) failing~~ has failed to comply with a reasonable request to obtain appropriate clearance for mental or physical conditions that would interfere with the ability to practice physical therapy, and that may be potentially harmful to patients;

~~(14) dividing~~ has divided fees with, or paying or promising to pay a commission or part of the fee to, any person who contacts the physical therapist for consultation or sends patients to the physical therapist for treatment;

~~(15) engaging~~ has engaged in an incentive payment arrangement, other than that prohibited by clause (14), that tends to promote physical therapy overuse, that allows the referring person or person who controls the availability of physical therapy services to a client to profit unreasonably as a result of patient treatment;

(16) ~~practicing physical therapy and failing~~ has failed to refer to a licensed health care professional a patient whose medical condition at the time of evaluation has been determined by the physical therapist to be beyond the scope of practice of a physical therapist;

(17) ~~failing~~ has failed to report to the board other ~~licensed physical therapists~~ licensees who violate this section;
~~and~~

(18) ~~practicing~~ has engaged in the practice of physical therapy under lapsed or nonrenewed credentials;

(19) has had a license, certificate, charter, registration, privilege to take an examination, or other similar authority denied, revoked, suspended, canceled, limited, reprimanded, or otherwise disciplined, or not renewed for cause in any jurisdiction; or has surrendered or voluntarily terminated a license or certificate during a board investigation of a complaint, as part of a disciplinary order, or while under a disciplinary order;

(20) has been subject to a corrective action or similar action in another jurisdiction or by another regulatory authority; or

(21) has failed to cooperate with an investigation of the board, including responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation, executing all releases requested by the board, providing copies of patient records, as reasonably requested by the board to assist it in its investigation, and appearing at conferences or hearings scheduled by the board or its staff.

(b) If grounds for disciplinary action exist under paragraph (a), the board may take one or more of the following actions:

(1) deny the application for licensure;

(2) deny the renewal of the license;

(3) revoke the license;

(4) suspend the license;

(5) impose limitations or conditions on the licensee's practice of physical therapy, including the: (i) limitation of scope of practice to designated field specialties; (ii) imposition of retraining or rehabilitation requirements; (iii) requirement of practice under supervision; or (iv) conditioning of continued practice on demonstration of knowledge or skills by appropriate examination, monitoring, or other review of skill and competence;

(6) impose a civil penalty not to exceed \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the physical therapist of any economic advantage gained by reason of the violation charged, to discourage similar violations, or to reimburse the board for the cost of the investigation and proceeding including, but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members;

(7) order the licensee to provide unremunerated service;

(8) censure or reprimand the licensee; or

(9) any other action as allowed by law and justified by the facts of the case.

~~(b)~~ (c) A license to practice as a physical therapist or physical therapist assistant is automatically suspended if (1) a guardian of the ~~physical therapist licensee~~ is appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons other than the minority of the ~~physical therapist licensee~~; or (2) the ~~physical therapist licensee~~ is committed by order of a court pursuant to chapter 253B. The license remains suspended until the ~~physical therapist licensee~~ is restored to capacity by a court and, upon petition by the ~~physical therapist licensee~~, the suspension is terminated by the Board of Physical Therapy after a hearing.

Sec. 32. Minnesota Statutes 2006, section 148.754, is amended to read:

148.754 EXAMINATION; ACCESS TO MEDICAL DATA.

(a) If the board has probable cause to believe that a ~~physical therapist licensee~~ comes under section 148.75, paragraph (a), ~~clause (2)~~, it may direct the ~~physical therapist licensee~~ to submit to a mental or physical examination. For the purpose of this paragraph, every ~~physical therapist licensee~~ is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that they constitute a privileged communication. Failure of the ~~physical therapist licensee~~ to submit to an examination when directed constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A ~~physical therapist licensee~~ affected under this paragraph shall, at reasonable intervals, be given an opportunity to demonstrate that the person can resume the competent practice of physical therapy with reasonable skill and safety to the public.

(b) In any proceeding under paragraph (a), neither the record of proceedings nor the orders entered by the board shall be used against a ~~physical therapist licensee~~ in any other proceeding.

(c) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a ~~physical therapist licensee~~ or applicant without the person's or applicant's consent if the board has probable cause to believe that a ~~physical therapist licensee~~ ~~the person~~ comes under paragraph (a). The medical data may be requested from a provider, as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the Department of Human Services. A provider, insurance company, or government agency shall comply with any written request of the board under this paragraph and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this paragraph, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this paragraph is classified as private under sections 13.01 to 13.87.

Sec. 33. Minnesota Statutes 2006, section 148.755, is amended to read:

148.755 TEMPORARY SUSPENSION OF LICENSE.

In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the license of a ~~physical therapist licensee~~ if the board finds that the ~~physical therapist licensee~~ has violated a statute or rule which the board is empowered to enforce and continued practice by the ~~physical therapist licensee~~ would create a serious risk of harm to the public. The suspension shall take effect upon written notice to the ~~physical therapist licensee~~, specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act, chapter 14. The ~~physical therapist licensee~~ shall be provided with at least 20 days' notice of any hearing held pursuant to this section. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

Sec. 34. Minnesota Statutes 2006, section 148.76, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** No person shall:

(1) provide physical therapy unless the person is licensed as a physical therapist or physical therapist assistant under sections 148.65 to 148.78;

(2) use the title of physical therapist without a license as a physical therapist or use the title physical therapist assistant without a license as a physical therapist assistant issued under sections 148.65 to 148.78;

(3) in any manner hold out as a physical therapist, or use in connection with the person's name the words or letters Physical Therapist, Physiotherapist, Physical Therapy Technician, Registered Physical Therapist, Licensed Physical Therapist, PT, PTT, RPT, LPT, or any letters, words, abbreviations or insignia indicating or implying that the person is a physical therapist, without a license as a physical therapist issued under sections 148.65 to 148.78. To do so is a gross misdemeanor;

(4) in any manner hold out as a physical therapist assistant, or use in connection with the person's name the words or letters Physical Therapist Assistant, P.T.A., or any letters, words, abbreviations, or insignia indicating or implying that the person is a physical therapist assistant, without a license as a physical therapist assistant under sections 148.65 to 148.78. To do so is a gross misdemeanor; or

~~(4)~~ (5) employ fraud or deception in applying for or securing a license as a physical therapist or physical therapist assistant.

Nothing in sections 148.65 to 148.78 prohibits a person licensed or registered in this state under another law from carrying out the therapy or practice for which the person is duly licensed or registered.

Sec. 35. Minnesota Statutes 2006, section 148.78, is amended to read:

148.78 PROSECUTION, ALLEGATIONS.

In the prosecution of any person for violation of sections 148.65 to 148.78 as specified in section 148.76, it shall not be necessary to allege or prove want of a valid license as a physical therapist or physical therapist assistant, but shall be a matter of defense to be established by the accused.

Sec. 36. **[148.785] FEES.**

The fees charged by the board are fixed at the following rates:

(1) application fee for physical therapists and physical therapist assistants, \$100;

(2) annual licensure for physical therapists and physical therapist assistants, \$60;

(3) licensure renewal late fee, \$20;

(4) temporary permit, \$25;

(5) duplicate license or registration, \$20;

(6) certification letter, \$25;

(7) education or training program approval, \$100;

(8) report creation and generation, \$60 per hour billed in quarter-hour increments with a quarter-hour minimum;
and

(9) examination administration:

(i) half day, \$50; and

(ii) full day, \$80.

Sec. 37. Minnesota Statutes 2006, section 148B.50, subdivision 5, is amended to read:

Subd. 5. **Scope of practice.** (a) The scope of practice of a licensed professional counselor includes, but is not limited to:

(1) the implementation of professional counseling treatment interventions including evaluation, treatment planning, assessment, and referral;

(2) direct counseling services to individuals, groups, and families;

(3) counseling strategies that effectively respond to multicultural populations;

(4) knowledge of relevant laws and ethics impacting practice;

(5) crisis intervention;

(6) consultation; and

(7) program evaluation and applied research.

(b) For the purposes of paragraph (a), clause (1), "professional counseling treatment interventions" means the application of cognitive, affective, behavioral, systemic, and community counseling strategies which include principles of human development, wellness, and pathology. Counselors provide mental health services for clients whose symptoms significantly interfere with daily functioning and would most likely not improve in a reasonable time period without intervention.

(c) Licensed professional counseling does not include activities or services undertaken by persons listed in section 148B.592, or the performance of any act that licensed professional counselors are not educated and trained to perform.

~~(d) In order to evaluate and treat mental illness, a licensed professional counselor must complete the postgraduate training specified in section 245.462, subdivision 18, clause (6), or 245.4871, subdivision 27, clause (6).~~

Sec. 38. Minnesota Statutes 2006, section 148B.53, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) To be licensed as a licensed professional counselor (LPC), an applicant must provide evidence satisfactory to the board that the applicant:

(1) is at least 18 years of age;

(2) is of good moral character;

(3) has completed a master's or doctoral degree program in counseling or a related field, as determined by the board based on the criteria in paragraph (b), that includes a minimum of 48 semester hours or 72 quarter hours and a supervised field experience of not fewer than 700 hours that is counseling in nature;

(4) has submitted to the board a plan for supervision during the first 2,000 hours of professional practice or has submitted proof of supervised professional practice that is acceptable to the board; and

(5) has demonstrated competence in professional counseling by passing the National Counseling Exam (NCE) administered by the National Board for Certified Counselors, Inc. (NBCC) or an equivalent national examination as determined by the board, and ethical, oral, and situational examinations if prescribed by the board.

(b) The degree described in paragraph (a), clause (3), must be from a counseling program recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP) or from an institution of higher education that is accredited by a regional accrediting organization recognized by the Council for Higher Education Accreditation (CHEA). ~~Except as provided in paragraph (c),~~ Specific academic course content and training must include ~~course work~~ course work in each of the following subject areas:

(1) the helping relationship, including counseling theory and practice;

(2) human growth and development;

(3) lifestyle and career development;

(4) group dynamics, processes, counseling, and consulting;

(5) assessment and appraisal;

(6) social and cultural foundations, including multicultural issues;

(7) principles of etiology, treatment planning, and prevention of mental and emotional disorders and dysfunctional behavior;

(8) family counseling and therapy;

(9) research and evaluation; and

(10) professional counseling orientation and ethics.

(c) To be licensed as a professional counselor, a psychological practitioner licensed under section 148.908 need only show evidence of licensure under that section and is not required to comply with paragraph (a), clauses (1) to (3) and (5), or paragraph (b).

(d) To be licensed as a professional counselor, a Minnesota licensed psychologist need only show evidence of licensure from the Minnesota Board of Psychology and is not required to comply with paragraph (a) or (b).

~~(e) If the degree described in paragraph (a), clause (3), is from a counseling program recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP), the applicant is deemed to have met the specific course work requirements of paragraph (b).~~

Sec. 39. Minnesota Statutes 2006, section 148B.53, subdivision 3, is amended to read:

Subd. 3. **Fee.** Nonrefundable fees are as follows:

- (1) initial license application fee for licensed professional counseling (LPC) - ~~\$250~~ \$150;
- (2) initial license fee for LPC - \$250;
- (3) annual active license renewal fee for LPC - ~~\$200~~ \$250 or equivalent;
- (~~3~~) (4) annual inactive license renewal fee for LPC - ~~\$100~~ \$125;
- (5) initial license application fee for licensed professional clinical counseling (LPCC) - \$150;
- (6) initial license fee for LPCC - \$250;
- (7) annual active license renewal fee for LPCC - \$250 or equivalent;
- (8) annual inactive license renewal fee for LPCC - \$125;
- (~~4~~) (9) license renewal late fee - \$100 per month or portion thereof;
- (~~5~~) (10) copy of board order or stipulation - \$10;
- (~~6~~) (11) certificate of good standing or license verification - ~~\$10~~ \$25;
- (~~7~~) (12) duplicate certificate fee - ~~\$10~~ \$25;
- (~~8~~) (13) professional firm renewal fee - \$25;
- (~~9~~) (14) sponsor application for approval of a continuing education course - \$60;
- (15) initial registration fee - \$50; and
- (~~10~~) (16) annual registration renewal fee - \$25; and
- (17) approved supervisor application processing fee - \$30.

Sec. 40. **[148B.5301] REQUIREMENTS FOR LICENSURE AS A LICENSED PROFESSIONAL CLINICAL COUNSELOR.**

Subdivision 1. **General requirements.** (a) To be licensed as a licensed professional clinical counselor (LPCC), an applicant must provide satisfactory evidence to the board that the applicant:

- (1) is at least 18 years of age;
- (2) is of good moral character;
- (3) has completed a masters or doctoral degree program in counseling or a related field, as determined by the board based on the criteria in items (i) to (x), that includes a minimum of 48 semester hours or 72 quarter hours and a supervised field experience in counseling that is not fewer than 700 hours. The degree must be from a counseling

program recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP) or from an institution of higher education that is accredited by a regional accrediting organization recognized by the Council for Higher Education Accreditation (CHEA). Specific academic course content and training must include coursework in each of the following subject areas:

(i) helping relationship, including counseling theory and practice;

(ii) human growth and development;

(iii) lifestyle and career development;

(iv) group dynamics, processes, counseling, and consulting;

(v) assessment and appraisal;

(vi) social and cultural foundations, including multicultural issues;

(vii) principles of etiology, treatment planning, and prevention of mental and emotional disorders and dysfunctional behavior;

(viii) family counseling and therapy;

(ix) research and evaluation; and

(x) professional counseling orientation and ethics;

(4) has demonstrated competence in professional counseling by passing the National Clinical Mental Health Counseling Examination (NCMHCE), administered by the National Board for Certified Counselors, Inc. (NBCC) and ethical, oral, and situational examinations as prescribed by the board. In lieu of the NCMHCE, applicants who have taken and passed the National Counselor Examination (NCE) administered by the NBCC, or another board-approved examination, need only take and pass the Examination of Clinical Counseling Practice (ECCP) administered by the NBCC;

(5) has earned graduate-level semester credits or quarter-credit equivalents in the following clinical content areas as follows:

(i) six credits in diagnostic assessment for child or adult mental disorders; normative development; and psychopathology, including developmental psychopathology;

(ii) three credits in clinical treatment planning, with measurable goals;

(iii) six credits in clinical intervention methods informed by research evidence and community standards of practice;

(iv) three credits in evaluation methodologies regarding the effectiveness of interventions;

(v) three credits in professional ethics applied to clinical practice; and

(vi) three credits in cultural diversity; and

(6) has demonstrated successful completion of 4,000 hours of supervised, postmasters degree professional practice in the delivery of clinical services in the diagnosis and treatment of child and adult mental illnesses and disorders, conducted according to subdivision 2.

(b) If coursework in paragraph (a) was not completed as part of the degree program required by paragraph (a), clause (3), the coursework must be taken and passed for credit, and must be earned from a counseling program or institution that meets the requirements of paragraph (a), clause (3).

Subd. 2. Supervision. (a) To qualify as a LPCC, an applicant must have completed 4,000 hours of postmasters degree supervised professional practice in the delivery of clinical services in the diagnosis and treatment of mental illnesses and disorders in both children and adults. The supervised practice shall be conducted according to the requirements in paragraphs (b) to (e).

(b) The supervision must have been received under a contract that defines clinical practice and supervision from a mental health professional as defined in section 245.462, subdivision 18, clauses (1) to (6), or section 245.4871, subdivision 27, clauses (1) to (6), or by a board-approved supervisor, who has at least two years of postlicensure experience in the delivery of clinical services in the diagnosis and treatment of mental illnesses and disorders.

(c) The supervision must be obtained at the rate of two hours of supervision per 40 hours of professional practice. The supervision must be evenly distributed over the course of the supervised professional practice. At least 75 percent of the required supervision hours must be received in person. The remaining 25 percent of the required hours may be received by telephone or by audio or audiovisual electronic device. At least 50 percent of the required hours of supervision must be received on an individual basis. The remaining 50 percent may be received in a group setting.

(d) The supervised practice must include at least 1,800 hours of clinical client contact.

(e) The supervised practice must be clinical practice. Supervision includes the observation by the supervisor of the successful application of professional counseling knowledge, skills, and values in the differential diagnosis and treatment of psychosocial function, disability, or impairment, including addictions and emotional, mental, and behavioral disorders.

Subd. 3. Conversion from licensed professional counselor to licensed professional clinical counselor. (a) Until August 1, 2011, an individual currently licensed in the state of Minnesota as a licensed professional counselor may convert to a LPCC by providing evidence satisfactory to the board that the applicant has met the following requirements:

(1) is at least 18 years of age;

(2) is of good moral character;

(3) has a license that is active and in good standing;

(4) has no complaints pending, uncompleted disciplinary orders, or corrective action agreements;

(5) has completed a masters or doctoral degree program in counseling or a related field, as determined by the board, and whose degree was from a counseling program recognized by CACREP or from an institution of higher education that is accredited by a regional accrediting organization recognized by CHEA;

(6) has earned 24 graduate-level semester credits or quarter-credit equivalents in clinical coursework which includes content in the following clinical areas:

(i) diagnostic assessment for child and adult mental disorders; normative development; and psychopathology, including developmental psychopathology;

(ii) clinical treatment planning, with measurable goals;

(iii) clinical intervention methods informed by research evidence and community standards of practice;

(iv) evaluation methodologies regarding the effectiveness of interventions;

(v) professional ethics applied to clinical practice; and

(vi) cultural diversity;

(7) has demonstrated, to the satisfaction of the board, successful completion of 4,000 hours of supervised, postmasters degree professional practice in the delivery of clinical services in the diagnosis and treatment of child and adult mental illnesses and disorders; and

(8) has paid the LPCC application and licensure fees required in section 148B.53, subdivision 3.

(b) If the coursework in paragraph (a) was not completed as part of the degree program required by paragraph (a), clause (5), the coursework must be taken and passed for credit, and must be earned from a counseling program or institution that meets the requirements in paragraph (a), clause (5).

(c) This subdivision expires August 1, 2011.

Subd. 4. Conversion to licensed professional clinical counselor after August 1, 2011. An individual licensed in the state of Minnesota as a licensed professional counselor may convert to a LPCC by providing evidence satisfactory to the board that the applicant has met the requirements of subdivisions 1 and 2, subject to the following:

(1) the individual's license must be active and in good standing;

(2) the individual must not have any complaints pending, uncompleted disciplinary orders, or corrective action agreements; and

(3) the individual has paid the LPCC application and licensure fees required in section 148B.53, subdivision 3.

Subd. 5. Scope of practice. The scope of practice of a LPCC shall include all those services provided by mental health professionals as defined in section 245.462, subdivision 18, and section 245.4871, subdivision 27.

Subd. 6. Jurisdiction. LPCC's are subject to the board's statutes and rules to the same extent as licensed professional counselors.

Sec. 41. [148B.532] DEGREES FROM FOREIGN INSTITUTIONS.

Subdivision 1. Scope and documentation. In addition to meeting all other licensure requirements, an applicant for licensure whose degree was received from a foreign degree program that is not recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP) or from a foreign institution of higher

education that is not accredited by a regional accrediting organization recognized by the Council for Higher Education Accreditation (CHEA) must fulfill the requirements of this section, providing certified English translations of board-required relevant documentation.

Subd. 2. **Education evaluation.** An applicant for licensure as a licensed professional counselor must present evidence of completion of a degree equivalent to that required in section 148B.53, subdivision 1, paragraph (a), clause (3), and paragraph (b). An applicant for licensure as licensed professional clinical counselor must present evidence of completion of a degree equivalent to that required in section 148B.5301, subdivision 1, paragraph (a), clause (3). This evidence must be evaluated by the board with the assistance of a credentials evaluation service familiar with educational standards and professional qualification. The evaluation must be sent directly to the board from the evaluating agency. Agencies providing evaluation services must be accepted by the National Board for Certified Counselors, Inc. The applicant shall be responsible for the expenses incurred as a result of the evaluation.

Sec. 42. Minnesota Statutes 2006, section 148B.555, is amended to read:

148B.555 EXPERIENCED COUNSELOR TRANSITION.

(a) An applicant for licensure who, prior to December 31, 2003, completed a master's or doctoral degree program in counseling or a related field, as determined by the board, and whose degree was from a counseling program recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP) or from an institution of higher education that is accredited by a regional accrediting organization recognized by the Council for Higher Education Accreditation (CHEA), need not comply with the requirements of section 148B.53, subdivision 1, paragraph (a), clause (3), or (b), so long as the applicant can document five years of full-time postdegree work experience within the practice of professional counseling as defined under section 148B.50, subdivisions 4 and 5.

(b) This section expires July 1, ~~2007~~ 2008.

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

Sec. 43. Minnesota Statutes 2006, section 148C.12, is amended by adding a subdivision to read:

Subd. 12. **Sponsor application fee.** The fee for sponsor application for approval of a continuing education course is \$60.

Sec. 44. Minnesota Statutes 2006, section 148C.12, is amended by adding a subdivision to read:

Subd. 13. **Order or stipulation fee.** The fee for a copy of a board order or stipulation is \$10.

Sec. 45. Minnesota Statutes 2006, section 148C.12, is amended by adding a subdivision to read:

Subd. 14. **Duplicate certificate fee.** The fee for a duplicate certificate is \$25.

Sec. 46. Minnesota Statutes 2006, section 148C.12, is amended by adding a subdivision to read:

Subd. 15. **Supervisor application processing fee.** The fee for licensure supervisor application processing is \$30.

Sec. 47. Minnesota Statutes 2006, section 148D.050, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** ~~The practice of social work~~ A person licensed under section 148D.055 or 148D.061 must comply with the requirements of subdivision 2, 3, 4, or 5.

Sec. 48. Minnesota Statutes 2006, section 148D.055, subdivision 2, is amended to read:

Subd. 2. **Qualifications for licensure by examination as a licensed social worker.** (a) ~~Except as provided in paragraph (i),~~ To be licensed as a licensed social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a baccalaureate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board;

(2) has passed the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement pursuant to subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board. The examination may be taken prior to completing degree requirements;

(3) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148D.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(4) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check pursuant to subdivision 8;

(5) has paid the applicable license fee specified in section 148D.180; and

(6) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148D.195 to 148D.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action pursuant to sections 148D.255 to 148D.270.

(b) An application that is not completed and signed, or that is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) A licensee granted a license by the board pursuant to paragraph (a) must meet the supervised practice requirements specified in sections 148D.100 to 148D.125. If a licensee does not meet the supervised practice requirements, the board may take action pursuant to sections 148D.255 to 148D.270.

(d) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(e) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board pursuant to paragraph (d). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(f) Except as provided in paragraph (g), an applicant may not take more than three times the bachelors or equivalent examination administered by the Association of Social Work Boards, or a similar examination body designated by the board. An applicant must receive a passing score on the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board in no more than 18 months after the date the applicant first failed the examination.

(g) Notwithstanding paragraph (f), the board may allow an applicant to take, for a fourth or subsequent time, the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (e) other than passing the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically in accordance with professional social work knowledge, skills, and values.

(h) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148D.060. If the board has reason to believe that an applicant may be practicing social work without a license, and the applicant has failed the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

~~(i) An applicant who was born in a foreign country, who has taken and failed to pass the examination specified in paragraph (a), clause (2), at least once since January 1, 2000, and for whom English is a second language, is eligible for licensure as a social worker if the applicant:~~

~~(1) provides evidence to the board of compliance with the requirements in paragraph (a), clauses (1) and (3) to (6), and in paragraphs (b) to (e) and (h); and~~

~~(2) provides to the board letters of recommendation and experience ratings from two licensed social workers and one professor from the applicant's social work program who can attest to the applicant's competence.~~

~~This paragraph expires August 1, 2007.~~

Sec. 49. Minnesota Statutes 2006, section 148D.055, subdivision 3, is amended to read:

Subd. 3. **Qualifications for licensure by examination as licensed graduate social worker.** (a) ~~Except as provided in paragraph (i),~~ To be licensed as a licensed graduate social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board;

(2) has passed the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement pursuant to section 148D.055, subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board. The examination may be taken prior to completing degree requirements;

(3) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148D.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(4) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check pursuant to subdivision 8;

(5) has paid the applicable license fee specified in section 148D.180; and

(6) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148D.195 to 148D.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action pursuant to sections 148D.255 to 148D.270.

(b) An application which is not completed and signed, or which is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) A licensee granted a license by the board pursuant to paragraph (a) must meet the supervised practice requirements specified in sections 148D.100 to 148D.125. If a licensee does not meet the supervised practice requirements, the board may take action pursuant to sections 148D.255 to 148D.270.

(d) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(e) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board pursuant to paragraph (d). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(f) Except as provided in paragraph (g), an applicant may not take more than three times the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. An applicant must receive a passing score on the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board in no more than 18 months after the date the applicant first failed the examination.

(g) Notwithstanding paragraph (f), the board may allow an applicant to take, for a fourth or subsequent time, the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (e) other than passing the masters or equivalent examination administered by the Association of Social Work boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically in accordance with professional social work knowledge, skills, and values.

(h) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148D.060. If the board has reason to believe that an applicant may be practicing social work without a license, and the applicant has failed the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

~~(i) An applicant who was born in a foreign country, who has taken and failed to pass the examination specified in paragraph (a), clause (2), at least once since January 1, 2000, and for whom English is a second language, is eligible for licensure as a social worker if the applicant:~~

~~(1) provides evidence to the board of compliance with the requirements in paragraph (a), clauses (1) and (3) to (6), and in paragraphs (b) to (e) and (h); and~~

~~(2) provides to the board letters of recommendation and experience ratings from two licensed social workers and one professor from the applicant's social work program who can attest to the applicant's competence.~~

~~This paragraph expires August 1, 2007.~~

Sec. 50. Minnesota Statutes 2006, section 148D.055, subdivision 4, is amended to read:

Subd. 4. **Licensure by examination; licensed independent social worker.** (a) ~~Except as provided in paragraph (i),~~ To be licensed as a licensed independent social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board;

(2) has practiced social work as defined in section 148D.010, and has met the supervised practice requirements specified in sections 148D.100 to 148D.125;

(3) has passed the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement pursuant to subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board;

(4) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148D.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(5) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check pursuant to subdivision 8;

(6) has paid the applicable license fee specified in section 148D.180; and

(7) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148D.195 to 148D.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action pursuant to sections 148D.255 to 148D.270.

(b) An application which is not completed and signed, or which is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) A licensed independent social worker who practices clinical social work must meet the supervised practice requirements specified in sections 148D.100 to 148D.125. If a licensee does not meet the supervised practice requirements, the board may take action pursuant to sections 148D.255 to 148D.270.

(d) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(e) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board pursuant to paragraph (d). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(f) Except as provided in paragraph (g), an applicant may not take more than three times the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. An applicant must receive a passing score on the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board in no more than 18 months after the first time the applicant failed the examination.

(g) Notwithstanding paragraph (f), the board may allow an applicant to take, for a fourth or subsequent time, the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (e) other than passing the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically in accordance with professional social work knowledge, skills, and values.

(h) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148D.060. If the board has reason to believe that an applicant may be practicing social work without a license, except as provided in section 148D.065, and the applicant has failed the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

~~(i) An applicant who was born in a foreign country, who has taken and failed to pass the examination specified in paragraph (a), clause (3), at least once since January 1, 2000, and for whom English is a second language, is eligible for licensure as a social worker if the applicant:~~

~~(1) provides evidence to the board of compliance with the requirements in paragraph (a), clauses (1), (2), and (4) to (7), and in paragraphs (b) to (e) and (h); and~~

~~(2) provides to the board letters of recommendation and experience ratings from two licensed social workers and one professor from the applicant's social work program who can attest to the applicant's competence.~~

~~This paragraph expires August 1, 2007.~~

Sec. 51. Minnesota Statutes 2006, section 148D.055, subdivision 5, is amended to read:

Subd. 5. **Licensure by examination; licensed independent clinical social worker.** (a) ~~Except as provided in paragraph (h),~~ To be licensed as a licensed independent clinical social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board;

(2) has practiced clinical social work as defined in section 148D.010, including both diagnosis and treatment, and has met the supervised practice requirements specified in sections 148D.100 to 148D.125;

(3) has passed the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement pursuant to subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board;

(4) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148D.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(5) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check pursuant to subdivision 8;

(6) has paid the license fee specified in section 148D.180; and

(7) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148D.195 to 148D.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action pursuant to sections 148D.255 to 148D.270.

(b) An application which is not completed and signed, or which is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(d) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board pursuant to paragraph (c). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(e) Except as provided in paragraph (f), an applicant may not take more than three times the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. An applicant must receive a passing score on the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board no later than 18 months after the first time the applicant failed the examination.

(f) Notwithstanding paragraph (e), the board may allow an applicant to take, for a fourth or subsequent time, the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (d) other than passing the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically in accordance with professional social work knowledge, skills, and values.

(g) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148D.060. If the board has reason to believe that an applicant may be practicing social work without a license, and the applicant has failed the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

~~(h) An applicant who was born in a foreign country, who has taken and failed to pass the examination specified in paragraph (a), clause (3), at least once since January 1, 2000, and for whom English is a second language, is eligible for licensure as a social worker if the applicant:~~

~~(1) provides evidence to the board of compliance with the requirements in paragraph (a), clauses (1), (2), and (4) to (7), and paragraphs (b) to (d) and (g); and~~

~~(2) provides to the board letters of recommendation and experience ratings from two licensed social workers and one professor from the applicant's social work program who can attest to the applicant's competence.~~

~~This paragraph expires August 1, 2007.~~

Sec. 52. Minnesota Statutes 2006, section 148D.055, is amended by adding a subdivision to read:

Subd. 7a. **Provisional licensure.** An applicant for provisional licensure must meet the license requirements in subdivisions 2 to 8, except the applicant does not have to pass an examination administered by the Association of Social Work Boards or a similar examination body designated by the board.

Sec. 53. Minnesota Statutes 2006, section 148D.060, is amended by adding a subdivision to read:

Subd. 2a. **Programs in candidacy status.** The board may issue a temporary license to practice social work to an applicant who has completed the requirements for a baccalaureate or graduate degree in social work from a program in candidacy status with the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board, and has:

(1) applied for a license under section 148D.055;

(2) applied for a temporary license on a form provided by the board;

(3) submitted a form provided by the board authorizing the board to complete a criminal background check;

(4) passed the applicable licensure examination provided for in section 148D.055; and

(5) not engaged in conduct that is in violation of the standards of practice specified in sections 148D.195 to 148D.240. If the applicant has engaged in conduct that is in violation of the standards of practice, the board may take action according to sections 148D.255 to 148D.270.

Sec. 54. Minnesota Statutes 2006, section 148D.060, subdivision 5, is amended to read:

Subd. 5. **Temporary license term.** (a) A temporary license is valid until expiration, or until the board issues or denies the license pursuant to section 148D.055, or until the board revokes the temporary license, whichever comes first. A temporary license is nonrenewable.

(b) A temporary license issued pursuant to subdivision 1 or 2 expires after six months.

(c) A temporary license issued pursuant to subdivision 2a expires after 12 months but may be extended at the board's discretion upon a showing that the social work program remains in good standing with the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board. If the board receives notice from the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board that the social work program is not in good standing, or that the accreditation will not be granted to the social work program, the temporary license is immediately revoked.

~~(c)~~ (d) A temporary license issued pursuant to subdivision ~~3~~ 2a expires after 12 months.

Sec. 55. Minnesota Statutes 2006, section 148D.060, subdivision 6, is amended to read:

Subd. 6. **Licensee with temporary license; baccalaureate degree.** A licensee with a temporary license who has provided evidence to the board that the licensee has completed the requirements for a baccalaureate degree in social work from a program accredited by, or in candidacy status with, the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board may temporarily engage in social work practice except that a licensee with a temporary license may not engage in clinical social work practice.

Sec. 56. Minnesota Statutes 2006, section 148D.060, subdivision 7, is amended to read:

Subd. 7. **Licensee with temporary license; graduate degree.** A licensee with a temporary license who has provided evidence to the board that the licensee has completed the requirements for a graduate degree in social work from a program accredited by, or in candidacy status with, the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board may temporarily engage in social work practice, including clinical practice.

Sec. 57. Minnesota Statutes 2006, section 148D.060, subdivision 13, is amended to read:

Subd. 13. **Revocation of temporary license.** The board may immediately revoke the temporary license of any licensee who violates any requirements of this section. The revocation must be made for cause, ~~without notice or opportunity to be heard.~~ A licensee whose temporary license is revoked must immediately return the temporary license to the board.

Sec. 58. **[148D.061] PROVISIONAL LICENSES.**

Subdivision 1. **Requirements for a provisional license.** An applicant may be issued a provisional license if the applicant:

(1) was born in a foreign country;

(2) communicates in English as a second language;

(3) has taken the applicable examination administered by the Association of Social Work Boards or similar examination body designated by the board;

(4) has met the requirements of section 148D.055, subdivision 2, paragraph (a), clauses (1), (3), (4), (5), and (6); or subdivision 3, paragraph (a), clauses (1), (3), (4), (5), and (6); or subdivision 4, paragraph (a), clauses (1), (2), (4), (5), (6), and (7); or subdivision 5, paragraph (a), clauses (1), (2), (4), (5), (6), and (7); and

(5) complies with the requirements of subdivisions 2 to 7.

Subd. 2. **License term.** (a) A provisional license is valid until expiration, or until the board issues or denies a license under section 148D.055, or until the board revokes the provisional license, whichever occurs first.

(b) A provisional license expires three years after the effective date of the license.

Subd. 3. **Scope of practice.** A licensee who is issued a provisional license must comply with the requirements of section 148D.050.

Subd. 4. **Fee.** A licensee who is issued a provisional license must pay the appropriate license fee specified in section 148D.180.

Subd. 5. **Supervised practice requirements.** A licensee who is issued a provisional license must document supervised practice as provided in section 148D.062. If a licensee issued a provisional license is granted a license under section 148D.055, the licensee must also meet the supervised practice requirements in sections 148D.100 to 148D.115. The supervised practice completed under a provisional license does not apply to this requirement.

Subd. 6. **Evaluation by supervisor.** (a) After being issued a provisional license under subdivision 1, the licensee must submit an evaluation by the licensee's supervisor every six months during the first 2,000 hours of social work practice. The evaluation must meet the requirements in section 148D.063. The supervisor must meet the eligibility requirements specified in section 148D.062.

(b) After completion of 2,000 hours of supervised social work practice, the licensee's supervisor must submit a final evaluation and attest to the applicant's ability to engage in the practice of social work safely and competently.

Subd. 7. **Completion of requirements.** Upon completion of the requirements for a provisional license under subdivisions 1 to 6, an applicant shall not practice social work in Minnesota except as provided in section 148D.065, unless licensed according to section 148D.055.

Subd. 8. **Disciplinary or other action.** The board may take action according to sections 148D.260 to 148D.270 if:

(1) the licensee's supervisor does not submit an evaluation as required by section 148D.062;

(2) an evaluation submitted according to section 148D.062 indicates that the licensee cannot practice social work competently and safely; or

(3) the licensee does not comply with the requirements of subdivisions 1 to 7.

Subd. 9. **Revocation of provisional license.** The board may immediately revoke the provisional license of a licensee who violates any requirements of this section. The revocation must be made for cause. A licensee whose provisional license is revoked must immediately return the provisional license to the board.

Sec. 59. **[148D.062] PROVISIONAL LICENSE; SUPERVISED PRACTICE.**

Subdivision 1. **Supervision required after licensure.** After receiving a provisional license from the board, the licensee must obtain at least 37.5 hours of supervision according to the requirements of this section.

Subd. 2. **Practice requirements.** The supervision required by subdivision 1 must be obtained during the first 2,000 hours of social work practice after the effective date of the provisional license. At least three hours of supervision must be obtained during every 160 hours of practice.

Subd. 3. **Types of supervision.** (a) Twenty-five hours of supervision required by subdivision 1 must consist of one-on-one in-person supervision.

(b) Twelve and one-half hours of supervision must consist of one or more of the following types of supervision:

(1) in-person one-on-one supervision; or

(2) in-person group supervision.

(c) To qualify as in-person group supervision, the group must not exceed seven members including the supervisor.

Subd. 4. **Supervisor requirements.** (a) The supervision required by subdivision 1 must be provided by a supervisor who meets the requirements in section 148D.120 and has either:

(1) 5,000 hours experience engaged in authorized social work practice; or

(2) completed 30 hours of training in supervision, which may be satisfied by completing academic coursework in supervision or continuing education courses in supervision as defined in section 148D.010, subdivision 16.

(b) Supervision must be provided:

(1) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed social worker, by a licensed social worker who has completed the supervised practice requirements;

(2) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by:

(i) a licensed graduate social worker who has completed the supervised practice requirements;

(ii) a licensed independent social worker; or

(iii) a licensed independent clinical social worker;

(3) if the supervisee is engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by a licensed independent clinical social worker; or

(4) by a supervisor who meets the requirements in section 148D.120, subdivision 2.

Subd. 5. **Expiration.** This section expires August 1, 2011.

Sec. 60. **[148D.063] PROVISIONAL LICENSE; DOCUMENTATION OF SUPERVISION.**

Subdivision 1. **Supervision plan.** (a) An applicant granted a provisional license must submit, on a form provided by the board, a supervision plan for meeting the supervision requirements in section 148D.062.

(b) The supervision plan must be submitted no later than 30 days after the licensee begins a social work practice position.

(c) The board may revoke a licensee's provisional license for failure to submit the supervision plan within 30 days after beginning a social work practice position.

(d) The supervision plan must include the following:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the person providing the supervision;

(3) the number of hours of one-on-one in-person supervision and the number and type of additional hours of supervision to be completed by the supervisee;

(4) the supervisee's position description;

(5) a brief description of the supervision the supervisee will receive in the following content areas:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice; and

(6) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:

(i) the client population, the range of presenting issues, and the diagnoses;

(ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process.

(e) The board must receive a revised supervision plan within 30 days of any of the following changes:

(1) the supervisee has a new supervisor;

(2) the supervisee begins a new social work position;

(3) the scope or content of the supervisee's social work practice changes substantially;

(4) the number of practice or supervision hours changes substantially; or

(5) the type of supervision changes as supervision is described in section 148D.062.

(f) The board may revoke a licensee's provisional license for failure to submit a revised supervision plan as required in paragraph (e).

(g) The board must approve the supervisor and the supervision plan.

Subd. 2. Evaluation. (a) When a supervisee submits an evaluation to the board according to section 148D.061, subdivision 6, the supervisee and supervisor must provide the following information on a form provided by the board:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the supervisor;

(3) the number of hours and dates of each type of supervision completed;

(4) the supervisee's position description;

(5) a declaration that the supervisee has not engaged in conduct in violation of the standards of practice in sections 148D.195 to 148D.240;

(6) a declaration that the supervisee has practiced competently and ethically according to professional social work knowledge, skills, and values; and

(7) on a form provided by the board, an evaluation of the licensee's practice in the following areas:

(i) development of professional social work knowledge, skills, and values;

(ii) practice methods;

(iii) authorized scope of practice;

(iv) ensuring continuing competence;

(v) ethical standards of practice; and

(vi) clinical practice, if applicable.

(b) The information provided on the evaluation form must demonstrate that the supervisee has met or has made progress on meeting the applicable supervised practice requirements.

Subd. 3. **Alternative verification of supervised practice.** Notwithstanding the requirements of subdivision 2, the board may accept alternative verification of supervised practice if a supervisee demonstrates that the supervisee is unable to locate a former supervisor to provide the required information.

Sec. 61. Minnesota Statutes 2006, section 148D.120, subdivision 2, is amended to read:

Subd. 2. **Alternate supervisors.** (a) The board may approve an alternate supervisor if:

(1) the board determines that supervision is not obtainable pursuant to paragraph (b);

(2) the licensee requests in the supervision plan submitted pursuant to section 148D.062, subdivision 1, or 148D.125, subdivision 1, that an alternate supervisor conduct the supervision;

(3) the licensee describes the proposed supervision and the name and qualifications of the proposed alternate supervisor; and

(4) the requirements of paragraph (d) are met.

(b) The board may determine that supervision is not obtainable if:

(1) the licensee provides documentation as an attachment to the supervision plan submitted pursuant to section 148D.062, subdivision 1, or 148D.125, subdivision 1, that the licensee has conducted a thorough search for a supervisor meeting the applicable licensure requirements specified in sections 148D.100 to 148D.115;

(2) the licensee demonstrates to the board's satisfaction that the search was unsuccessful; and

(3) the licensee describes the extent of the search and the names and locations of the persons and organizations contacted.

(c) The following are not grounds for a determination that supervision is unobtainable:

(1) obtaining a supervisor who meets the requirements of subdivision 1 would present the licensee with a financial hardship;

(2) the licensee is unable to obtain a supervisor who meets the requirements of subdivision 1 within the licensee's agency or organization and the agency or organization will not allow outside supervision; or

(3) the specialized nature of the licensee's practice requires supervision from a practitioner other than an individual licensed as a social worker.

(d) An alternate supervisor must:

(1) be an unlicensed social worker who is employed in, and provides the supervision in, a setting exempt from licensure by section 148D.065, and who has qualifications equivalent to the applicable requirements specified in sections 148D.100 to 148D.115; or

(2) be a licensed marriage and family therapist or a mental health professional as established by section 245.462, subdivision 18, or 245.4871, subdivision 27, or an equivalent mental health professional, as determined by the board, who is licensed or credentialed by a state, territorial, provincial, or foreign licensing agency.

In order to qualify to provide clinical supervision of a licensed graduate social worker or licensed independent social worker engaged in clinical practice, the alternate supervisor must be a mental health professional as established by section 245.462, subdivision 18, or 245.4871, subdivision 27, or an equivalent mental health professional, as determined by the board, who is licensed or credentialed by a state, territorial, provincial, or foreign licensing agency.

Sec. 62. Minnesota Statutes 2006, section 148D.125, subdivision 1, is amended to read:

Subdivision 1. **Supervision plan.** (a) A social worker must submit, on a form provided by the board, a supervision plan for meeting the supervision requirements specified in sections 148D.100 to 148D.120.

(b) The supervision plan must be submitted no later than 90 days after the licensee begins a social work practice position after becoming licensed.

(c) For failure to submit the supervision plan within 90 days after beginning a social work practice position, a licensee must pay the supervision plan late fee specified in section 148D.180 when the licensee applies for license renewal.

(d) A license renewal application submitted pursuant to ~~paragraph (a)~~ section 148D.070, subdivision 3, must not be approved unless the board has received a supervision plan.

(e) The supervision plan must include the following:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the person providing the supervision;

(3) the number of hours of one-on-one in-person supervision and the number and type of additional hours of supervision to be completed by the supervisee;

(4) the supervisee's position description;

(5) a brief description of the supervision the supervisee will receive in the following content areas:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

- (v) ensuring continuing competence; and
- (vi) ethical standards of practice; and
- (6) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:
 - (i) the client population, the range of presenting issues, and the diagnoses;
 - (ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process. An applicant for licensure as a licensed professional clinical counselor must present evidence of completion of a degree equivalent to that required in section 148B.5301, subdivision 1, clause (3).

(f) The board must receive a revised supervision plan within 90 days of any of the following changes:

- (1) the supervisee has a new supervisor;
- (2) the supervisee begins a new social work position;
- (3) the scope or content of the supervisee's social work practice changes substantially;
- (4) the number of practice or supervision hours changes substantially; or

(5) the type of supervision changes as supervision is described in section 148D.100, subdivision 3, or 148D.105, subdivision 3, or as required in section 148D.115, subdivision 4.

(g) For failure to submit a revised supervision plan as required in paragraph (f), a supervisee must pay the supervision plan late fee specified in section 148D.180, when the supervisee applies for license renewal.

(h) The board must approve the supervisor and the supervision plan.

Sec. 63. **[148E.001] CITATION.**

This chapter may be cited as the "Minnesota Board of Social Work Practice Act."

Sec. 64. **[148E.010] DEFINITIONS.**

Subdivision 1. **Scope.** For the purpose of this chapter, the terms in this section have the meanings given.

Subd. 2. **Applicant.** "Applicant" means a person who submits an application to the board for a new license, a license renewal, a change in license, an inactive license, reactivation of a license, or a voluntary termination.

Subd. 3. **Application.** "Application" means an application to the board for a new license, a license renewal, a change in license, an inactive license, reactivation of a license, or voluntary termination.

Subd. 4. **Board.** "Board" means the Board of Social Work created under section 148E.025.

Subd. 5. **Client.** "Client" means an individual, couple, family, group, community, or organization that receives or has received social work services as described in subdivision 11.

Subd. 6. **Clinical practice.** "Clinical practice" means applying professional social work knowledge, skills, and values in the differential diagnosis and treatment of psychosocial function, disability, or impairment, including addictions and emotional, mental, and behavioral disorders. Treatment includes a plan based on a differential diagnosis. Treatment may include, but is not limited to, the provision of psychotherapy to individuals, couples, families, and groups across the life span. Clinical social workers may also provide the services described in subdivision 11.

Subd. 7. **Clinical supervision.** "Clinical supervision" means supervision as defined in subdivision 18 of a social worker engaged in clinical practice as defined in subdivision 6.

Subd. 8. **Graduate degree.** "Graduate degree" means a master's degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board; or a doctorate in social work from an accredited university.

Subd. 9. **Intern.** "Intern" means a student in field placement working under the supervision or direction of a social worker.

Subd. 10. **Person-in-environment perspective.** "Person-in-environment perspective" means viewing human behavior, development, and function in the context of one or more of the following: the environment, social functioning, mental health, and physical health.

Subd. 11. **Practice of social work.** "Practice of social work" means working to maintain, restore, or improve behavioral, cognitive, emotional, mental, or social functioning of clients, in a manner that applies accepted professional social work knowledge, skills, and values, including the person-in-environment perspective, by providing in person or through telephone, video conferencing, or electronic means one or more of the social work services described in clauses (1) to (3). Social work services may address conditions that impair or limit behavioral, cognitive, emotional, mental, or social functioning. Such conditions include, but are not limited to, the following: abuse and neglect of children or vulnerable adults, addictions, developmental disorders, disabilities, discrimination, illness, injuries, poverty, and trauma. Social work services include:

(1) providing assessment and intervention through direct contact with clients, developing a plan based on information from an assessment, and providing services which include, but are not limited to, assessment, case management, client-centered advocacy, client education, consultation, counseling, crisis intervention, and referral;

(2) providing for the direct or indirect benefit of clients through administrative, educational, policy, or research services including, but not limited to:

(i) advocating for policies, programs, or services to improve the well-being of clients;

(ii) conducting research related to social work services;

(iii) developing and administering programs which provide social work services;

(iv) engaging in community organization to address social problems through planned collective action;

(v) supervising individuals who provide social work services to clients;

(vi) supervising social workers in order to comply with the supervised practice requirements specified in sections 148E.100 to 148E.125; and

(vii) teaching professional social work knowledge, skills, and values to students; and

(3) engaging in clinical practice.

Subd. 12. **Professional name.** "Professional name" means the name a licensed social worker uses in making representations of the social worker's professional status to the public and which has been designated to the board in writing according to section 148E.090.

Subd. 13. **Professional social work knowledge, skills, and values.** "Professional social work knowledge, skills, and values" means the knowledge, skills, and values taught in programs accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board; or a doctorate in social work from an accredited university. Professional social work knowledge, skills, and values include, but are not limited to, principles of person-in-environment and the values, principles, and standards described in the Code of Ethics of the National Association of Social Workers.

Subd. 14. **Sexual conduct.** "Sexual conduct" means any physical contact or conduct that may be reasonably interpreted as sexual, or any oral, written, electronic, or other communication that suggests engaging in physical contact or conduct that may be reasonably interpreted as sexual.

Subd. 15. **Social worker.** "Social worker" means an individual who:

(1) is licensed as a social worker; or

(2) has obtained a social work degree from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board and engages in the practice of social work.

Subd. 16. **Student.** "Student" means an individual who is taught professional social work knowledge, skills, and values in a program that has been accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board.

Subd. 17. **Supervisee.** "Supervisee" means an individual provided evaluation and supervision or direction by a social worker.

Subd. 18. **Supervision.** "Supervision" means a professional relationship between a supervisor and a social worker in which the supervisor provides evaluation and direction of the services provided by the social worker to promote competent and ethical services to clients through the continuing development of the social worker's knowledge and application of accepted professional social work knowledge, skills, and values.

Sec. 65. **[148E.015] SCOPE.**

This chapter applies to all applicants and licensees, all persons who use the title social worker, and all persons in or out of this state who provide social work services to clients who reside in this state unless there are specific applicable exemptions provided by law.

Sec. 66. **[148E.020] CHAPTER 214.**

Chapter 214 applies to the Board of Social Work unless superseded by this chapter.

Sec. 67. **[148E.025] BOARD OF SOCIAL WORK.**

Subdivision 1. **Creation.** The Board of Social Work consists of 15 members appointed by the governor. The members are:

(1) ten social workers licensed according to section 148E.055; and

(2) five public members as defined in section 214.02.

Subd. 2. **Qualifications of board members.** (a) All social worker members must have engaged in the practice of social work in Minnesota for at least one year during the ten years preceding their appointments.

(b) Five social worker members must be licensed social workers. The other five members must be a licensed graduate social worker, a licensed independent social worker, or a licensed independent clinical social worker.

(c) Eight social worker members must be engaged at the time of their appointment in the practice of social work in Minnesota in the following settings:

(1) one member must be engaged in the practice of social work in a county agency;

(2) one member must be engaged in the practice of social work in a state agency;

(3) one member must be engaged in the practice of social work in an elementary, middle, or secondary school;

(4) one member must be employed in a hospital or nursing home licensed under chapter 144 or 144A;

(5) two members must be engaged in the practice of social work in a private agency;

(6) one member must be engaged in the practice of social work in a clinical social work setting; and

(7) one member must be an educator engaged in regular teaching duties at a program of social work accredited by the Council on Social Work Education or a similar accreditation body designated by the board.

(d) At the time of their appointments, at least six members must reside outside of the seven-county metropolitan area.

(e) At the time of their appointments, at least five members must be persons with expertise in communities of color.

Subd. 3. **Officers.** The board must annually elect from its membership a chair, vice-chair, and secretary-treasurer.

Subd. 4. **Bylaws.** The board must adopt bylaws to govern its proceedings.

Subd. 5. **Executive director.** The board must appoint and employ an executive director who is not a member of the board. The employment of the executive director shall be subject to the terms described in section 214.04, subdivision 2a.

Sec. 68. **[148E.030] DUTIES OF THE BOARD.**

Subdivision 1. **Duties.** The board must perform the duties necessary to promote and protect the public health, safety, and welfare through the licensure and regulation of persons who practice social work in this state. These duties include, but are not limited to:

(1) establishing the qualifications and procedures for individuals to be licensed as social workers;

(2) establishing standards of practice for social workers;

(3) holding examinations or contracting with the Association of Social Work Boards or a similar examination body designated by the board to hold examinations to assess applicants' qualifications;

(4) issuing licenses to qualified individuals according to sections 148E.055 and 148E.060;

(5) taking disciplinary, adversarial, corrective, or other action according to sections 148E.255 to 148E.270 when an individual violates the requirements of this chapter;

(6) assessing fees according to sections 148E.175 and 148E.180; and

(7) educating social workers and the public on the requirements of the board.

Subd. 2. **Rules.** The board may adopt and enforce rules to carry out the duties specified in subdivision 1.

Sec. 69. **[148E.035] VARIANCES.**

If the effect of a requirement according to this chapter is unreasonable, impossible to execute, absurd, or would impose an extreme hardship on a licensee, the board may grant a variance if the variance is consistent with promoting and protecting the public health, safety, and welfare. A variance must not be granted for core licensing standards such as substantive educational and examination requirements.

Sec. 70. **[148E.040] IMMUNITY.**

Board members, board employees, and persons engaged on behalf of the board are immune from civil liability for any actions, transactions, or publications in the lawful execution of or relating to their duties under this chapter.

Sec. 71. **[148E.045] CONTESTED CASE HEARING.**

An applicant or a licensee who is the subject of a disciplinary or adversarial action by the board according to this chapter may request a contested case hearing under sections 14.57 to 14.62. An applicant or a licensee who desires to request a contested case hearing must submit a written request to the board within 90 days after the date on which the board mailed the notification of the adverse action, except as otherwise provided in this chapter.

Sec. 72. **[148E.050] LICENSING; SCOPE OF PRACTICE.**

Subdivision 1. **Requirements.** The practice of social work must comply with the requirements of subdivision 2, 3, 4, or 5.

Subd. 2. **Licensed social worker.** A licensed social worker may engage in social work practice except that a licensed social worker must not engage in clinical practice.

Subd. 3. **Licensed graduate social worker.** A licensed graduate social worker may engage in social work practice except that a licensed graduate social worker must not engage in clinical practice except under the supervision of a licensed independent clinical social worker or an alternate supervisor according to section 148E.120.

Subd. 4. **Licensed independent social worker.** A licensed independent social worker may engage in social work practice except that a licensed independent social worker must not engage in clinical practice except under the supervision of a licensed independent clinical social worker or an alternate supervisor according to section 148E.120.

Subd. 5. **Licensed independent clinical social worker.** A licensed independent clinical social worker may engage in social work practice, including clinical practice.

Sec. 73. **[148E.055] LICENSE REQUIREMENTS.**

Subdivision 1. **License required.** (a) In order to practice social work, an individual must have a social work license under this section or section 148E.060, except when the individual is exempt from licensure according to section 148E.065.

(b) Individuals who teach professional social work knowledge, skills, and values to students and who have a social work degree from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board must have a social work license under this section or section 148E.060, except when the individual is exempt from licensure according to section 148E.065.

Subd. 2. **Qualifications for licensure by examination as a licensed social worker.** (a) To be licensed as a licensed social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a baccalaureate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board, or a doctorate in social work from an accredited university;

(2) has passed the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement according to subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board. The examination may be taken prior to completing degree requirements;

(3) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148E.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(4) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check according to subdivision 8;

(5) has paid the applicable license fee specified in section 148E.180; and

(6) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) An application that is not completed and signed, or that is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) A licensee granted a license by the board according to paragraph (a) must meet the supervised practice requirements specified in sections 148E.100 to 148E.125. If a licensee does not meet the supervised practice requirements, the board may take action according to sections 148E.255 to 148E.270.

(d) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(e) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board according to paragraph (d). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(f) Except as provided in paragraph (g), an applicant may not take more than three times the bachelors or equivalent examination administered by the Association of Social Work Boards, or a similar examination body designated by the board. An applicant must receive a passing score on the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board in no more than 18 months after the date the applicant first failed the examination.

(g) Notwithstanding paragraph (f), the board may allow an applicant to take, for a fourth or subsequent time, the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (e) other than passing the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically according to professional social work knowledge, skills, and values.

(h) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148E.060. If the board has reason to believe that an applicant may be practicing social work without a license, and the applicant has failed the bachelors or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

Subd. 3. Qualifications for licensure by examination as licensed graduate social worker. (a) To be licensed as a licensed graduate social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board, or a doctorate in social work from an accredited university;

(2) has passed the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement according to section 148E.055, subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board. The examination may be taken prior to completing degree requirements;

(3) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148E.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(4) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check according to subdivision 8;

(5) has paid the applicable license fee specified in section 148E.180; and

(6) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) An application which is not completed and signed, or which is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) A licensee granted a license by the board according to paragraph (a) must meet the supervised practice requirements specified in sections 148E.100 to 148E.125. If a licensee does not meet the supervised practice requirements, the board may take action according to sections 148E.255 to 148E.270.

(d) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(e) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board according to paragraph (d). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(f) Except as provided in paragraph (g), an applicant may not take more than three times the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. An applicant must receive a passing score on the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board in no more than 18 months after the date the applicant first failed the examination.

(g) Notwithstanding paragraph (f), the board may allow an applicant to take, for a fourth or subsequent time, the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (e) other than passing the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically according to professional social work knowledge, skills, and values.

(h) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148E.060. If the board has reason to believe that an applicant may be practicing social work without a license, and the applicant has failed the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

Subd. 4. Licensure by examination; licensed independent social worker. (a) To be licensed as a licensed independent social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board, or a doctorate in social work from an accredited university;

(2) has practiced social work as defined in section 148E.010, and has met the supervised practice requirements specified in sections 148E.100 to 148E.125;

(3) has passed the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement according to subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board;

(4) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148E.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(5) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check according to subdivision 8;

(6) has paid the applicable license fee specified in section 148E.180; and

(7) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) An application which is not completed and signed, or which is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) A licensed independent social worker who practices clinical social work must meet the supervised practice requirements specified in sections 148E.100 to 148E.125. If a licensee does not meet the supervised practice requirements, the board may take action according to sections 148E.255 to 148E.270.

(d) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(e) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board according to paragraph (d). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(f) Except as provided in paragraph (g), an applicant may not take more than three times the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. An applicant must receive a passing score on the masters or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board in no more than 18 months after the first time the applicant failed the examination.

(g) Notwithstanding paragraph (f), the board may allow an applicant to take, for a fourth or subsequent time, the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (e) other than passing the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically according to professional social work knowledge, skills, and values.

(h) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148E.060. If the board has reason to believe that an applicant may be practicing social work without a license, except as provided in section 148E.065, and the applicant has failed the advanced generalist or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

Subd. 5. Licensure by examination; licensed independent clinical social worker. (a) To be licensed as a licensed independent clinical social worker, an applicant for licensure by examination must provide evidence satisfactory to the board that the applicant:

(1) has received a graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board, or a doctorate in social work from an accredited university;

(2) has completed 360 clock hours (one semester credit hour = 15 clock hours) in the following clinical knowledge areas:

(i) 108 clock hours (30 percent) in differential diagnosis and biopsychosocial assessment including normative development and psychopathology across the life span;

(ii) 36 clock hours (ten percent) in assessment-based clinical treatment planning with measurable goals;

(iii) 108 clock hours (30 percent) in clinical intervention methods informed by research and current standards of practice;

(iv) 18 clock hours (five percent) in evaluation methodologies;

(v) 72 clock hours (20 percent) in social work values and ethics, including cultural context, diversity, and social policy; and

(vi) 18 clock hours (five percent) in culturally specific clinical assessment and intervention;

(3) has practiced clinical social work as defined in section 148E.010, including both diagnosis and treatment, and has met the supervised practice requirements specified in sections 148E.100 to 148E.125;

(4) has passed the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. Unless an applicant applies for licensure by endorsement according to subdivision 7, an examination is not valid if it was taken and passed eight or more years prior to submitting a completed, signed application form provided by the board;

(5) has submitted a completed, signed application form provided by the board, including the applicable application fee specified in section 148E.180. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board;

(6) has submitted the criminal background check fee and a form provided by the board authorizing a criminal background check according to subdivision 8;

(7) has paid the license fee specified in section 148E.180; and

(8) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) The requirement in paragraph (a), clause (2), may be satisfied through: (1) a graduate degree program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board; or a doctorate in social work from an accredited university; (2) postgraduate coursework; or (3) up to 90 continuing education hours. The continuing education must have a course description available for public review and must include a posttest. Compliance with this requirement must be documented on a form provided by the board. The board may conduct audits of the information submitted in order to determine compliance with the requirements of this section.

(c) An application which is not completed and signed, or which is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(d) By submitting an application for licensure, an applicant authorizes the board to investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation.

(e) Within one year of the time the board receives an application for licensure, the applicant must meet all the requirements specified in paragraph (a) and must provide all of the information requested by the board according to paragraph (d). If within one year the applicant does not meet all the requirements, or does not provide all of the information requested, the applicant is considered ineligible and the application for licensure must be closed.

(f) Except as provided in paragraph (g), an applicant may not take more than three times the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board. An applicant must receive a passing score on the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board no later than 18 months after the first time the applicant failed the examination.

(g) Notwithstanding paragraph (f), the board may allow an applicant to take, for a fourth or subsequent time, the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board if the applicant:

(1) meets all requirements specified in paragraphs (a) to (e) other than passing the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board;

(2) provides to the board a description of the efforts the applicant has made to improve the applicant's score and demonstrates to the board's satisfaction that the efforts are likely to improve the score; and

(3) provides to the board letters of recommendation from two licensed social workers attesting to the applicant's ability to practice social work competently and ethically according to professional social work knowledge, skills, and values.

(h) An individual must not practice social work until the individual passes the examination and receives a social work license under this section or section 148E.060. If the board has reason to believe that an applicant may be practicing social work without a license, and the applicant has failed the clinical or equivalent examination administered by the Association of Social Work Boards or a similar examination body designated by the board, the board may notify the applicant's employer that the applicant is not licensed as a social worker.

Subd. 6. **Degrees from outside United States or Canada.** If an applicant receives a degree from a program outside the United States or Canada that is not accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar examination body designated by the board, the degree does not fulfill the requirements specified in subdivision 2, paragraph (a), clause (1); 3, paragraph (a), clause (1); 4, paragraph (a), clause (1); or 5, paragraph (a), clause (1), unless the Council on Social Work Education or a similar accreditation body designated by the board has determined through the council's international equivalency determination service that the degree earned is equivalent to the degree required.

Subd. 7. **Licensure by endorsement.** (a) An applicant for licensure by endorsement must hold a current license or credential to practice social work in another jurisdiction.

(b) An applicant for licensure by endorsement who meets the qualifications of paragraph (a) and who demonstrates to the satisfaction of the board that the applicant passed the examination administered by the Association of Social Work Boards or a similar examination body designated by the board for the applicable license in Minnesota is not required to retake the licensing examination.

(c) An application for licensure by endorsement must meet the applicable license requirements specified in subdivisions 1 to 6, except as provided in paragraph (d), and submit the licensure by endorsement application fee specified in section 148E.180.

(d) The following requirements apply:

(1) An applicant for licensure by endorsement who is applying for licensure as a licensed social worker must meet the requirements specified in subdivision 2.

(2) An applicant for licensure by endorsement who is applying for licensure as a licensed graduate social worker must meet the requirements specified in subdivision 3.

(3) An applicant for licensure by endorsement who is applying for licensure as a licensed independent social worker is not required to demonstrate that the applicant has obtained 100 hours of supervision as specified in section 148E.110, subdivision 1, provided that the applicant has engaged in authorized social work practice for a minimum of 4,000 hours in another jurisdiction.

(4) An applicant for licensure by endorsement as a licensed independent clinical social worker (i) is not required to meet the license requirements specified in subdivision 5, paragraph (a), clause (2), and (ii) is not required to demonstrate that the applicant has obtained 200 hours of supervision as specified in section 148E.115, subdivision 1, provided that the applicant has engaged in authorized clinical social work practice for a minimum of 4,000 hours in another jurisdiction.

Subd. 8. **Criminal background checks.** (a) Except as provided in paragraph (b), an initial license application must be accompanied by:

- (1) a form provided by the board authorizing the board to complete a criminal background check; and
- (2) the criminal background check fee specified by the Bureau of Criminal Apprehension.

Criminal background check fees collected by the board must be used to reimburse the Bureau of Criminal Apprehension for the criminal background checks.

(b) An applicant who has previously submitted a license application authorizing the board to complete a criminal background check is exempt from the requirement specified in paragraph (a).

(c) If a criminal background check indicates that an applicant has engaged in criminal behavior, the board may take action according to sections 148E.255 to 148E.270.

Subd. 9. **Effective date.** The effective date of an initial license is the day on which the board receives the applicable license fee from an applicant approved for licensure.

Subd. 10. **Expiration date.** The expiration date of an initial license is the last day of the licensee's birth month in the second calendar year following the effective date of the initial license.

Subd. 11. **Change in license.** (a) A licensee who changes from a licensed social worker to a licensed graduate social worker, or from a licensed graduate social worker to a licensed independent social worker, or from a licensed graduate social worker or licensed independent social worker to a licensed independent clinical social worker, must pay the prorated share of the fee for the new license.

(b) The effective date of the new license is the day on which the board receives the applicable license fee from an applicant approved for the new license.

(c) The expiration date of the new license is the same date as the expiration date of the license held by the licensee prior to the change in the license.

Sec. 74. **[148E.060] TEMPORARY LICENSES.**

Subdivision 1. **Students and other persons not currently licensed in another jurisdiction.** The board may issue a temporary license to practice social work to an applicant who is not licensed or credentialed to practice social work in any jurisdiction but has:

- (1) applied for a license under section 148E.055;
- (2) applied for a temporary license on a form provided by the board;
- (3) submitted a form provided by the board authorizing the board to complete a criminal background check;
- (4) passed the applicable licensure examination provided for in section 148E.055;

(5) attested on a form provided by the board that the applicant has completed the requirements for a baccalaureate or graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board, or a doctorate in social work from an accredited university; and

(6) not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

Subd. 2. Emergency situations and persons currently licensed in another jurisdiction. The board may issue a temporary license to practice social work to an applicant who is licensed or credentialed to practice social work in another jurisdiction, may or may not have applied for a license under section 148E.055, and has:

(1) applied for a temporary license on a form provided by the board;

(2) submitted a form provided by the board authorizing the board to complete a criminal background check;

(3) submitted evidence satisfactory to the board that the applicant is currently licensed or credentialed to practice social work in another jurisdiction;

(4) attested on a form provided by the board that the applicant has completed the requirements for a baccalaureate or graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board, or a doctorate in social work from an accredited university; and

(5) not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

Subd. 3. Teachers. The board may issue a temporary license to practice social work to an applicant whose permanent residence is outside the United States, who is teaching social work at an academic institution in Minnesota for a period not to exceed 12 months, who may or may not have applied for a license under section 148E.055, and who has:

(1) applied for a temporary license on a form provided by the board;

(2) submitted a form provided by the board authorizing the board to complete a criminal background check;

(3) attested on a form provided by the board that the applicant has completed the requirements for a baccalaureate or graduate degree in social work; and

(4) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

Subd. 4. Temporary license application fee. An applicant for a temporary license must pay the application fee specified in section 148E.180 plus the required fee for the cost of the criminal background check. Only one fee for the cost of the criminal background check must be submitted when the applicant is applying for both a temporary license and a license under section 148E.055.

Subd. 5. Temporary license term. (a) A temporary license is valid until expiration, or until the board issues or denies the license according to section 148E.055, or until the board revokes the temporary license, whichever comes first. A temporary license is nonrenewable.

(b) A temporary license issued according to subdivision 1 or 2 expires after six months.

(c) A temporary license issued according to subdivision 3 expires after 12 months.

Subd. 6. Licensee with temporary license; baccalaureate degree. A licensee with a temporary license who has provided evidence to the board that the licensee has completed the requirements for a baccalaureate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board may temporarily engage in social work practice except that a licensee with a temporary license may not engage in clinical social work practice.

Subd. 7. Licensee with temporary license; graduate degree. A licensee with a temporary license who has provided evidence to the board that the licensee has completed the requirements for a graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accreditation body designated by the board may temporarily engage in social work practice, including clinical practice.

Subd. 8. Supervision requirements. (a) Except as provided in paragraph (b), an applicant who is not currently licensed or credentialed to practice social work in another jurisdiction and who obtains a temporary license may practice social work only under the supervision of an individual licensed as a social worker who is eligible to provide supervision under sections 148E.100 to 148E.125. Before the applicant is approved for licensure, the applicant's supervisor must attest to the board's satisfaction that the applicant has practiced social work under supervision. This supervision applies toward the supervision required after licensure.

(b) If an applicant is currently licensed or credentialed to practice social work in another jurisdiction, and receives a temporary license according to subdivision 3, the requirements specified in paragraph (a) do not apply. However, if an applicant with a temporary license chooses to practice social work under supervision, the supervision applies to the requirements specified in sections 148E.100 to 148E.125.

Subd. 9. Prohibition on practice. An applicant for a temporary license must not practice social work in Minnesota, except as provided in section 148E.065, until the applicant has been granted a temporary license.

Subd. 10. Representation of professional status. In making representations of professional status to the public, a licensee with a temporary license must state that the licensee has a temporary license.

Subd. 11. Standards of practice. A licensee with a temporary license must conduct all professional activities as a social worker according to the requirements of sections 148E.195 to 148E.240.

Subd. 12. Ineligibility. An applicant who is currently practicing social work in Minnesota in a setting that is not exempt under section 148E.065 at the time of application is ineligible for a temporary license.

Subd. 13. Revocation of temporary license. The board may immediately revoke the temporary license of any licensee who violates any requirements of this section. The revocation must be made for cause, without notice or opportunity to be heard. A licensee whose temporary license is revoked must immediately return the temporary license to the board.

Sec. 75. **[148E.065] EXEMPTIONS.**

Subdivision 1. Other professionals. Nothing in this chapter may be construed to prevent members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes but is not limited to: licensed physicians, registered nurses, licensed practical nurses, licensed psychologists, psychological practitioners, probation officers, members of the clergy and Christian Science practitioners, attorneys, marriage and family therapists, alcohol and drug counselors, professional counselors, school counselors, and registered occupational therapists or certified occupational therapist assistants. These persons must not, however, hold themselves out to the public by any title or description stating or implying that they are engaged in the practice of social work, or that they are licensed to engage in the practice of social work. Persons engaged in the practice of social work are not exempt from the board's jurisdiction solely by the use of one of the titles in this subdivision.

Subd. 2. **Students.** An internship, externship, or any other social work experience that is required for the completion of an accredited program of social work does not constitute the practice of social work under this chapter.

Subd. 3. **Geographic waiver.** A geographic waiver may be granted by the board on a case-by-case basis to agencies with special regional hiring problems. The waiver is for the purpose of permitting agencies to hire individuals who do not meet the qualifications of section 148E.055 or 148E.060 to practice social work.

Subd. 4. **City, county, and state agency social workers.** The licensure of city, county, and state agency social workers is voluntary. City, county, and state agencies employing social workers are not required to employ licensed social workers.

Subd. 5. **Tribes and private nonprofit agencies; voluntary licensure.** The licensure of social workers who are employed by federally recognized tribes, or by private nonprofit agencies whose primary service focus addresses ethnic minority populations, and who are themselves members of ethnic minority populations within those agencies, is voluntary.

Sec. 76. **[148E.070] LICENSE RENEWALS.**

Subdivision 1. **License renewal term.** (a) If a license is renewed, the license must be renewed for a two-year renewal term. The renewal term is the period from the effective date of an initial or renewed license to the expiration date of the license.

(b) The effective date of a renewed license is the day following the expiration date of the expired license.

(c) The expiration date of a renewed license is the last day of the licensee's birth month in the second calendar year following the effective date of the renewed license.

Subd. 2. **Mailing license renewal notices.** The board must mail a notice for license renewal to a licensee at least 45 days before the expiration date of the license. Mailing the notice by United States mail to the licensee's last known mailing address constitutes valid mailing. Failure to receive the renewal notice does not relieve a licensee of the obligation to renew a license and to pay the renewal fee.

Subd. 3. **Submitting license renewal applications.** (a) In order to renew a license, a licensee must submit:

(1) a completed, signed application for license renewal; and

(2) the applicable renewal fee specified in section 148E.180.

The completed, signed application and renewal fee must be received by the board prior to midnight of the day of the license expiration date. For renewals submitted electronically, a "signed application" means providing an attestation as specified by the board.

(b) An application which is not completed and signed, or which is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void.

(c) The completed, signed application must include documentation that the licensee has met the continuing education requirements specified in sections 148E.130 to 148E.170 and, if applicable, the supervised practice requirements specified in sections 148E.100 to 148E.125.

(d) By submitting a renewal application, an applicant authorizes the board to:

(1) investigate any information provided or requested in the application. The board may request that the applicant provide additional information, verification, or documentation;

(2) conduct an audit to determine if the applicant has met the continuing education requirements specified in sections 148E.130 to 148E.170; and

(3) if applicable, conduct an audit to determine whether the applicant has met the supervision requirements specified in sections 148E.100 to 148E.125.

(e) If a licensee's application for license renewal meets the requirements specified in paragraph (a), the licensee may continue to practice after the license expiration date until the board approves or denies the application.

Subd. 4. **Renewal late fee.** An application that is received after the license expiration date must be accompanied by the renewal late fee specified in section 148E.180 in addition to the applicable renewal fee. The application, renewal fee, and renewal late fee must be received by the board within 60 days of the license expiration date, or the license automatically expires.

Subd. 5. **Expired license.** (a) If an application does not meet the requirements specified in subdivisions 3 and 4, the license automatically expires. A licensee whose license has expired may reactivate a license by meeting the requirements in section 148E.080 or be relicensed by meeting the requirements specified in section 148E.055.

(b) The board may take action according to sections 148E.255 to 148E.270 based on a licensee's conduct before the expiration of the license.

(c) An expired license may be reactivated within one year of the expiration date specified in section 148E.080. After one year of the expiration date, an individual may apply for a new license according to section 148E.055.

Sec. 77. **[148E.075] INACTIVE LICENSES.**

Subdivision 1. **Inactive status.** (a) A licensee qualifies for inactive status under either of the circumstances described in paragraph (b) or (c).

(b) A licensee qualifies for inactive status when the licensee is granted temporary leave from active practice. A licensee qualifies for temporary leave from active practice if the licensee demonstrates to the satisfaction of the board that the licensee is not engaged in the practice of social work in any setting, including settings in which social workers are exempt from licensure according to section 148E.065. A licensee who is granted temporary leave from active practice may reactivate the license according to section 148E.080.

(c) A licensee qualifies for inactive status when a licensee is granted an emeritus license. A licensee qualifies for an emeritus license if the licensee demonstrates to the satisfaction of the board that:

(1) the licensee is retired from social work practice; and

(2) the licensee is not engaged in the practice of social work in any setting, including settings in which social workers are exempt from licensure according to section 148E.065.

A licensee who possesses an emeritus license may reactivate the license according to section 148E.080.

Subd. 2. **Application.** A licensee may apply for inactive status:

(1) at any time by submitting an application for a temporary leave from active practice or for an emeritus license;
or

(2) as an alternative to applying for the renewal of a license by so recording on the application for license renewal and submitting the completed, signed application to the board.

An application that is not completed or signed, or that is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board.

Subd. 3. **Fee.** (a) Regardless of when the application for inactive status is submitted, the temporary leave or emeritus license fee specified in section 148E.180, whichever is applicable, must accompany the application. A licensee who is approved for inactive status before the license expiration date is not entitled to receive a refund for any portion of the license or renewal fee.

(b) If an application for temporary leave is received after the license expiration date, the licensee must pay a renewal late fee as specified in section 148E.180 in addition to the temporary leave fee.

Subd. 4. **Time limits for temporary leaves.** A licensee may maintain an inactive license on temporary leave for no more than five consecutive years. If a licensee does not apply for reactivation within 60 days following the end of the consecutive five-year period, the license automatically expires.

Subd. 5. **Time limits for emeritus license.** A licensee with an emeritus license may not apply for reactivation according to section 148E.080 after five years following the granting of the emeritus license. However, after five years following the granting of the emeritus license, an individual may apply for new licensure according to section 148E.055.

Subd. 6. **Prohibition on practice.** (a) Except as provided in paragraph (b), a licensee whose license is inactive must not practice, attempt to practice, offer to practice, or advertise or hold out as authorized to practice social work.

(b) The board may grant a variance to the requirements of paragraph (a) if a licensee on inactive status provides emergency social work services. A variance is granted only if the board provides the variance in writing to the licensee. The board may impose conditions or restrictions on the variance.

Subd. 7. **Representations of professional status.** In making representations of professional status to the public, a licensee whose license is inactive must state that the license is inactive and that the licensee cannot practice social work.

Subd. 8. **Disciplinary or other action.** The board may resolve any pending complaints against a licensee before approving an application for inactive status. The board may take action according to sections 148E.255 to 148E.270 against a licensee whose license is inactive based on conduct occurring before the license is inactive or conduct occurring while the license is inactive.

Sec. 78. **[148E.080] REACTIVATIONS.**

Subdivision 1. **Mailing notices to licensees on temporary leave.** The board must mail a notice for reactivation to a licensee on temporary leave at least 45 days before the expiration date of the license according to section 148E.075, subdivision 4. Mailing the notice by United States mail to the licensee's last known mailing address constitutes valid mailing. Failure to receive the reactivation notice does not relieve a licensee of the obligation to comply with the provisions of this section to reactivate a license.

Subd. 2. **Reactivation from a temporary leave or emeritus status.** To reactivate a license from a temporary leave or emeritus status, a licensee must do the following within the time period specified in section 148E.075, subdivisions 4 and 5:

(1) complete an application form specified by the board;

(2) document compliance with the continuing education requirements specified in subdivision 4;

(3) submit a supervision plan, if required;

(4) pay the reactivation of an inactive licensee fee specified in section 148E.180; and

(5) pay the wall certificate fee according to section 148E.095, subdivision 1, paragraph (b) or (c), if the licensee needs a duplicate license.

Subd. 3. **Reactivation of an expired license.** To reactivate an expired license, a licensee must do the following within one year of the expiration date:

(1) complete an application form specified by the board;

(2) document compliance with the continuing education requirements that were in effect at the time the license expired;

(3) document compliance with the supervision requirements, if applicable, that were in effect at the time the license expired; and

(4) pay the reactivation of an expired license fee specified in section 148E.180.

Subd. 4. **Continuing education requirements.** (a) A licensee who is on temporary leave or who has an emeritus license must obtain the continuing education hours that would be required if the license was active. At the time of reactivation, the licensee must document compliance with the continuing education requirements specified in sections 148E.130 to 148E.170.

(b) A licensee applying for reactivation according to subdivision 2 or 3 may apply for a variance to the continuing education requirements according to sections 148E.130 to 148E.170.

Subd. 5. **Reactivation of a voluntarily terminated license.** To reactivate a voluntarily terminated license, a licensee must do the following within one year of the date the voluntary termination takes effect:

(1) complete an application form specified by the board;

(2) document compliance with the continuing education requirements that were in effect at the time the license was voluntarily terminated;

(3) document compliance with the supervision requirements, if applicable, that were in effect at the time the license was voluntarily terminated; and

(4) pay the reactivation of an expired or voluntarily terminated license fee specified in section 148E.180.

Sec. 79. **[148E.085] VOLUNTARY TERMINATIONS.**

Subdivision 1. **Requests for voluntary termination.** (a) A licensee may request voluntary termination of a license if the licensee demonstrates to the satisfaction of the board that the licensee is not engaged in the practice of social work in any setting except settings in which social workers are exempt from licensure according to section 148E.065.

(b) A licensee may apply for voluntary termination:

(1) at any time by submitting an application; or

(2) as an alternative to applying for the renewal of a license by so recording on the application for license renewal and submitting the completed, signed application to the board.

For applications submitted electronically, a "signed application" means providing an attestation as specified by the board. An application that is not completed and signed must be returned to the applicant and is void.

(c) The board may resolve any pending complaints against a licensee before approving a request for voluntary termination.

Subd. 2. **Application for new licensure.** A licensee who has voluntarily terminated a license may not reactivate the license after one year following the date the voluntary termination takes effect. However, a licensee who has voluntarily terminated a license may apply for a new license according to section 148E.055.

Subd. 3. **Prohibition on practice.** A licensee who has voluntarily terminated a license must not practice, attempt to practice, offer to practice, or advertise or hold out as authorized to practice social work, except when the individual is exempt from licensure according to section 148E.065.

Subd. 4. **Disciplinary or other action.** The board may take action according to sections 148E.255 to 148E.270 against a licensee whose license has been terminated based on conduct occurring before the license is terminated or for practicing social work without a license.

Sec. 80. **[148E.090] NAME; CHANGE OF NAME OR ADDRESS.**

Subdivision 1. **Name.** A licensee must use the licensee's legal name or a professional name. If the licensee uses a professional name, the licensee must inform the board in writing of both the licensee's professional name and legal name and must comply with the requirements of this section.

Subd. 2. **Legal name change.** Within 30 days after changing the licensee's legal name, a licensee must:

(1) request a new license wall certificate;

(2) provide legal verification of the name change; and

(3) pay the license wall certificate fee specified in section 148E.180.

Subd. 3. **Professional name change.** Within 30 days after changing the licensee's professional name, a licensee must:

(1) request a new license wall certificate;

(2) provide a notarized statement attesting to the name change; and

(3) pay the license wall certificate fee specified in section 148E.180.

Subd. 4. **Address or telephone change.** When a licensee changes a mailing address, home address, work address, e-mail address, or daytime public telephone number, the licensee must notify the board of the change electronically or in writing no more than 30 days after the date of the change.

Sec. 81. **[148E.095] LICENSE CERTIFICATE OR CARD.**

Subdivision 1. **License wall certificate.** (a) The board must issue a new license wall certificate when the board issues a new license. No fee in addition to the applicable license fee specified in section 148E.180 is required.

(b) The board must replace a license wall certificate when:

(1) a licensee submits an affidavit to the board that the original license wall certificate was lost, stolen, or destroyed; and

(2) the licensee submits the license wall certificate fee specified in section 148E.180.

(c) The board must issue a revised license wall certificate when:

(1) a licensee requests a revised license wall certificate according to this section; and

(2) a licensee submits the license wall certificate fee specified in section 148E.180.

(d) The board must issue an additional license wall certificate when:

(1) a licensee submits a written request for a new certificate because the licensee practices in more than one location; and

(2) the licensee submits the license wall certificate fee specified in section 148E.180.

Subd. 2. **License card.** (a) The board must issue a new license card when the board issues a new license. No fee in addition to the applicable license fee specified in section 148E.180 is required.

(b) The board must replace a license card when a licensee submits:

(1) an affidavit to the board that the original license card was lost, stolen, or destroyed; and

(2) the license card fee specified in section 148E.180.

(c) The board must issue a revised license card when the licensee submits a written request for a new license wall certificate because of a new professional or legal name according to section 148E.090, subdivision 2 or 3. No fee in addition to the one specified in subdivision 1, paragraph (b), is required.

Sec. 82. **[148E.100] LICENSED SOCIAL WORKERS; SUPERVISED PRACTICE.**

Subdivision 1. **Supervision required after licensure.** After receiving a license from the board as a licensed social worker, the licensed social worker must obtain at least 100 hours of supervision according to the requirements of this section.

Subd. 2. **Practice requirements.** The supervision required by subdivision 1 must be obtained during the first 4,000 hours of postbaccalaureate social work practice authorized by law. At least four hours of supervision must be obtained during every 160 hours of practice.

Subd. 3. **Types of supervision.** Of the 100 hours of supervision required under subdivision 1:

(1) 50 hours must be provided through one-on-one supervision, including: (i) a minimum of 25 hours of in-person supervision, and (ii) no more than 25 hours of supervision via eye-to-eye electronic media; and

(2) 50 hours must be provided through: (i) one-on-one supervision, or (ii) group supervision. The supervision may be in-person, by telephone, or via eye-to-eye electronic media. The supervision must not be provided by e-mail. Group supervision is limited to six members not counting the supervisor or supervisors.

Subd. 4. **Supervisor requirements.** The supervision required by subdivision 1 must be provided by a supervisor who:

(1) is a licensed social worker who has completed the supervised practice requirements;

(2) is a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker; or

(3) meets the requirements specified in section 148E.120, subdivision 2.

Subd. 5. **Supervisee requirements.** The supervisee must:

(1) to the satisfaction of the supervisor, practice competently and ethically according to professional social work knowledge, skills, and values;

(2) receive supervision in the following content areas:

(i) development of professional values and responsibilities;

(ii) practice skills;

(iii) authorized scope of practice;

(iv) ensuring continuing competence; and

(v) ethical standards of practice;

(3) submit a supervision plan according to section 148E.125, subdivision 1; and

(4) if the board audits the supervisee's supervised practice, submit verification of supervised practice according to section 148E.125, subdivision 3.

Subd. 6. **After completion of supervision requirements.** A licensed social worker who fulfills the supervision requirements specified in subdivisions 1 to 5 is not required to be supervised after completion of the supervision requirements.

Subd. 7. **Attestation.** The social worker and the social worker's supervisor must attest that the supervisee has met or has made progress on meeting the applicable supervision requirements according to section 148E.125, subdivision 2.

Sec. 83. **[148E.105] LICENSED GRADUATE SOCIAL WORKERS WHO DO NOT PRACTICE CLINICAL SOCIAL WORK; SUPERVISED PRACTICE.**

Subdivision 1. **Supervision required after licensure.** After receiving a license from the board as a licensed graduate social worker, a licensed graduate social worker must obtain at least 100 hours of supervision according to the requirements of this section.

Subd. 2. **Practice requirements.** The supervision required by subdivision 1 must be obtained during the first 4,000 hours of postgraduate social work practice authorized by law. At least four hours of supervision must be obtained during every 160 hours of practice.

Subd. 3. **Types of supervision.** Of the 100 hours of supervision required under subdivision 1:

(1) 50 hours must be provided through one-on-one supervision, including: (i) a minimum of 25 hours of in-person supervision, and (ii) no more than 25 hours of supervision via eye-to-eye electronic media; and

(2) 50 hours must be provided through: (i) one-on-one supervision, or (ii) group supervision. The supervision may be in-person, by telephone, or via eye-to-eye electronic media. The supervision must not be provided by e-mail. Group supervision is limited to six supervisees.

Subd. 4. **Supervisor requirements.** The supervision required by subdivision 1 must be provided by a supervisor who meets the requirements specified in section 148E.120. The supervision must be provided by a:

- (1) licensed independent social worker;
- (2) licensed graduate social worker who has completed the supervised practice requirements;
- (3) licensed independent clinical social worker; or
- (4) a supervisor who meets the requirements specified in section 148E.120, subdivision 2.

Subd. 5. **Supervisee requirements.** The supervisee must:

(1) to the satisfaction of the supervisor, practice competently and ethically according to professional social work knowledge, skills, and values;

(2) receive supervision in the following content areas:

- (i) development of professional values and responsibilities;
- (ii) practice skills;
- (iii) authorized scope of practice;
- (iv) ensuring continuing competence; and
- (v) ethical standards of practice;

(3) submit a supervision plan according to section 148E.125, subdivision 1; and

(4) verify supervised practice according to section 148E.125, subdivision 3, if:

(i) the board audits the supervisee's supervised practice; or

(ii) a licensed graduate social worker applies for a licensed independent social worker license.

Subd. 6. **Supervision not required after completion of supervision requirements.** A licensed graduate social worker who fulfills the supervision requirements specified in subdivisions 1 to 5, and who does not practice clinical social work, is not required to be supervised after completion of the supervision requirements.

Subd. 7. **Attestation.** A social worker and the social worker's supervisor must attest that the supervisee has met or has made progress on meeting the applicable supervision requirements according to section 148E.125, subdivision 2.

Subd. 8. **Eligibility to apply for licensure as a licensed independent social worker.** Upon completion of 4,000 hours of social work practice, including at least 100 hours of supervision according to the requirements of this section, a licensed graduate social worker is eligible to apply for a licensed independent social worker license according to section 148E.110.

Sec. 84. [148E.106] LICENSED GRADUATE SOCIAL WORKERS WHO PRACTICE CLINICAL SOCIAL WORK; SUPERVISED PRACTICE.

Subdivision 1. **Supervision required after licensure.** After receiving a license from the board as a licensed graduate social worker, a licensed graduate social worker must obtain at least 200 hours of supervision according to the requirements of this section.

Subd. 2. **Practice requirements.** The supervision required by subdivision 1 must be obtained during the first 4,000 hours of postgraduate social work practice authorized by law. At least eight hours of supervision must be obtained during every 160 hours of practice.

Subd. 3. **Types of supervision.** Of the 200 hours of supervision required under subdivision 1:

(1) 100 hours must be provided through one-on-one supervision, including: (i) a minimum of 50 hours of in-person supervision, and (ii) no more than 50 hours of supervision via eye-to-eye electronic media; and

(2) 100 hours must be provided through: (i) one-on-one supervision, or (ii) group supervision. The supervision may be in-person, by telephone, or via eye-to-eye electronic media. The supervision must not be provided by e-mail. Group supervision is limited to six supervisees.

Subd. 4. **Supervisor requirements.** The supervision required by subdivision 1 must be provided by a supervisor who meets the requirements specified in section 148E.120. The supervision must be provided:

(1) by a licensed independent clinical social worker; or

(2) by a supervisor who meets the requirements specified in section 148E.120, subdivision 2.

Subd. 5. Supervisee requirements. The supervisee must:

(1) to the satisfaction of the supervisor, practice competently and ethically according to professional social work knowledge, skills, and values;

(2) receive supervision in the following content areas:

(i) development of professional values and responsibilities;

(ii) practice skills;

(iii) authorized scope of practice;

(iv) ensuring continuing competence; and

(v) ethical standards of practice;

(3) submit a supervision plan according to section 148E.125, subdivision 1; and

(4) verify supervised practice according to section 148E.125, subdivision 3, if:

(i) the board audits the supervisee's supervised practice; or

(ii) a licensed graduate social worker applies for a licensed independent clinical social worker license.

Subd. 6. Supervision required. A licensed graduate social worker must not engage in clinical social work practice except under supervision by a licensed independent clinical social worker or an alternate supervisor designated according to section 148E.120, subdivision 2.

Subd. 7. Limit on practice of clinical social work. (a) Except as provided in subdivision 8, a licensed graduate social worker must not engage in clinical social work practice under supervision for more than 8,000 hours. In order to practice clinical social work for more than 8,000 hours, a licensed graduate social worker must obtain a licensed independent clinical social worker license.

(b) Notwithstanding the requirements of paragraph (a), the board may grant a licensed graduate social worker permission to engage in clinical social work practice for more than 8,000 hours if the licensed graduate social worker petitions the board and demonstrates to the board's satisfaction that for reasons of personal hardship the licensed graduate social worker should be granted an extension to continue practicing clinical social work under supervision for up to an additional 2,000 hours.

Subd. 8. Eligibility to apply for licensure as a licensed independent social worker. Upon completion of 4,000 hours of clinical social work practice, including at least 1,800 hours of direct clinical client contact and 200 hours of supervision according to the requirements of this section, a licensed graduate social worker is eligible to apply for a licensed independent clinical social worker license under section 148E.115, subdivision 1.

Subd. 9. Attestation. A social worker and the social worker's supervisor must attest that the supervisee has met or has made progress on meeting the applicable supervision requirements according to section 148E.125, subdivision 2.

Sec. 85. **[148E.110] LICENSED INDEPENDENT SOCIAL WORKERS; SUPERVISED PRACTICE.**

Subdivision 1. **Supervision required before licensure.** Before becoming licensed as a licensed independent social worker, a person must have obtained at least 100 hours of supervision during 4,000 hours of postgraduate social work practice required by law according to the requirements of section 148E.105, subdivisions 3, 4, and 5. At least four hours of supervision must be obtained during every 160 hours of practice.

Subd. 2. **Licensed independent social workers; clinical social work after licensure.** After licensure, a licensed independent social worker must not engage in clinical social work practice except under supervision by a licensed independent clinical social worker or an alternate supervisor designated according to section 148E.120, subdivision 2.

Subd. 3. **Limit on practice of clinical social work.** (a) Except as provided in paragraph (b), a licensed independent social worker must not engage in clinical social work practice under supervision for more than 8,000 hours. In order to practice clinical social work for more than 8,000 hours, a licensed independent social worker must obtain a licensed independent clinical social worker license.

(b) Notwithstanding the requirements of paragraph (a), the board may grant a licensed independent social worker permission to engage in clinical social work practice for more than 8,000 hours if the licensed independent social worker petitions the board and demonstrates to the board's satisfaction that for reasons of personal hardship the licensed independent social worker should be granted an extension to continue practicing clinical social work under supervision for up to an additional 2,000 hours.

Subd. 4. **Licensed independent social workers who do not practice clinical social work after licensure.** After licensure, a licensed independent social worker is not required to be supervised if the licensed independent social worker does not practice clinical social work.

Sec. 86. **[148E.115] LICENSED INDEPENDENT CLINICAL SOCIAL WORKERS; SUPERVISION.**

Subdivision 1. **Supervision required before licensure.** Before becoming licensed as a licensed independent clinical social worker, a person must have obtained at least 200 hours of supervision during 4,000 hours of postgraduate clinical practice required by law according to the requirements of section 148E.106.

Subd. 2. **No supervision required after licensure.** After licensure, a licensed independent clinical social worker is not required to be supervised.

Sec. 87. **[148E.120] REQUIREMENTS OF SUPERVISORS.**

Subdivision 1. **Supervisors licensed as social workers.** (a) Except as provided in paragraph (b), to be eligible to provide supervision under this section, a social worker must:

(1) have at least 2,000 hours of experience in authorized social work practice. If the person is providing clinical supervision, the 2,000 hours must include 1,000 hours of experience in clinical practice;

(2) have completed 30 hours of training in supervision through coursework from an accredited college or university, or through continuing education in compliance with sections 148E.130 to 148E.170;

(3) be competent in the activities being supervised; and

(4) attest, on a form provided by the board, that the social worker has met the applicable requirements specified in this section and sections 148E.100 to 148E.115. The board may audit the information provided to determine compliance with the requirements of this section.

(b) If the board determines that supervision is not obtainable from an individual meeting the requirements specified in paragraph (a), the board may approve an alternate supervisor according to subdivision 2.

Subd. 2. **Alternate supervisors.** (a) The board may approve an alternate supervisor if:

(1) the board determines that supervision is not obtainable according to paragraph (b);

(2) the licensee requests in the supervision plan submitted according to section 148E.125, subdivision 1, that an alternate supervisor conduct the supervision;

(3) the licensee describes the proposed supervision and the name and qualifications of the proposed alternate supervisor; and

(4) the requirements of paragraph (d) are met.

(b) The board may determine that supervision is not obtainable if:

(1) the licensee provides documentation as an attachment to the supervision plan submitted according to section 148E.125, subdivision 1, that the licensee has conducted a thorough search for a supervisor meeting the applicable licensure requirements specified in sections 148E.100 to 148E.115;

(2) the licensee demonstrates to the board's satisfaction that the search was unsuccessful; and

(3) the licensee describes the extent of the search and the names and locations of the persons and organizations contacted.

(c) The requirements specified in paragraph (b) do not apply to obtaining supervision for clinical practice if the board determines that there are five or fewer licensed independent clinical social workers in the county where the licensee practices social work.

(d) An alternate supervisor must:

(1) be an unlicensed social worker who is employed in, and provides the supervision in, a setting exempt from licensure by section 148E.065, and who has qualifications equivalent to the applicable requirements specified in sections 148E.100 to 148E.115;

(2) be a social worker engaged in authorized practice in Iowa, Manitoba, North Dakota, Ontario, South Dakota, or Wisconsin, and has the qualifications equivalent to the applicable requirements specified in sections 148E.100 to 148E.115; or

(3) be a licensed marriage and family therapist or a mental health professional as established by section 245.462, subdivision 18, or 245.4871, subdivision 27, or an equivalent mental health professional, as determined by the board, who is licensed or credentialed by a state, territorial, provincial, or foreign licensing agency.

In order to qualify to provide clinical supervision of a licensed graduate social worker or licensed independent social worker engaged in clinical practice, the alternate supervisor must be a mental health professional as established by section 245.462, subdivision 18, or 245.4871, subdivision 27, or an equivalent mental health professional, as determined by the board, who is licensed or credentialed by a state, territorial, provincial, or foreign licensing agency.

Sec. 88. **[148E.125] DOCUMENTATION OF SUPERVISION.**

Subdivision 1. **Supervision plan.** (a) A social worker must submit, on a form provided by the board, a supervision plan for meeting the supervision requirements specified in sections 148E.100 to 148E.120.

(b) The supervision plan must be submitted no later than 90 days after the licensee begins a social work practice position after becoming licensed.

(c) For failure to submit the supervision plan within 90 days after beginning a social work practice position, a licensee must pay the supervision plan late fee specified in section 148E.180 when the licensee applies for license renewal.

(d) A license renewal application submitted according to paragraph (a) must not be approved unless the board has received a supervision plan.

(e) The supervision plan must include the following:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the person providing the supervision;

(3) the number of hours of one-on-one in-person supervision and the number and type of additional hours of supervision to be completed by the supervisee;

(4) the supervisee's position description;

(5) a brief description of the supervision the supervisee will receive in the following content areas:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice; and

(6) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:

(i) the client population, the range of presenting issues, and the diagnoses;

(ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process.

(f) The board must receive a revised supervision plan within 90 days of any of the following changes:

(1) the supervisee has a new supervisor;

(2) the supervisee begins a new social work position;

(3) the scope or content of the supervisee's social work practice changes substantially;

(4) the number of practice or supervision hours changes substantially; or

(5) the type of supervision changes as supervision is described in section 148E.100, subdivision 3, or 148E.105, subdivision 3, or as required in section 148E.115.

(g) For failure to submit a revised supervision plan as required in paragraph (f), a supervisee must pay the supervision plan late fee specified in section 148E.180, when the supervisee applies for license renewal.

(h) The board must approve the supervisor and the supervision plan.

Subd. 2. Attestation. (a) When a supervisee submits renewal application materials to the board, the supervisee and supervisor must submit an attestation providing the following information on a form provided by the board:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the supervisor;

(3) the number of hours and dates of each type of supervision completed;

(4) the supervisee's position description;

(5) a declaration that the supervisee has not engaged in conduct in violation of the standards of practice specified in sections 148E.195 to 148E.240;

(6) a declaration that the supervisee has practiced competently and ethically according to professional social work knowledge, skills, and values; and

(7) a list of the content areas in which the supervisee has received supervision, including the following:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice.

(b) The information provided on the attestation form must demonstrate to the board's satisfaction that the supervisee has met or has made progress on meeting the applicable supervised practice requirements.

Subd. 3. **Verification of supervised practice.** (a) In addition to receiving the attestation required under subdivision 2, the board must receive verification of supervised practice if:

(1) the board audits the supervision of a supervisee; or

(2) an applicant applies for a license as a licensed independent social worker or as a licensed independent clinical social worker.

(b) When verification of supervised practice is required according to paragraph (a), the board must receive from the supervisor the following information on a form provided by the board:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the supervisor;

(3) the number of hours and dates of each type of supervision completed;

(4) the supervisee's position description;

(5) a declaration that the supervisee has not engaged in conduct in violation of the standards of practice specified in sections 148E.195 to 148E.240;

(6) a declaration that the supervisee has practiced ethically and competently according to professional social work knowledge, skills, and values;

(7) a list of the content areas in which the supervisee has received supervision, including the following:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice; and

(8) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:

(i) the client population, the range of presenting issues, and the diagnoses;

(ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process.

(c) The information provided on the verification form must demonstrate to the board's satisfaction that the supervisee has met the applicable supervised practice requirements.

Subd. 4. **Alternative verification of supervised practice.** Notwithstanding the requirements of subdivision 3, the board may accept alternative verification of supervised practice if a supervisee demonstrates to the satisfaction of the board that the supervisee is unable to locate a former supervisor to provide the required information.

Sec. 89. **[148E.130] CLOCK HOURS REQUIRED.**

Subdivision 1. **Total clock hours required.** At the time of license renewal, a licensee must provide evidence satisfactory to the board that the licensee has, during the renewal term, completed at least 40 clock hours of continuing education.

Subd. 2. **Ethics requirement.** At least two of the clock hours required under subdivision 1 must be in social work ethics.

Subd. 3. **Requirement for LICSWs.** For licensed independent clinical social workers, at least 24 of the clock hours required under subdivision 1 must be in the clinical content areas specified in section 148E.055, subdivision 5.

Subd. 4. **Requirement for supervisors.** For social workers providing supervision according to sections 148E.100 to 148E.125, at least six of the clock hours required under subdivision 1 must be in the practice of supervision.

Subd. 5. **Independent study.** Independent study must not consist of more than ten clock hours of continuing education per renewal term. Independent study must be for publication, public presentation, or professional development. Independent study includes, but is not limited to, electronic study. For purposes of subdivision 6, independent study includes consultation with an experienced supervisor regarding the practice of supervision.

Subd. 6. **Coursework.** One credit of coursework in a semester-based academic institution is the equivalent of 15 clock hours.

Subd. 7. **Prorated renewal term.** If the licensee's renewal term is prorated to be less or more than 24 months, the required number of continuing education clock hours is prorated proportionately.

Sec. 90. **[148E.135] APPROVAL OF CLOCK HOURS.**

Subdivision 1. **Ways of approving clock hours.** The clock hours required under section 148E.130 must be approved in one or more of the following ways:

(1) the hours must be offered by a continuing education provider approved by the board;

(2) the hours must be offered by a continuing education provider approved by the Association of Social Work Boards or a similar examination body designated by the board;

(3) the hours must be earned through a continuing education program approved by the National Association of Social Workers; or

(4) the hours must be earned through a continuing education program approved by the board.

Subd. 2. **Preapproval not required.** Providers and programs are not required to be preapproved but must meet the requirements specified in this section.

Sec. 91. **[148E.140] VARIANCES.**

The board may grant a variance to the continuing education requirements specified in section 148E.130, when a licensee demonstrates to the satisfaction of the board that the licensee is unable to complete the required number of clock hours during the renewal term. The board may allow a licensee to complete the required number of clock hours within a time frame specified by the board. The board must not allow a licensee to complete less than the required number of clock hours.

Sec. 92. **[148E.145] CONTINUING EDUCATION PROVIDERS APPROVED BY BOARD.**

Subdivision 1. **Board approval.** (a) The board must approve a continuing education provider who:

(1) submits a completed application to the board which provides the information required by subdivision 2 and which meets the criteria specified in subdivision 3; and

(2) pays the provider fee specified in section 148E.180.

(b) An approval is valid for programs offered no later than one year from the date the application is approved by the board.

Subd. 2. **Information required.** The information that must be provided to the board includes, but is not limited to, the following:

(1) the name of the continuing education provider;

(2) the address, telephone number, and e-mail address of a contact person for the provider;

(3) a signed statement that indicates the provider understands and agrees to abide by the criteria specified in subdivision 3; and

(4) a signed statement that indicates the provider agrees to furnish a certificate of attendance to each participant in a program offered by the provider.

Subd. 3. **Criteria for programs.** (a) A continuing education provider must employ the following criteria in determining whether to offer a continuing education program:

(1) whether the material to be presented will promote the standards of practice described in sections 148E.195 to 148E.240;

(2) whether the material to be presented will contribute to the practice of social work as defined in section 148E.010;

(3) whether the material to be presented is intended for the benefit of practicing social workers; and

(4) whether the persons presenting the program are qualified in the subject matter being presented.

(b) The material presented must not be primarily procedural or primarily oriented towards business practices or self-development.

Subd. 4. **Audits.** (a) The board may audit programs offered by a continuing education provider approved by the board to determine compliance with the requirements of this section.

(b) A continuing education provider audited by the board must provide the documentation specified in subdivision 5.

Subd. 5. **Records retention; continuing education providers.** For three years following the end of each program offered by a continuing education provider, the provider must maintain the following information:

- (1) the title of the program;
- (2) a description of the content and objectives of the program;
- (3) the date of the program;
- (4) the number of clock hours credited for participation in the program;
- (5) the program location;
- (6) the names and qualifications of the primary presenters;
- (7) a description of the primary audience the program was designed for; and
- (8) a list of the participants in the program.

Sec. 93. **[148E.150] APPROVED CONTINUING EDUCATION PROVIDERS.**

In order to receive credit for a program offered by a continuing education provider approved by the Association of Social Work Boards or a similar examination body designated by the board, the provider must be listed on the Association of Social Work Boards Web site as a provider currently approved by the Association of Social Work Boards or a similar examination body designated by the board.

Sec. 94. **[148E.155] APPROVED CONTINUING EDUCATION PROGRAMS.**

In order to receive credit for a program approved by the National Association of Social Workers, the program must be listed on the National Association of Social Workers Web site as a program currently approved by the National Association of Social Workers.

Sec. 95. **[148E.160] CONTINUING EDUCATION PROGRAMS APPROVED BY BOARD.**

Subdivision 1. **Required program content.** In order to be approved by the board, a continuing education program must:

- (1) promote the standards of practice described in sections 148E.195 to 148E.240;
- (2) contribute to the practice of social work as defined in section 148E.010; and
- (3) not be primarily procedural or be primarily oriented towards business practices or self-development.

Subd. 2. **Types of continuing education programs.** In order to be approved by the board, a continuing education program must be one of the following: academic coursework offered by an institution of higher learning; educational workshops, seminars, or conferences offered by an organization or individual; staff training offered by a public or private employer; or independent study.

Sec. 96. **[148E.165] CONTINUING EDUCATION REQUIREMENTS OF LICENSEES.**

Subdivision 1. **Records retention; licensees.** For one year following the expiration date of a license, the licensee must maintain documentation of clock hours earned during the previous renewal term. The documentation must include the following:

(1) for educational workshops or seminars offered by an organization or at a conference, a copy of the certificate of attendance issued by the presenter or sponsor giving the following information:

(i) the name of the sponsor or presenter of the program;

(ii) the title of the workshop or seminar;

(iii) the dates the licensee participated in the program; and

(iv) the number of clock hours completed;

(2) for academic coursework offered by an institution of higher learning, a copy of a transcript giving the following information:

(i) the name of the institution offering the course;

(ii) the title of the course;

(iii) the dates the licensee participated in the course; and

(iv) the number of credits completed;

(3) for staff training offered by public or private employers, a copy of the certificate of attendance issued by the employer giving the following information:

(i) the name of the employer;

(ii) the title of the staff training;

(iii) the dates the licensee participated in the program; and

(iv) the number of clock hours completed; and

(4) for independent study, including electronic study, a written summary of the study conducted, including the following information:

(i) the topics studied;

(ii) a description of the applicability of the study to the licensee's authorized scope of practice;

(iii) the titles and authors of books and articles consulted or the name of the organization offering the study;

(iv) the dates the licensee conducted the study; and

(v) the number of clock hours the licensee conducted the study.

Subd. 2. **Audits.** The board may audit license renewal and reactivation applications to determine compliance with the requirements of sections 148E.130 to 148E.170. A licensee audited by the board must provide the documentation specified in subdivision 1 regardless of whether the provider or program has been approved by the board, the Association of Social Work Boards, or a similar examination body designated by the board, or the National Association of Social Workers.

Sec. 97. **[148E.170] REVOCATION OF CONTINUING EDUCATION APPROVALS.**

The board may revoke approval of a provider or of a program offered by a provider, or of an individual program approved by the board, if the board determines subsequent to the approval that the provider or program failed to meet the requirements of sections 148E.130 to 148E.170.

Sec. 98. **[148E.175] FEES.**

The fees specified in section 148E.180 are nonrefundable and must be deposited in the state government special revenue fund.

Sec. 99. **[148E.180] FEE AMOUNTS.**

Subdivision 1. **Application fees.** Application fees for licensure are as follows:

- (1) for a licensed social worker, \$45;
- (2) for a licensed graduate social worker, \$45;
- (3) for a licensed independent social worker, \$90;
- (4) for a licensed independent clinical social worker, \$90;
- (5) for a temporary license, \$50; and
- (6) for a licensure by endorsement, \$150.

The fee for criminal background checks is the fee charged by the Bureau of Criminal Apprehension. The criminal background check fee must be included with the application fee as required according to section 148E.055.

Subd. 2. **License fees.** License fees are as follows:

- (1) for a licensed social worker, \$115.20;
- (2) for a licensed graduate social worker, \$201.60;
- (3) for a licensed independent social worker, \$302.40;
- (4) for a licensed independent clinical social worker, \$331.20;
- (5) for an emeritus license, \$43.20; and
- (6) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

If the licensee's initial license term is less or more than 24 months, the required license fees must be prorated proportionately.

Subd. 3. **Renewal fees.** Renewal fees for licensure are as follows:

- (1) for a licensed social worker, \$115.20;
- (2) for a licensed graduate social worker, \$201.60;
- (3) for a licensed independent social worker, \$302.40; and
- (4) for a licensed independent clinical social worker, \$331.20.

Subd. 4. **Continuing education provider fees.** Continuing education provider fees are as follows:

- (1) for a provider who offers programs totaling one to eight clock hours in a one-year period according to section 148E.145, \$50;
- (2) for a provider who offers programs totaling nine to 16 clock hours in a one-year period according to section 148E.145, \$100;
- (3) for a provider who offers programs totaling 17 to 32 clock hours in a one-year period according to section 148E.145, \$200;
- (4) for a provider who offers programs totaling 33 to 48 clock hours in a one-year period according to section 148E.145, \$400; and
- (5) for a provider who offers programs totaling 49 or more clock hours in a one-year period according to section 148E.145, \$600.

Subd. 5. **Late fees.** Late fees are as follows:

- (1) renewal late fee, one-half of the renewal fee specified in subdivision 3; and
- (2) supervision plan late fee, \$40.

Subd. 6. **License cards and wall certificates.** (a) The fee for a license card as specified in section 148E.095 is \$10.

(b) The fee for a license wall certificate as specified in section 148E.095 is \$30.

Subd. 7. **Reactivation fees.** Reactivation fees are as follows:

- (1) reactivation from a temporary leave or emeritus status, the prorated share of the renewal fee specified in subdivision 3; and
- (2) reactivation of an expired license, 1-1/2 times the renewal fees specified in subdivision 3.

Sec. 100. **[148E.185] PURPOSE OF COMPLIANCE LAWS.**

The purpose of sections 148E.185 to 148E.290 is to protect the public by ensuring that all persons licensed as social workers meet minimum standards of practice. The board shall promptly and fairly investigate and resolve all complaints alleging violations of statutes and rules that the board is empowered to enforce and (1) take appropriate disciplinary action, adversarial action, or other action justified by the facts, or (2) enter into corrective action agreements or stipulations to cease practice, when doing so is consistent with the board's obligation to protect the public.

Sec. 101. **[148E.190] GROUNDS FOR ACTION.**

Subdivision 1. **Scope.** The grounds for action in subdivisions 2 to 4 and the standards of practice requirements in sections 148E.195 to 148E.240 apply to all licensees and applicants.

Subd. 2. **Violations.** The board has grounds to take action according to sections 148E.255 to 148E.270 when a social worker violates:

- (1) a statute or rule enforced by the board, including this section and sections 148E.195 to 148E.240;
- (2) a federal or state law or rule related to the practice of social work; or
- (3) an order, stipulation, or agreement agreed to or issued by the board.

Subd. 3. **Conduct before licensure.** A violation of the requirements specified in this section and sections 148E.195 to 148E.240 is grounds for the board to take action under sections 148E.255 to 148E.270. The board's jurisdiction to exercise the powers provided in this section extends to an applicant or licensee's conduct that occurred before licensure if:

(1) the conduct did not meet the minimum accepted and prevailing standards of professional social work practice at the time the conduct occurred; or

(2) the conduct adversely affects the applicant or licensee's present ability to practice social work in conformity with the requirements of sections 148E.195 to 148E.240.

Subd. 4. **Unauthorized practice.** The board has grounds to take action according to sections 148E.255 to 148E.270 when a social worker:

- (1) practices outside the scope of practice authorized by section 148E.050;
- (2) engages in the practice of social work without a social work license under section 148E.055 or 148E.060, except when the social worker is exempt from licensure under section 148E.065;
- (3) provides social work services to a client who receives social work services in this state, and is not licensed under section 148E.055 or 148E.060, except when the social worker is exempt from licensure under section 148E.065.

Sec. 102. **[148E.195] REPRESENTATIONS TO CLIENTS AND PUBLIC.**

Subdivision 1. **Required displays and information for clients.** (a) A social worker must conspicuously display at the social worker's places of practice, or make available as a handout for all clients, information that the client has the right to the following:

- (1) to be informed of the social worker's license status, education, training, and experience;
- (2) to examine public data on the social worker maintained by the board;
- (3) to report a complaint about the social worker's practice to the board; and
- (4) to be informed of the board's mailing address, e-mail address, Web site address, and telephone number.

(b) A social worker must conspicuously display the social worker's wall certificate at the social worker's places of practice and office locations. Additional wall certificates may be requested according to section 148E.095.

Subd. 2. **Representations.** (a) No applicant or other individual may be represented to the public by any title incorporating the words "social work" or "social worker" unless the individual holds a license according to sections 148E.055 and 148E.060 or practices in a setting exempt from licensure according to section 148E.065.

(b) In all professional use of a social worker's name, the social worker must use the license designation "LSW" or "licensed social worker" for a licensed social worker, "LGSW" or "licensed graduate social worker" for a licensed graduate social worker, "LISW" or "licensed independent social worker" for a licensed independent social worker, or "LICSW" or "licensed independent clinical social worker" for a licensed independent clinical social worker.

(c) Public statements or advertisements must not be untruthful, misleading, false, fraudulent, deceptive, or potentially exploitative of clients, former clients, interns, students, supervisees, or the public.

(d) A social worker must not:

(1) use licensure status as a claim, promise, or guarantee of successful service;

(2) obtain a license by cheating or employing fraud or deception;

(3) make false statements or misrepresentations to the board or in materials submitted to the board; or

(4) engage in conduct that has the potential to deceive or defraud a social work client, intern, student, supervisee, or the public.

Subd. 3. **Information on credentials.** (a) A social worker must provide accurate and factual information concerning the social worker's credentials, education, training, and experience when the information is requested by clients, potential clients, or other persons or organizations.

(b) A social worker must not misrepresent directly or by implication the social worker's license, degree, professional certifications, affiliations, or other professional qualifications in any oral or written communications to clients, potential clients, or other persons or organizations. A social worker must take reasonable steps to prevent such misrepresentations by other social workers.

(c) A social worker must not hold out as a person licensed as a social worker without having a social work license according to sections 148E.055 and 148E.060.

(d) A social worker must not misrepresent directly or by implication (1) affiliations with institutions or organizations, or (2) purposes or characteristics of institutions or organizations with which the social worker is or has been affiliated.

Sec. 103. **[148E.200] COMPETENCE.**

Subdivision 1. **Competence.** (a) A social worker must provide services and hold out as competent only to the extent the social worker's education, training, license, consultation received, supervision experience, or other relevant professional experience demonstrate competence in the services provided. A social worker must make a referral to a competent professional when the services required are beyond the social worker's competence or authorized scope of practice.

(b) When generally recognized standards do not exist with respect to an emerging area of practice, including but not limited to providing social work services through electronic means, a social worker must take the steps necessary, such as consultation or supervision, to ensure the competence of the social worker's work and to protect clients from harm.

Subd. 2. **Supervision or consultation.** Notwithstanding the completion of supervision requirements as specified in sections 148E.100 to 148E.125, a social worker must obtain supervision or engage in consultation when appropriate or necessary for competent and ethical practice.

Subd. 3. **Delegation of social work responsibilities.** (a) A social worker must not delegate a social work responsibility to another individual when the social worker knows or reasonably should know that the individual is not licensed when required to be licensed according to sections 148E.055 and 148E.060.

(b) A social worker must not delegate a social work responsibility to another individual when the social worker knows or reasonably should know that the individual is not competent to assume the responsibility or perform the task.

Sec. 104. **[148E.205] IMPAIRMENT.**

Subdivision 1. **Grounds for action.** The board has grounds to take action under sections 148E.255 to 148E.270 when a social worker is unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition.

Subd. 2. **Self-reporting.** A social worker regulated by the board who is unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition, must report to the board or the health professionals services program.

Sec. 105. **[148E.210] PROFESSIONAL AND ETHICAL CONDUCT.**

The board has grounds to take action under sections 148E.255 to 148E.270 when a social worker:

(1) engages in unprofessional or unethical conduct, including any departure from or failure to conform to the minimum accepted ethical and other prevailing standards of professional social work practice, without actual injury to a social work client, intern, student, supervisee, or the public needing to be established;

(2) engages in conduct that has the potential to cause harm to a client, intern, student, supervisee, or the public;

(3) demonstrates a willful or careless disregard for the health, welfare, or safety of a client, intern, student, or supervisee; or

(4) engages in acts or conduct adversely affecting the applicant or licensee's current ability or fitness to engage in social work practice, whether or not the acts or conduct occurred while engaged in the practice of social work.

Sec. 106. **[148E.215] RESPONSIBILITIES TO CLIENTS.**

Subdivision 1. **Responsibility to clients.** A social worker's primary professional responsibility is to the client. A social worker must respect the client's interests, including the interest in self-determination, except when required to do otherwise by law.

Subd. 2. **Nondiscrimination.** A social worker must not discriminate against a client, intern, student, or supervisee or in providing services to a client, intern, or supervisee on the basis of age, gender, sexual orientation, race, color, national origin, religion, illness, disability, political affiliation, or social or economic status.

Subd. 3. **Research.** When undertaking research activities, a social worker must use accepted protocols for the protection of human subjects, including (1) establishing appropriate safeguards to protect the subject's vulnerability, and (2) obtaining the subjects' informed consent.

Sec. 107. **[148E.220] RELATIONSHIPS WITH CLIENTS, FORMER CLIENTS, AND OTHERS.**

Subdivision 1. **Social worker responsibility.** (a) A social worker is responsible for acting professionally in relationships with clients or former clients. A client or a former client's initiation of, or attempt to engage in, or request to engage in, a personal, sexual, or business relationship is not a defense to a violation of this section.

(b) When a relationship is permitted by this section, social workers who engage in such a relationship assume the full burden of demonstrating that the relationship will not be detrimental to the client or the professional relationship.

Subd. 2. **Professional boundaries.** A social worker must maintain appropriate professional boundaries with a client. A social worker must not engage in practices with clients that create an unacceptable risk of client harm or of impairing a social worker's objectivity or professional judgment. A social worker must not act or fail to act in a way that, as judged by a reasonable and prudent social worker, inappropriately encourages the client to relate to the social worker outside of the boundaries of the professional relationship, or in a way that interferes with the client's ability to benefit from social work services from the social worker.

Subd. 3. **Misuse of professional relationship.** A social worker must not use the professional relationship with a client, student, supervisee, or intern to further the social worker's personal, emotional, financial, sexual, religious, political, or business benefit or interests.

Subd. 4. **Improper termination.** A social worker must not terminate a professional relationship for the purpose of beginning a personal, sexual, or business relationship with a client.

Subd. 5. **Personal relationship with a client.** (a) Except as provided in paragraph (b), a social worker must not engage in a personal relationship with a client that creates a risk of client harm or of impairing a social worker's objectivity or professional judgment.

(b) Notwithstanding paragraph (a), if a social worker is unable to avoid a personal relationship with a client, the social worker must take appropriate precautions, such as consultation or supervision, to address the potential for risk of client harm or of impairing a social worker's objectivity or professional judgment.

Subd. 6. **Personal relationship with a former client.** A social worker may engage in a personal relationship with a former client after appropriate termination of the professional relationship, except:

(1) as prohibited by subdivision 8; or

(2) if a reasonable and prudent social worker would conclude after appropriate assessment that (i) the former client is emotionally dependent on the social worker or continues to relate to the social worker as a client, or (ii) the social worker is emotionally dependent on the client or continues to relate to the former client as a social worker.

Subd. 7. **Sexual conduct with a client.** A social worker must not engage in or suggest sexual conduct with a client.

Subd. 8. **Sexual conduct with a former client.** (a) A social worker who has engaged in diagnosing, counseling, or treating a client with mental, emotional, or behavioral disorders must not engage in or suggest sexual conduct with the former client under any circumstances for a period of two years following the termination of the professional relationship. After two years following the termination of the professional relationship, a social worker who has engaged in diagnosing, counseling, or treating a client with a mental, emotional, or behavioral disorder must not engage in or suggest sexual conduct with the former client under any circumstances unless:

(1) the social worker did not intentionally or unintentionally coerce, exploit, deceive, or manipulate the former client at any time;

(2) the social worker did not represent to the former client that sexual conduct with the social worker is consistent with or part of the client's treatment;

(3) the social worker's sexual conduct was not detrimental to the former client at any time;

(4) the former client is not emotionally dependent on the social worker and does not continue to relate to the social worker as a client; and

(5) the social worker is not emotionally dependent on the client and does not continue to relate to the former client as a social worker.

(b) If there is an alleged violation of paragraph (a), the social worker assumes the full burden of demonstrating to the board that the social worker did not intentionally or unintentionally coerce, exploit, deceive, or manipulate the client, and the social worker's sexual conduct was not detrimental to the client at any time. Upon request, a social worker must provide information to the board addressing:

(1) the amount of time that has passed since termination of services;

(2) the duration, intensity, and nature of services;

(3) the circumstances of termination of services;

(4) the former client's emotional, mental, and behavioral history;

(5) the former client's current emotional, mental, and behavioral status;

(6) the likelihood of adverse impact on the former client; and

(7) the existence of actions, conduct, or statements made by the social worker during the course of services suggesting or inviting the possibility of a sexual relationship with the client following termination of services.

(c) A social worker who has provided social work services other than those described in paragraph (a) to a client must not engage in or suggest sexual conduct with the former client if a reasonable and prudent social worker would conclude after appropriate assessment that engaging in such behavior with the former client would create an unacceptable risk of harm to the former client.

Subd. 9. Sexual conduct with student, supervisee, or intern. (a) A social worker must not engage in or suggest sexual conduct with a student while the social worker has authority over any part of the student's academic program.

(b) A social worker supervising an intern must not engage in or suggest sexual conduct with the intern during the course of the internship.

(c) A social worker practicing social work as a supervisor must not engage in or suggest sexual conduct with a supervisee during the period of supervision.

Subd. 10. Sexual harassment. A social worker must not engage in any physical, oral, written, or electronic behavior that a client, former client, student, supervisee, or intern may reasonably interpret as sexually harassing or sexually demeaning.

Subd. 11. Business relationship with client. A social worker must not purchase goods or services from a client or otherwise engage in a business relationship with a client except when:

(1) a social worker purchases goods or services from the client and a reasonable and prudent social worker would determine that it is not practical or reasonable to obtain the goods or services from another provider; and

(2) engaging in the business relationship will not be detrimental to the client or the professional relationship.

Subd. 12. Business relationship with former client. A social worker may purchase goods or services from a former client or otherwise engage in a business relationship with a former client after appropriate termination of the professional relationship unless a reasonable and prudent social worker would conclude after appropriate assessment that:

(1) the former client is emotionally dependent on the social worker and purchasing goods or services from the former client or otherwise engaging in a business relationship with the former client would be detrimental to the former client; or

(2) the social worker is emotionally dependent on the former client and purchasing goods or services from the former client or otherwise engaging in a business relationship with the former client would be detrimental to the former client.

Subd. 13. Previous sexual, personal, or business relationship. (a) A social worker must not engage in a social worker/client relationship with an individual with whom the social worker had a previous sexual relationship.

(b) A social worker must not engage in a social worker/client relationship with an individual with whom the social worker had a previous personal or business relationship if a reasonable and prudent social worker would conclude after appropriate assessment that the social worker/client relationship would create an unacceptable risk of client harm or that the social worker's objectivity or professional judgment may be impaired.

Subd. 14. Giving alcohol or other drugs to client. (a) Unless authorized by law, a social worker must not offer medication or controlled substances to a client.

(b) A social worker must not accept medication or controlled substances from a client, except that if authorized by law, a social worker may accept medication or controlled substances from a client for purposes of disposal or to monitor use.

(c) A social worker must not offer alcoholic beverages to a client except when the offer is authorized or prescribed by a physician or is offered according to a client's care plan.

(d) A social worker must not accept alcoholic beverages from a client.

Subd. 15. **Relationship with client's family or household member.** Subdivisions 1 to 14 apply to a social worker's relationship with a client's family or household member when a reasonable and prudent social worker would conclude after appropriate assessment that a relationship with a family or household member would create an unacceptable risk of harm to the client.

Sec. 108. **[148E.225] TREATMENT AND INTERVENTION SERVICES.**

Subdivision 1. **Assessment or diagnosis.** A social worker must base treatment and intervention services on an assessment or diagnosis. A social worker must evaluate, on an ongoing basis, the appropriateness of the assessment or diagnosis.

Subd. 2. **Assessment or diagnostic instruments.** A social worker must not use an assessment or diagnostic instrument without adequate training. A social worker must follow standards and accepted procedures for using an assessment or diagnostic instrument. A social worker must inform a client of the purpose before administering the instrument and must make the results available to the client.

Subd. 3. **Plan for services.** A social worker must develop a plan for services that includes goals based on the assessment or diagnosis. A social worker must evaluate, on an ongoing basis, the appropriateness of the plan and the client's progress toward the goals.

Subd. 4. **Records.** (a) A social worker must make and maintain current and accurate records, appropriate to the circumstances, of all services provided to a client. At a minimum, the records must contain documentation of:

- (1) the assessment or diagnosis;
- (2) the content of the service plan;
- (3) progress with the plan and any revisions of assessment, diagnosis, or plan;
- (4) any fees charged and payments made;
- (5) copies of all client-written authorizations for release of information; and
- (6) other information necessary to provide appropriate services.

(b) These records must be maintained by the social worker for at least seven years after the last date of service to the client. Social workers who are employed by an agency or other entity are not required to:

- (1) maintain personal or separate records; or
- (2) personally retain records at the conclusion of their employment.

Subd. 5. **Termination of services.** A social worker must terminate a professional relationship with a client when the social worker reasonably determines that the client is not likely to benefit from continued services or the services are no longer needed, unless the social worker is required by law to provide services. A social worker who anticipates terminating services must give reasonable notice to the client in a manner that is appropriate to the needs of the client. The social worker must provide appropriate referrals as needed or upon request of the client.

Sec. 109. **[148E.230] CONFIDENTIALITY AND RECORDS.**

Subdivision 1. Informed consent. (a) A social worker must obtain valid, informed consent, appropriate to the circumstances, before providing services to clients. When obtaining informed consent, the social worker must determine whether the client has the capacity to provide informed consent. If the client does not have the capacity to provide consent, the social worker must obtain consent for the services from the client's legal representative. The social worker must not provide services, unless authorized or required by law, if the client or the client's legal representative does not consent to the services.

(b) If a social worker determines that a client does not have the capacity to provide consent, and the client does not have a legal representative, the social worker:

(1) must, except as provided in clause (2), secure a legal representative for a client before providing services; or

(2) may, notwithstanding clause (1), provide services, except when prohibited by other applicable law, that are necessary to ensure the client's safety or to preserve the client's property or financial resources.

(c) A social worker must use clear and understandable language, including using an interpreter proficient in the client's primary language as necessary, to inform clients of the plan of services, risks related to the plan, limits to services, relevant costs, terms of payment, reasonable alternatives, the client's right to refuse or withdraw consent, and the time frame covered by the consent.

Subd. 2. Mandatory reporting and disclosure of client information. At the beginning of a professional relationship and during the professional relationship as necessary and appropriate, a social worker must inform the client of those circumstances under which the social worker may be required to disclose client information specified in subdivision 3, paragraph (a), without the client's consent.

Subd. 3. Confidentiality of client information. (a) A social worker must ensure the confidentiality of all client information obtained in the course of the social worker/client relationship and all client information otherwise obtained by the social worker that is relevant to the social worker/client relationship. Except as provided in this section, client information may be disclosed or released only with the client's or the client's legal representative's valid informed consent, appropriate to the circumstances, except when otherwise required by law. A social worker must seek consent to disclose or release client information only when such disclosure or release is necessary to provide social work services.

(b) A social worker must continue to maintain confidentiality of the client information specified in paragraph (a) upon termination of the professional relationship including upon the death of the client, except as provided under this section or other applicable law.

(c) A social worker must limit access to the client information specified in paragraph (a) in a social worker's agency to appropriate agency staff whose duties require access.

Subd. 4. Release of client information with written informed consent. (a) Except as provided in subdivision 5, client information specified in subdivision 3, paragraph (a), may be released only with the client's or the client's legal representative's written informed consent. The written informed consent must:

(1) explain to whom the client's records may be released;

(2) explain the purpose for the release; and

(3) state an expiration date for the authorized release of the records.

(b) A social worker may provide client information specified in subdivision 3, paragraph (a), to a third party for the purpose of payment for services rendered only with the client's written informed consent.

(c) Except as provided in subdivision 5, a social worker may disclose client information specified in subdivision 3, paragraph (a), only with the client's or the client's legal representative's written informed consent. When it is not practical to obtain written informed consent before providing necessary services, a social worker may disclose or release client information with the client's or the client's legal representative's oral informed consent.

(d) Unless otherwise authorized by law, a social worker must obtain a client's written informed consent before taking a photograph of the client or making an audio or video recording of the client, or allowing a third party to do the same. The written informed consent must explain:

(1) the purpose of the photograph or the recording and how the photograph or recording will be used, how it will be stored, and when it will be destroyed; and

(2) how the client may have access to the photograph or recording.

Subd. 5. **Release of client information without written informed consent.** (a) A social worker may disclose client information specified in subdivision 3, paragraph (a), without the written consent of the client or the client's legal representative only under the following circumstances or under the circumstances described in paragraph (b):

(1) when mandated or authorized by federal or state law, including the mandatory reporting requirements under the duty to warn, maltreatment of minors, and vulnerable adult laws specified in section 148E.240, subdivisions 6 to 8;

(2) when the board issues a subpoena to the social worker; or

(3) when a court of competent jurisdiction orders release of the client records or information.

(b) When providing services authorized or required by law to a client who does not have the capacity to provide consent and who does not have a legal representative, a social worker must disclose or release client records or information as necessary to provide services to ensure the client's safety or to preserve the client's property or financial resources.

Subd. 6. **Release of client records or information.** When releasing client records or information under this section, a social worker must release current, accurate, and complete records or information.

Sec. 110. **[148E.235] FEES AND BILLING PRACTICES.**

Subdivision 1. **Fees and payments.** (a) A social worker must ensure that a client or a client's legal representative is informed of all fees at the initial session or meeting with the client, and that payment for services is arranged with the client or the client's legal representative at the beginning of the professional relationship. Upon request from a client or a client's legal representative, a social worker must provide in a timely manner a written payment plan or a written explanation of the charges for any services rendered.

(b) When providing services authorized or required by law to a client who does not have the capacity to provide consent and who does not have a legal representative, a social worker may submit reasonable bills to an appropriate payer for services provided.

Subd. 2. **Billing for services not provided.** A social worker must not bill for services that have not been provided except that, with prior notice to the client, a social worker may bill for failed appointments or for cancellations without sufficient notice. A social worker may bill only for provided services which are necessary and appropriate. Financial responsibility for failed appointment billings resides solely with the client and such costs may not be billed to public or private payers.

Subd. 3. **No payment for referrals.** A social worker must not accept or give a commission, rebate, or other form of remuneration solely or primarily to profit from the referral of a client.

Subd. 4. **Fees and billing practices.** A social worker must not engage in improper or fraudulent billing practices, including, but not limited to, violations of the federal Medicare and Medicaid laws or state medical assistance laws.

Sec. 111. **[148E.240] REPORTING REQUIREMENTS.**

Subdivision 1. **Failure to self-report adverse actions.** The board has grounds to take action under sections 148E.255 to 148E.270 when a social worker fails to report to the board within 90 days:

(1) having been disciplined, sanctioned, or found to have violated a state, territorial, provincial, or foreign licensing agency's laws or rules;

(2) having been convicted of committing a felony, gross misdemeanor, or misdemeanor reasonably related to the practice of social work;

(3) having had a finding or verdict of guilt, whether or not the adjudication of guilt is withheld or not entered, of committing a felony, gross misdemeanor, or misdemeanor reasonably related to the practice of social work;

(4) having admitted to committing, or entering a no contest plea to committing, a felony, gross misdemeanor, or misdemeanor reasonably related to the practice of social work; or

(5) having been denied licensure by a state, territorial, provincial, or foreign licensing agency.

Subd. 2. **Failure to submit application information.** The board has grounds to take action under sections 148E.255 to 148E.270 when an applicant or licensee fails to submit with an application the following information:

(1) the dates and dispositions of any malpractice settlements or awards made relating to the social work services provided by the applicant or licensee; or

(2) the dates and dispositions of any civil litigations or arbitrations relating to the social work services provided by the applicant or licensee.

Subd. 3. **Reporting other licensed health professionals.** An applicant or licensee must report to the appropriate health-related licensing board conduct by a licensed health professional which would constitute grounds for disciplinary action under the statutes and rules enforced by that board.

Subd. 4. **Reporting unlicensed practice.** An applicant or licensee must report to the board conduct by an unlicensed person which constitutes the practice of social work, as defined in section 148E.010, except when the unlicensed person is exempt from licensure according to section 148E.065.

Subd. 5. **Failure to report other applicants or licensees; unlicensed practice.** The board has grounds to take action under sections 148E.255 to 148E.270 when an applicant or licensee fails to report to the board conduct:

(1) by another licensee or applicant which the applicant or licensee has reason to believe may reasonably constitute grounds for disciplinary action under this section; or

(2) by an unlicensed person that constitutes the practice of social work when a license is required to practice social work.

Subd. 6. **Duty to warn.** A licensee must comply with the duty to warn established by section 148.975.

Subd. 7. **Reporting maltreatment of minors.** An applicant or licensee must comply with the reporting of maltreatment of minors established by section 626.556.

Subd. 8. **Reporting maltreatment of vulnerable adults.** An applicant or licensee must comply with the reporting of maltreatment of vulnerable adults established by section 626.557.

Subd. 9. **Subpoenas.** The board may issue subpoenas according to section 148E.245 and chapter 214 for the production of any reports required by this section or any related documents.

Sec. 112. **[148E.245] INVESTIGATIVE POWERS AND PROCEDURES.**

Subdivision 1. **Subpoenas.** (a) The board may issue subpoenas and compel the attendance of witnesses and the production of all necessary papers, books, records, documents, and other evidentiary material as part of its investigation of an applicant or licensee under this section or chapter 214.

(b) If any person fails or refuses to appear or testify regarding any matter about which the person may be lawfully questioned, or fails or refuses to produce any papers, books, records, documents, or other evidentiary materials in the matter to be heard, after having been required by order of the board or by a subpoena of the board to do so, the board may institute a proceeding in any district court to enforce the board's order or subpoena.

(c) The board or a designated member of the board acting on behalf of the board may issue subpoenas or administer oaths to witnesses or take affirmations. Depositions may be taken within or out of the state in the manner provided by law for the taking of depositions in civil actions.

(d) A subpoena or other process or paper may be served upon any person named therein, by mail or by any officer authorized to serve subpoenas or other process or paper in civil actions, with the same fees and mileage and in the same manner as prescribed by law for service of process issued out of the district court of this state.

(e) Fees, mileage, and other costs must be paid as the board directs.

Subd. 2. **Classification of data.** (a) Any records obtained as part of an investigation must be treated as investigative data under section 13.41 and be classified as confidential data.

(b) Notwithstanding paragraph (a), client records must be treated as private data under chapter 13. Client records must be protected as private data in the records of the board and in administrative or judicial proceedings unless the client authorizes the board in writing to make public the identity of the client or a portion or all of the client's records.

Subd. 3. Mental or physical examination; chemical dependency evaluation. (a) If the board (1) has probable cause to believe that an applicant or licensee has violated a statute or rule enforced by the board or an order issued by the board; and (2) believes the applicant may have a health-related condition relevant to the violation, the board may issue an order directing the applicant or licensee to submit to one or more of the following: a mental examination, a physical examination, or a chemical dependency evaluation.

(b) An examination or evaluation order issued by the board must include:

(1) factual specifications on which the order is based;

(2) the purpose of the examination or evaluation;

(3) the name of the person or entity that will conduct the examination or evaluation; and

(4) the means by which the examination or evaluation will be paid for.

(c) Every applicant or licensee must submit to a mental examination, a physical examination, or a chemical dependency evaluation when ordered to do so in writing by the board.

(d) By submitting to a mental examination, a physical examination, or a chemical dependency evaluation, an applicant or licensee waives all objections to the admissibility of the examiner or evaluator's testimony or reports on the grounds that the testimony or reports constitute a privileged communication.

Subd. 4. Failure to submit to an examination. (a) If an applicant or licensee fails to submit to an examination or evaluation ordered by the board according to subdivision 3, unless the failure was due to circumstances beyond the control of the applicant or licensee, the failure is an admission that the applicant or licensee violated a statute or rule enforced by the board as specified in the examination or evaluation order issued by the board. The failure may result in an application being denied or other adversarial, corrective, or disciplinary action being taken by the board without a contested case hearing.

(b) If an applicant or licensee requests a contested case hearing after the board denies an application or takes other disciplinary or adversarial action, the only issues which may be determined at the hearing are:

(1) whether the board had probable cause to issue the examination or evaluation order; and

(2) whether the failure to submit to the examination or evaluation was due to circumstances beyond the control of the applicant or licensee.

(c) Neither the record of a proceeding under this subdivision nor an order issued by the board may be admissible, subject to subpoena, or be used against the applicant or licensee in a proceeding in which the board is not a party or decision maker.

(d) Information obtained under this subdivision must be treated as private data under chapter 13. An order issued by the board as the result of an applicant's or licensee's failure to submit to an examination or evaluation must be treated as public data under chapter 13.

Subd. 5. Access to data and records. (a) In addition to ordering a physical or mental examination or chemical dependency evaluation, and notwithstanding section 13.384, 144.651, 595.02, or any other statute limiting access to health records, the board or a designated member of the board acting on behalf of the board may subpoena physical, mental, and chemical dependency health records relating to an applicant or licensee without the applicant's or licensee's consent if:

(1) the board has probable cause to believe that the applicant or licensee has violated chapter 214, a statute or rule enforced by the board, or an order issued by the board; and

(2) the board has reason to believe that the records are relevant and necessary to the investigation.

(b) An applicant, licensee, insurance company, government agency, health care facility, or provider as defined in section 144.335, subdivision 1, paragraph (b), must comply with any subpoena of the board under this subdivision and is not liable in any action for damages for releasing information subpoenaed by the board under this subdivision unless the information provided is false and the person or entity providing the information knew or had reason to know that the information was false.

(c) Information on individuals obtained under this subdivision must be treated as investigative data under section 13.41 and be classified as confidential data.

(d) If an applicant, licensee, person, or entity does not comply with any subpoena of the board under this subdivision, the board may institute a proceeding in any district court to enforce the board's subpoena.

Subd. 6. Evidence of past sexual conduct. If, in a proceeding for taking action against an applicant or licensee under this section, the charges involve sexual contact with a client or former client, the board or administrative law judge must not consider evidence of the client's or former client's previous sexual conduct. Reference to the client's or former client's previous sexual conduct must not be made during the proceedings or in the findings, except by motion of the complainant, unless the evidence would be admissible under the applicable provisions of section 609.347, subdivision 3.

Subd. 7. Investigations involving vulnerable adults or children in need of protection. (a) Except as provided in paragraph (b), if the board receives a complaint about a social worker regarding the social worker's involvement in a case of vulnerable adults or children in need of protection, the county or other appropriate public authority may request that the board suspend its investigation, and the board must comply until such time as the court issues its findings on the case.

(b) Notwithstanding paragraph (a), the board may continue with an investigation if the board determines that doing so is in the best interests of the vulnerable adult or a child in need of protection and is consistent with the board's obligation to protect the public. If the board chooses to continue an investigation, the board must notify the county or other appropriate public authority in writing and state its reasons for doing so.

Subd. 8. Notification of complainant. (a) In no more than 14 calendar days after receiving a complaint regarding a licensee, the board must notify the complainant that the board has received the complaint.

(b) The board must periodically notify the complainant of the status of the complaint.

Subd. 9. Notification of licensee. (a) Except as provided in paragraph (b), in no more than 60 calendar days after receiving a complaint regarding a licensee, the board must notify the licensee that the board has received the complaint and inform the licensee of:

(1) the substance of the complaint;

(2) the sections of the law that allegedly have been violated; and

(3) whether an investigation is being conducted.

(b) Paragraph (a) does not apply if:

(1) the board determines that such notice would compromise the board's investigation according to section 214.10; or

(2) the board determines that such notice cannot reasonably be accomplished within this time.

(c) The board must periodically notify the licensee of the status of the complaint.

Subd. 10. **Resolution of complaints.** In no more than one year after receiving a complaint regarding a licensee, the board must resolve or dismiss the complaint unless the board determines that resolving or dismissing the complaint cannot reasonably be accomplished within this time.

Sec. 113. **[148E.250] OBLIGATION TO COOPERATE.**

Subdivision 1. **Obligation to cooperate.** An applicant or licensee who is the subject of an investigation, or who is questioned by or on behalf of the board in connection with an investigation, must cooperate fully with the investigation. Cooperation includes, but is not limited to:

(1) responding fully and promptly to any question relating to the investigation;

(2) as reasonably requested by the board, providing copies of client and other records in the applicant's or licensee's possession relating to the investigation;

(3) executing release of records as reasonably requested by the board; and

(4) appearing at conferences, hearings, or meetings scheduled by the board, as required in sections 148E.255 to 148E.270 and chapter 214.

Subd. 2. **Investigation.** A social worker must not knowingly withhold relevant information, give false or misleading information, or do anything to obstruct an investigation of the social worker or another social worker by the board or by another state or federal regulatory or law enforcement authority.

Subd. 3. **Payment for copies.** The board must pay for copies requested by the board.

Subd. 4. **Access to client records.** Notwithstanding any law to the contrary, an applicant or licensee must allow the board access to any records of a client provided services by the applicant or licensee under investigation. If the client has not signed a consent permitting access to the client's records, the applicant or licensee must delete any data in the records that identifies the client before providing the records to the board.

Subd. 5. **Classification of data.** Any records obtained according to this subdivision must be treated as investigative data according to section 13.41 and be classified as confidential data.

Sec. 114. **[148E.255] TYPES OF ACTIONS.**

Subdivision 1. **Actions.** The board may take disciplinary action according to section 148E.260, adversarial but nondisciplinary action according to section 148E.265, or voluntary action according to section 148E.270. Any action taken under sections 148E.260 to 148E.270 is public data.

Subd. 2. **Disciplinary action.** For purposes of section 148E.260, "disciplinary action" means an action taken by the board against an applicant or licensee that addresses a complaint alleging a violation of a statute or rule the board is empowered to enforce.

Subd. 3. **Adversarial but nondisciplinary action.** For purposes of section 148E.265, "adversarial but nondisciplinary action" means a nondisciplinary action taken by the board that addresses a complaint alleging a violation of a statute or rule the board is empowered to enforce.

Subd. 4. **Voluntary action.** For purposes of section 148E.270, "voluntary action" means a nondisciplinary action agreed to by the board or a designated board member and an applicant or licensee that, through educational or other corrective means, addresses a complaint alleging a violation of a statute or rule that the board is empowered to enforce.

Sec. 115. **[148E.260] DISCIPLINARY ACTIONS.**

Subdivision 1. **General disciplinary actions.** (a) When the board has grounds for disciplinary actions under this chapter, the board may take one or more of the following disciplinary actions:

- (1) deny an application;
- (2) permanently revoke a license to practice social work;
- (3) indefinitely or temporarily suspend a license to practice social work;
- (4) impose restrictions on a licensee's scope of practice;
- (5) impose conditions required for the licensee to maintain licensure, including, but not limited to, additional education, supervision, and requiring the passing of an examination provided for in section 148E.055;
- (6) reprimand a licensee;
- (7) impose a civil penalty of up to \$10,000 for each violation in order to discourage future violations or to deprive the licensee of any economic advantage gained by reason of the violation; or
- (8) impose a fee to reimburse the board for all or part of the cost of the proceedings resulting in disciplinary action, including, but not limited to, the amount paid by the board for services received from or expenses incurred by the Office of Administrative Hearings, the Office of the Attorney General, court reporters, witnesses, board members, board staff, or the amount paid by the board for reproducing records.

(b) Disciplinary action taken by the board under this subdivision is in effect pending determination of an appeal unless the court, upon petition and for good cause shown, decides otherwise.

Subd. 2. **Reprimands.** (a) In addition to the board's authority to issue a reprimand according to subdivision 1, a designated board member reviewing a complaint as provided for in chapter 214 may issue a reprimand to a licensee. The designated board member must notify the licensee that the reprimand will become final disciplinary action unless the licensee requests a hearing by the board within 14 calendar days.

(b) If the licensee requests a hearing within 14 calendar days, the board must schedule a hearing unless the designated board member withdraws the reprimand.

(c) The hearing must be scheduled within 14 working days of the time the licensee submits a request for the hearing.

(d) The designated board member who issued the reprimand may participate in the hearing but must not deliberate or vote on the decision by the board.

(e) The only evidence permitted at the hearing is affidavits or other documents except for testimony by the licensee or other witnesses whose testimony the board chair has authorized for good cause.

(f) If testimony is authorized, the testimony is subject to cross-examination.

(g) After the hearing, the board must affirm or dismiss the reprimand.

Subd. 3. Temporary suspensions. (a) In addition to any other remedy provided by statute, the board or a designated board member may, without a hearing, temporarily suspend a license to practice social work if the board or the designated board member finds that:

(1) the licensee has violated a statute or rule enforced by the board, any other federal or state law or rule related to the practice of social work, or an order, stipulation, or agreement agreed to or issued by the board; and

(2) continued practice by the licensee would create a serious risk of harm to others.

(b) The suspension is in effect upon service of a written order on the licensee specifying the statute, rule, order, stipulation, or agreement violated. Service of the order is effective if the order is served on the licensee or the licensee's attorney personally or by first class mail to the most recent address provided to the board for the licensee or the licensee's attorney.

(c) The temporary suspension remains in effect until after the board issues an order according to paragraph (e), or if there is a contested case hearing, after the board issues a written final order according to paragraph (g).

(d) If the licensee requests in writing within five calendar days of service of the order that the board hold a hearing, the board must hold a hearing on the sole issue of whether to continue, modify, or lift the suspension. The board must hold the hearing within ten working days of receipt of the licensee's written request. Evidence presented by the board or licensee must be in affidavit form only, except that the licensee or the licensee's attorney may present oral argument.

(e) Within five working days after the hearing, the board must issue its order. If the licensee contests the order, the board must schedule a contested case hearing under chapter 14. The contested case hearing must be scheduled to occur within 45 calendar days after issuance of the order.

(f) The administrative law judge must issue a report within 30 calendar days after the contested case hearing is concluded.

(g) The board must issue a final order within 30 calendar days after the board receives the administrative law judge's report.

Sec. 116. **[148E.265] ADVERSARIAL BUT NONDISCIPLINARY ACTIONS.**

Subdivision 1. Automatic suspensions. (a) A license to practice social work is automatically suspended if:

(1) a guardian of a licensee is appointed by order of a court according to sections 524.5-101 and 524.5-102; or

(2) the licensee is committed by order of a court according to chapter 253B.

(b) A license remains suspended until:

(1) the licensee is restored to capacity by a court; and

(2) upon petition by the licensee and after a hearing or an agreement with the licensee, the board terminates the suspension.

(c) If the board terminates the suspension, it may do so with or without conditions or restrictions, including, but not limited to, participation in the health professional services program.

Subd. 2. Cease and desist orders. (a) The board or a designated board member may issue a cease and desist order to stop a person from engaging in unauthorized practice or from violating or threatening to violate a statute or rule enforced by the board or an order, stipulation, or agreement agreed to or issued by the board.

(b) The cease and desist order must state the reason for its issuance and give notice of the person's right to request a hearing under sections 14.57 to 14.62. If the person fails to request a hearing in writing postmarked within 15 calendar days after service of the cease and desist order, the order is the final order of the board and is not reviewable by a court or agency.

(c) If the board receives a written request for a hearing postmarked within 15 calendar days after service of the cease and desist order, the board must schedule a hearing within 30 calendar days of receiving the request.

(d) The administrative law judge must issue a report within 30 calendar days after the contested case hearing is concluded.

(e) Within 30 calendar days after the board receives the administrative law judge's report, the board must issue a final order modifying, vacating, or making permanent the cease and desist order. The final order remains in effect until modified or vacated by the board.

(f) If a person does not comply with a cease and desist order, the board may institute a proceeding in any district court to obtain injunctive relief or other appropriate relief, including but not limited to, a civil penalty payable to the board of up to \$10,000 for each violation.

(g) A cease and desist order issued according to this subdivision does not relieve a person from criminal prosecution by a competent authority or from disciplinary action by the board.

Subd. 3. Injunctive relief. (a) In addition to any other remedy provided by law, the board may bring an action in district court for injunctive relief to restrain any unauthorized practice or violation or threatened violation of any statute or rule, stipulation, or agreement agreed to or enforced by the board or an order issued by the board.

(b) A temporary restraining order may be granted in the proceeding if continued activity by a person would create an imminent risk of harm to others.

(c) Injunctive relief granted according to this subdivision does not relieve a person from criminal prosecution by a competent authority or from disciplinary action by the board.

(d) In bringing an action for injunctive relief, the board need not show irreparable harm.

Sec. 117. **[148E.270] VOLUNTARY ACTIONS.**

Subdivision 1. Agreements for corrective action. (a) The board or a designated board member may enter into an agreement for corrective action with an applicant or licensee when the board or a designated board member determines that a complaint alleging a violation of a statute or rule enforced by the board or an order issued by the board may best be resolved through an agreement for corrective action when disciplinary action is not required to protect the public.

(b) An agreement for corrective action must:

(1) be in writing;

(2) specify the facts upon which the agreement is based;

(3) clearly indicate the corrective action agreed upon; and

(4) provide that the complaint that resulted in the agreement must be dismissed by the board or the designated board member upon successful completion of the corrective action.

(c) The board or designated board member may determine successful completion when the applicant or licensee submits a request for dismissal that documents the applicant's or licensee's successful completion of the corrective action. The burden of proof is on the applicant or licensee to prove successful completion.

(d) An agreement for corrective action is not disciplinary action but must be treated as public data under chapter 13.

(e) The board may impose a fee to reimburse the board for all or part of the costs of the proceedings resulting in a corrective action, including, but not limited to, the amount paid by the board for services received from or expenses incurred by the Office of the Attorney General, board members, board staff, or the amount paid by the board for reproducing records.

(f) The board or designated board member must not enter into an agreement for corrective action when the complaint alleged sexual conduct with a client unless there is insufficient evidence to justify disciplinary action but there is a basis for corrective action.

Subd. 2. Stipulations to cease practicing social work. (a) The board or a designated board member may enter into a stipulation to cease practicing social work with a licensee if the board or designated board member determines that the licensee is unable to practice social work competently or safely or that the social worker's continued practice creates an unacceptable risk of safety to clients, potential clients, or the public.

(b) A stipulation to cease practicing social work must:

(1) be in writing;

(2) specify the facts upon which the stipulation is based;

(3) clearly indicate that the licensee must not practice social work and must not hold out to the public that the social worker is licensed; and

(4) specify the term of the stipulation or when and under what circumstances the licensee may petition the board for termination of the stipulation.

(c) A stipulation to cease practicing social work is not disciplinary action but must be treated as public data under chapter 13.

(d) Nothing in this subdivision prevents the board or designated board member from taking any other disciplinary or adversarial action authorized by sections 148E.255 to 148E.265 in lieu of or in addition to entering into a stipulation to cease practicing social work.

Sec. 118. **[148E.275] UNAUTHORIZED PRACTICE.**

No individual may:

(1) engage in the practice of social work without a social work license under sections 148E.055 and 148E.060, except when the individual is exempt from licensure according to section 148E.065;

(2) provide social work services to a client who resides in this state when the individual providing the services is not licensed as a social worker according to sections 148E.055 to 148E.060, except when the individual is exempt from licensure according to section 148E.065.

Sec. 119. **[148E.280] USE OF TITLES.**

No individual may be presented to the public by any title incorporating the words "social work" or "social worker" or in the titles in section 148E.195, unless that individual holds a license under sections 148E.055 and 148E.060, or practices in a setting exempt from licensure under section 148E.065.

Sec. 120. **[148E.285] REPORTING REQUIREMENTS.**

Subdivision 1. **Institutions.** A state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, or other health care institution or organization must report to the board:

(1) any adversarial action, disciplinary action, or other sanction for conduct that might constitute grounds for action under section 148E.190;

(2) the resignation of any applicant or licensee prior to the conclusion of any proceeding for adversarial action, disciplinary action, or other sanction for conduct that might constitute grounds for action under section 148E.190; or

(3) the resignation of any applicant or licensee prior to the commencement of a proceeding for adversarial action, disciplinary action, or other sanction for conduct that might constitute grounds for action under section 148E.190, but after the applicant or licensee had knowledge that a proceeding was contemplated or in preparation.

Subd. 2. **Professional societies and associations.** A state or local professional society or association whose members consist primarily of licensed social workers must report to the board any adversarial action, disciplinary action, or other sanction taken against a member.

Subd. 3. **Immunity.** An individual, professional society or association, state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, other health care institution or organization, or other entity is immune from civil liability or criminal prosecution for submitting in good faith a report under subdivision 1 or 2 or for otherwise reporting, providing information, or testifying about violations or alleged violations of this chapter.

Sec. 121. **[148E.290] PENALTIES.**

An individual or other entity that violates section 148E.275, 148E.280, or 148E.285 is guilty of a misdemeanor.

Sec. 122. Minnesota Statutes 2006, section 151.01, is amended by adding a subdivision to read:

Subd. 31. **Electronic signature.** "Electronic signature" means an electronic sound, symbol, or process attached to or associated with a record and executed or adopted by a person with the intent to sign the record.

Sec. 123. Minnesota Statutes 2006, section 151.01, is amended by adding a subdivision to read:

Subd. 32. **Electronic transmission.** "Electronic transmission" means transmission of information in electronic form.

Sec. 124. Minnesota Statutes 2006, section 151.06, subdivision 1, is amended to read:

Subdivision 1. **Generally; rules.** (a) Powers and duties. The Board of Pharmacy shall have the power and it shall be its duty:

(1) to regulate the practice of pharmacy;

(2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;

(3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;

(4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;

(5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;

(6) to license wholesale drug distributors;

(7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:

(i) fraud or deception in connection with the securing of such license or registration;

(ii) in the case of a pharmacist, conviction in any court of a felony;

(iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;

(iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;

(v) unprofessional conduct or conduct endangering public health;

(vi) gross immorality;

(vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;

(viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

(ix) violation of any of the provisions of this chapter or any of the rules of the State Board of Pharmacy;

- (x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;
- (xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy;
- (xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state; or
- (xiii) in the case of a pharmacist, aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:
 - (A) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;
 - (B) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;
 - (C) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or
 - (D) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;
- (8) to employ necessary assistants and ~~make~~ adopt rules for the conduct of its business;
- (9) to register as pharmacy technicians all applicants who the board determines are qualified to carry out the duties of a pharmacy technician; and
- (10) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) Temporary suspension. In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the Administrative Procedure Act. The pharmacist shall be provided with at least 20 days' notice of any hearing held under this subdivision.

(c) Rules. For the purposes aforesaid, it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter. The board shall adopt rules regarding prospective drug utilization review and patient counseling by pharmacists. A pharmacist in the exercise of the pharmacist's professional judgment, upon the presentation of a new prescription by a patient or the patient's caregiver or agent, shall perform the prospective drug utilization review required by rules issued under this subdivision.

Sec. 125. Minnesota Statutes 2006, section 151.21, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Except as provided in this section, it shall be unlawful for any pharmacist, ~~assistant pharmacist,~~ or pharmacist intern who dispenses prescriptions, drugs, and medicines to substitute an article different from the one ordered, or deviate in any manner from the requirements of an order or prescription without the approval of the prescriber.

Sec. 126. Minnesota Statutes 2006, section 151.21, subdivision 2, is amended to read:

Subd. 2. **Brand name specified.** When a pharmacist receives a ~~written paper or hard copy~~ prescription on which the prescriber has personally written in handwriting "dispense as written" or "D.A.W.," a prescription sent by electronic transmission on which the prescriber has expressly indicated in a manner consistent with the standards for electronic prescribing under Code of Federal Regulations, title 42, section 423, that the prescription is to be dispensed as transmitted and which bears the prescriber's electronic signature, or an oral prescription in which the prescriber has expressly indicated that the prescription is to be dispensed as communicated, the pharmacist shall dispense the brand name legend drug as prescribed.

Sec. 127. Minnesota Statutes 2006, section 151.21, subdivision 3, is amended to read:

Subd. 3. **Brand name not specified.** When a pharmacist receives a ~~written paper or hard copy~~ prescription on which the prescriber has not personally written in handwriting "dispense as written" or "D.A.W.," a prescription sent by electronic transmission on which the prescriber has not expressly indicated in a manner consistent with the standards for electronic prescribing under Code of Federal Regulations, title 42, section 423, that the prescription is to be dispensed as transmitted and which bears the prescriber's electronic signature, or an oral prescription in which the prescriber has not expressly indicated that the prescription is to be dispensed as communicated, and there is available in the pharmacist's stock a less expensive generically equivalent drug that, in the pharmacist's professional judgment, is safely interchangeable with the prescribed drug, then the pharmacist shall, after disclosing the substitution to the purchaser, dispense the generic drug, unless the purchaser objects. A pharmacist may also substitute pursuant to the oral instructions of the prescriber. A pharmacist may not substitute a generically equivalent drug product unless, in the pharmacist's professional judgment, the substituted drug is therapeutically equivalent and interchangeable to the prescribed drug. A pharmacist shall notify the purchaser if the pharmacist is dispensing a drug other than the brand name drug prescribed.

Sec. 128. Minnesota Statutes 2006, section 151.21, is amended by adding a subdivision to read:

Subd. 3a. **Prescriptions by electronic transmission.** Nothing in this section permits a prescriber to maintain "dispense as written" or "D.A.W." as a default on all prescriptions. Prescribers must add the "dispense as written" or "D.A.W." designation to electronic prescriptions individually, as appropriate.

Sec. 129. Minnesota Statutes 2006, section 214.103, subdivision 8, is amended to read:

Subd. 8. **Dismissal of a complaint.** A complaint may not be dismissed without the concurrence of at least two board members and, upon the request of the complainant, a review by a representative of the attorney general's office. The designee of the attorney general must review before dismissal any complaints which allege any violation of chapter 609, any conduct which would be required to be reported under section 626.556 or 626.557, any sexual contact or sexual conduct with a client, any violation of a federal law, any actual or potential inability to practice the regulated profession or occupation by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental or physical condition, any violation of state medical assistance laws, or any disciplinary action related to credentialing in another jurisdiction or country which was based on the same or related conduct specified in this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2009.

Sec. 130. Minnesota Statutes 2006, section 214.103, subdivision 9, is amended to read:

Subd. 9. **Information to complainant.** A board shall furnish to a person who made a complaint a written description of the board's complaint process, and actions of the board relating to the complaint. The written notice from the board must advise the complainant of the right to appeal the board's decision to the attorney general within 30 days of receipt of the notice.

EFFECTIVE DATE. This section is effective August 1, 2009.

Sec. 131. Minnesota Statutes 2006, section 214.32, subdivision 1, is amended to read:

Subdivision 1. **Management.** (a) A Health Professionals Services Program Committee is established, consisting of one person appointed by each participating board, with each participating board having one vote. The committee shall designate one board to provide administrative management of the program, set the program budget and the pro rata share of program expenses to be borne by each participating board, provide guidance on the general operation of the program, including hiring of program personnel, and ensure that the program's direction is in accord with its authority. If the participating boards change which board is designated to provide administrative management of the program, any appropriation remaining for the program shall transfer to the newly designated board on the effective date of the change. The participating boards must inform the appropriate legislative committees and the commissioner of finance of any change in the administrative management of the program, and the amount of any appropriation transferred under this provision.

(b) The designated board, upon recommendation of the Health Professional Services Program Committee, shall hire the program manager and employees and pay expenses of the program from funds appropriated for that purpose. The designated board may apply for grants to pay program expenses and may enter into contracts on behalf of the program to carry out the purposes of the program. The participating boards shall enter into written agreements with the designated board.

(c) An advisory committee is established to advise the program committee consisting of:

(1) one member appointed by each of the following: the Minnesota Academy of Physician Assistants, the Minnesota Dental Association, the Minnesota Chiropractic Association, the Minnesota Licensed Practical Nurse Association, the Minnesota Medical Association, the Minnesota Nurses Association, and the Minnesota Podiatric Medicine Association;

(2) one member appointed by each of the professional associations of the other professions regulated by a participating board not specified in clause (1); and

(3) two public members, as defined by section 214.02.

Members of the advisory committee shall be appointed for two years and members may be reappointed.

~~The advisory committee expires June 30, 2007.~~

Sec. 132. Minnesota Statutes 2006, section 319B.02, subdivision 19, is amended to read:

Subd. 19. **Professional services.** "Professional services" means services of the type required or permitted to be furnished by a professional under a license, registration, or certificate issued by the state of Minnesota to practice medicine and surgery under sections 147.01 to 147.22, as a physician assistant pursuant to sections 147A.01 to 147A.27, chiropractic under sections 148.01 to 148.105, registered nursing under sections 148.171 to 148.285, optometry under sections 148.52 to 148.62, psychology under sections 148.88 to 148.98, social work under chapter

148D, marriage and family therapy under sections 148B.29 to 148B.39, professional counseling under sections 148B.50 to 148B.593, dentistry and dental hygiene under sections 150A.01 to 150A.12, pharmacy under sections 151.01 to 151.40, podiatric medicine under sections 153.01 to 153.25, veterinary medicine under sections 156.001 to 156.14, architecture, engineering, surveying, landscape architecture, geoscience, and certified interior design under sections 326.02 to 326.15, accountancy under chapter 326A, or law under sections 481.01 to 481.17, or under a license or certificate issued by another state under similar laws. Professional services includes services of the type required to be furnished by a professional pursuant to a license or other authority to practice law under the laws of a foreign nation.

Sec. 133. **BOARD OF SOCIAL WORK STUDY.**

The Board of Social Work shall study and make recommendations to the legislature by December 15, 2008, on how to increase the numbers of licensed social workers serving underserved communities and culturally and ethnically diverse communities. The study shall also explore alternative paths to licensure that does not include a standardized examination.

Sec. 134. **EXCEPTION TO SOCIAL WORK LICENSURE REQUIREMENTS.**

Notwithstanding the requirements of Minnesota Statutes, sections 148D.001 to 148D.290, the Board of Social Work shall issue a license to practice as a licensed social worker under Minnesota Statutes, chapter 148D, to an applicant who:

(1) meets the requirements described in Minnesota Statutes, section 148D.055, subdivision 2, paragraph (a), clauses (1), (3), (4), (5), and (6);

(2) is currently licensed as a school social worker by the Board of Teaching under Minnesota Statutes, chapter 122A; and

(3) has been engaged in the practice of social work in an elementary, middle, or secondary school, for the preceding 15 years.

The board must accept applications under this section until August 1, 2007.

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

Sec. 135. **APPLICABILITY OF RULES.**

Minnesota Rules, parts 5601.0100 to 5601.3200, apply both to physical therapists and physical therapist assistants, except parts 5601.1200; 5601.1300; 5601.1800; 5601.1900; 5601.2000; 5601.3200, subpart 2, item D; and 5601.3200, subpart 5, only apply to physical therapists.

Sec. 136. **APPROPRIATIONS.**

\$9,000 is appropriated in fiscal year 2008 and \$5,000 is appropriated in fiscal year 2009 from the state government special revenue fund to the commissioner of health for the purpose of the examination procedures for individuals operating x-ray equipment.

Sec. 137. **REPEALER.**

(a) Minnesota Statutes 2006, sections 148.691, subdivision 3; 148.71, subdivision 1; 148.72; 148.745; and 148.775, are repealed.

(b) Minnesota Statutes 2006, sections 148D.001; 148D.010; 148D.015; 148D.020; 148D.025; 148D.030; 148D.035; 148D.040; 148D.045; 148D.050; 148D.055; 148D.060; 148D.065; 148D.070; 148D.075; 148D.080; 148D.085; 148D.090; 148D.095; 148D.100; 148D.105; 148D.110; 148D.115; 148D.120; 148D.125; 148D.130; 148D.135; 148D.140; 148D.145; 148D.150; 148D.155; 148D.160; 148D.165; 148D.170; 148D.175; 148D.180; 148D.185; 148D.190; 148D.195; 148D.200; 148D.205; 148D.210; 148D.215; 148D.220; 148D.225; 148D.230; 148D.235; 148D.240; 148D.245; 148D.250; 148D.255; 148D.260; 148D.265; 148D.270; 148D.275; 148D.280; 148D.285; and 148D.290, are repealed effective August 1, 2011.

(c) Minnesota Rules, parts 2500.0500; 5601.0200; 5601.0300; 5601.0400; 5601.0500; 5601.0600; 5601.0700; 5601.0800; 5601.1400; 5601.1500; 5601.1600; 5601.2800; 5601.2900; 5601.3000; 5601.3105; 5601.3110; 5601.3115; 5601.3120; 5601.3125; 5601.3130; 5601.3135; 5601.3140; 5601.3145; 5601.3150; 5601.3155; 5601.3160; and 5601.3165, are repealed.

Sec. 138. **EFFECTIVE DATE.**

Sections 63 to 121 are effective August 1, 2011."

Delete the title and insert:

"A bill for an act relating to health occupations; changing provisions for operating x-ray equipment examination and practice; modifying provisions for medical practice; removing the expiration date for certain health occupation advisory councils; changing a licensing provision for chiropractic practice; modifying provisions for speech-language pathology and audiology; changing licensing provisions for physical therapists and physical therapy assistants; modifying provisions for licensed professional counselors and licensed professional clinical counselors; changing licensing provisions for social work; modifying practice provisions under the Board of Pharmacy; modifying health-related licensing board provisions; appropriating money; amending Minnesota Statutes 2006, sections 144.121, subdivision 5, by adding subdivisions; 147.02, subdivision 1, by adding a subdivision; 147.037, subdivision 1; 147A.27, subdivision 2; 147B.05, subdivision 2; 147C.35, subdivision 2; 147D.25, subdivision 2; 148.10, subdivision 1; 148.515, subdivision 2, by adding a subdivision; 148.65, subdivisions 2, 3, by adding a subdivision; 148.67, subdivision 1; 148.70; 148.705; 148.706; 148.71; 148.73; 148.735; 148.736, subdivision 1; 148.74; 148.75; 148.754; 148.755; 148.76, subdivision 1; 148.78; 148B.50, subdivision 5; 148B.53, subdivisions 1, 3; 148B.555; 148C.12, by adding subdivisions; 148D.050, subdivision 1; 148D.055, subdivisions 2, 3, 4, 5, by adding a subdivision; 148D.060, subdivisions 5, 6, 7, 13, by adding a subdivision; 148D.120, subdivision 2; 148D.125, subdivision 1; 151.01, by adding subdivisions; 151.06, subdivision 1; 151.21, subdivisions 1, 2, 3, by adding a subdivision; 214.103, subdivisions 8, 9; 214.32, subdivision 1; 319B.02, subdivision 19; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 148D; proposing coding for new law as Minnesota Statutes, chapter 148E; repealing Minnesota Statutes 2006, sections 148.691, subdivision 3; 148.71, subdivision 1; 148.72; 148.745; 148.775; 148D.001; 148D.010; 148D.015; 148D.020; 148D.025; 148D.030; 148D.035; 148D.040; 148D.045; 148D.050; 148D.055; 148D.060; 148D.065; 148D.070; 148D.075; 148D.080; 148D.085; 148D.090; 148D.095; 148D.100; 148D.105; 148D.110; 148D.115; 148D.120; 148D.125; 148D.130; 148D.135; 148D.140; 148D.145; 148D.150; 148D.155; 148D.160; 148D.165; 148D.170; 148D.175; 148D.180; 148D.185; 148D.190; 148D.195; 148D.200; 148D.205; 148D.210; 148D.215; 148D.220; 148D.225; 148D.230; 148D.235; 148D.240; 148D.245; 148D.250; 148D.255; 148D.260; 148D.265; 148D.270; 148D.275; 148D.280; 148D.285; 148D.290; Minnesota Rules, parts 2500.0500; 5601.0200; 5601.0300; 5601.0400; 5601.0500; 5601.0600; 5601.0700; 5601.0800; 5601.1400; 5601.1500; 5601.1600; 5601.2800; 5601.2900; 5601.3000; 5601.3105; 5601.3110; 5601.3115; 5601.3120; 5601.3125; 5601.3130; 5601.3135; 5601.3140; 5601.3145; 5601.3150; 5601.3155; 5601.3160; 5601.3165."

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

House Conferees: CY THAO, ERIN MURPHY AND JIM ABELER.

Senate Conferees: JOHN MARTY, SHARON L. ERICKSON ROPES AND MICHELLE L. FISCHBACH.

Thao moved that the report of the Conference Committee on S. F. No. 26 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 26, A bill for an act relating to health occupations; extending the expiration dates for the Board of Medical Practices' advisory councils; amending Minnesota Statutes 2006, sections 147A.27, subdivision 2; 147B.05, subdivision 2; 147C.35, subdivision 2; 147D.25, subdivision 2; 214.32, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 102 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Dominguez	Hosch	Loeffler	Olin	Slocum
Anzelc	Doty	Huntley	Madore	Otremba	Smith
Atkins	Eken	Jaros	Magnus	Ozment	Solberg
Benson	Erhardt	Johnson	Mahoney	Paymar	Swails
Berns	Faust	Juhnke	Mariani	Pelowski	Thao
Bigham	Fritz	Kahn	Marquart	Peterson, A.	Thissen
Bly	Gardner	Kalin	Masin	Peterson, N.	Tillberry
Brown	Greiling	Knuth	McFarlane	Peterson, S.	Tschumper
Brynaert	Hamilton	Koenen	McNamara	Poppe	Urdahl
Bunn	Hansen	Kranz	Moe	Rukavina	Wagenius
Carlson	Hausman	Laine	Morgan	Ruth	Walker
Clark	Haws	Lanning	Morrow	Ruud	Ward
Cornish	Heidgerken	Lenczewski	Mullery	Sailer	Wardlow
Davnie	Hilstrom	Lesch	Murphy, E.	Scalze	Welti
Dean	Hilty	Liebling	Murphy, M.	Sertich	Winkler
Dill	Hornstein	Lieder	Nelson	Simon	Wollschlager
Dittrich	Hortman	Lillie	Norton	Slawik	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	DeLaForest	Finstad	Holberg	Olson	Shimanski
Anderson, S.	Demmer	Garofalo	Hoppe	Paulsen	Simpson
Beard	Eastlund	Gottwalt	Howes	Peppin	Sviggum
Brod	Emmer	Gunther	Kohls	Seifert	Westrom
Buesgens	Erickson	Hackbarth	Nornes	Severson	Zellers

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

Sertich 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 Speaker pro tempore Thissen.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 464, A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 3.971, subdivision 6; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sertich moved that the House refuse to concur in the Senate amendments to H. F. No. 464, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called. There were 84 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Fritz	Hornstein	Kalin	Liebling
Anzelc	Dill	Hamilton	Hortman	Knuth	Lieder
Atkins	Dittrich	Hansen	Hosch	Koenen	Madore
Bigham	Dominguez	Hausman	Howes	Kranz	Magnus
Bly	Doty	Haws	Huntley	Laine	Mahoney
Brown	Eken	Heidgerken	Jaros	Lanning	Mariani
Carlson	Erhardt	Hilstrom	Johnson	Lenczewski	Marquart
Clark	Faust	Hilty	Juhnke	Lesch	Masin

Moe	Otremba	Peterson, S.	Slocum	Thissen	Walker
Morgan	Ozment	Poppe	Smith	Tillberry	Ward
Murphy, E.	Paymar	Rukavina	Solberg	Tingelstad	Wardlow
Murphy, M.	Pelowski	Sailer	Sviggum	Tschumper	Welti
Nelson	Peterson, A.	Scalze	Swails	Urdahl	Wollschlager
Olin	Peterson, N.	Sertich	Thao	Wagenius	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Davnie	Garofalo	Lillie	Paulsen	Slawik
Anderson, S.	Dean	Gottwalt	Loeffler	Peppin	Westrom
Beard	DeLaForest	Greiling	McFarlane	Ruth	Winkler
Benson	Demmer	Gunther	McNamara	Ruud	Zellers
Berns	Eastlund	Hackbarth	Morrow	Seifert	
Brod	Emmer	Holberg	Mullery	Severson	
Brynaert	Erickson	Hoppe	Nornes	Shimanski	
Buesgens	Finstad	Kahn	Norton	Simon	
Bunn	Gardner	Kohls	Olson	Simpson	

The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 430, A bill for an act relating to retirement; various retirement plans; authorizing an optional annuity election for the surviving spouse of a deceased former legislator; permitting the optional early division of legislators retirement plan retirement allowances upon a marriage dissolution; expanding the membership of the general state employees retirement plan and the State Patrol retirement plan; permitting withholding of insurance premiums from public safety employee annuities; providing special coverage to privatized employees of Lakefield Nursing Home, Lakeview Nursing Home, Oakland Park Nursing Home, and Hutchinson Area Health Care; permitting various prior service credit purchases; exempting certain Anoka County employees from reemployed annuitant earnings limitations; permitting certain combined service annuity back payments; permitting a delayed disability benefit application; making various administrative changes in various statewide retirement plans; modifying disability determination procedures and disability benefits in various plans administered by the Public Employees Retirement Association; authorizing investment in the State Board of Investment by the Minneapolis Employees Retirement Fund; relaxing certain Minneapolis Employees Retirement Fund liquidity transfer requirements; expanding the coverage group of the state employees correctional retirement plan to include various Department of Corrections and Department of Human Services employees; modifying various aspects of the volunteer fire supplemental benefit coverage; correcting various 2006 drafting errors; establishing a pilot postretirement adjustment; requiring a study and report; modifying certain Minneapolis Police Relief Association surviving spouse benefit amounts and validating prior payments; increasing the amount available for distribution by the Minneapolis Firefighters Relief Association as a postretirement adjustment; including the Public Employees Retirement Association staff in the state's postretirement option; extending the 2006 special retirement incentive to 2009 and making certain modifications; authorizing an additional postretirement adjustment for surviving spouses receiving benefits from the Thief River Falls Police Trust Fund; amending Minnesota Statutes 2006, sections 3.85, subdivision 10; 3A.02, subdivisions 1, 5; 3A.05; 13.632, subdivision 1; 43A.346, subdivisions 1, 2; 126C.41, subdivision 4; 352.01, subdivisions 2a, 2b, 11; 352.12, subdivision 2a; 352.27; 352.91, subdivisions 3d, 3e, 3f, 4b; 352.951; 352.98, by adding a subdivision; 352B.01, subdivision 2; 352D.02, subdivisions 1, 3; 352D.06, subdivision 3; 353.01,

subdivisions 2a, 2b, 6, 16, 28, 37, by adding subdivisions; 353.03, subdivisions 3, 3a, 4; 353.27, by adding a subdivision; 353.28, subdivision 6; 353.29, subdivision 3; 353.30, subdivisions 1a, 1b, 1c; 353.32, subdivisions 1a, 1b; 353.33, subdivisions 1, 2, 4, 6, 7a; 353.34, subdivision 3; 353.651, subdivision 4; 353.656, subdivisions 1, 1a, 3, 4, 5a, 6a, 8, 10, by adding subdivisions; 353.657, subdivisions 1, 2, 2a, 3; 353B.08, subdivision 11; 353E.06, subdivisions 1, 2, 4, 8; 353F.02, subdivision 4; 353F.04, subdivision 1; 354.05, subdivision 13; 354.093; 354.094; 354.095; 354.096, subdivision 2; 354.35; 354.44, subdivision 6; 354.45, subdivision 1a; 354.48, subdivision 3; 354A.12, subdivisions 3b, 3c, 3d; 354B.21, subdivision 3; 355.01, subdivision 3h; 356.195, subdivision 1; 356.405; 356.46, subdivision 3; 356.87; 356A.06, subdivision 6; 422A.01, subdivision 13a; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 7, 8; 422A.101, subdivision 3; 423A.02, subdivisions 3, 5; 423B.10, subdivision 1; 423C.06, subdivision 2; 424A.10, subdivisions 1, 2, 3; 490.121, subdivisions 15a, 21f; 626.84, subdivision 1; Laws 1981, chapter 68, section 42, subdivision 1, as amended; Laws 2006, chapter 271, article 2, sections 12, subdivision 1; 13, subdivision 3; article 3, section 43; article 14, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 353E; 354; 356; repealing Minnesota Statutes 2006, sections 352.031; 353.30, subdivision 1; 353.33, subdivisions 6a, 6b, 8; 353.34, subdivision 7; 353.656, subdivisions 5, 9, 11, 12; 353.69; 354.071; 354.49, subdivision 5; 354A.12, subdivision 3d; 354A.29, subdivision 6; 356.90; 422A.101, subdivision 4.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Betzold; Larson; Olson, M; Lynch and Wergin.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kahn moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 430. The motion prevailed.

Madam Speaker:

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

H. F. No. 1208, A bill for an act relating to state government; changing provisions for construction codes and licensing provisions; providing penalties and enforcement; modifying provisions relating to the limitation on certain actions; instructing the revisor to renumber certain statutory sections; appropriating money; providing appropriation reductions; amending Minnesota Statutes 2006, sections 16B.04, subdivision 2; 16B.60, subdivisions 4, 7, 8, 11; 16B.61; 16B.615, subdivision 4; 16B.617; 16B.6175; 16B.63; 16B.64, by adding a subdivision; 16B.65; 16B.70; 16B.72; 16B.73; 16B.735; 16B.74, subdivisions 1, 2, by adding subdivisions; 16B.741; 16B.744; 16B.745, subdivisions 1, 4; 16B.747; 16B.748; 16B.76; 31.175; 103I.621, subdivision 3; 144.122; 144.99, subdivision 1; 175.16, subdivision 1; 178.01; 178.02; 178.03, subdivision 3; 178.041, subdivision 1; 183.38; 183.39, subdivision 1; 183.411, subdivision 2; 183.42; 183.45; 183.46; 183.465; 183.466; 183.48; 183.501; 183.505; 183.51; 183.54, subdivisions 1, 3; 183.545, by adding a subdivision; 183.56; 183.57, subdivisions 1, 2, 5, 6; 183.59; 183.60; 183.61, subdivisions 2, 4; 214.01, subdivision 3; 214.04, subdivisions 1, 3; 299F.011, subdivision 1; 325E.37, subdivision 6; 325E.58; 326.01, subdivisions 2, 3, 5, 6, 6a, 6b, 6c, 6e, 6f, 6g, 6j, 6k, 6l, 7, 8, by adding subdivisions; 326.242;

326.243; 326.244, subdivisions 1a, 2, 3, 4, 5, by adding a subdivision; 326.2441; 326.245; 326.248; 326.37; 326.38; 326.39; 326.40; 326.401; 326.405; 326.42; 326.46; 326.461, by adding subdivisions; 326.47; 326.48; 326.50; 326.57, subdivision 1; 326.58; 326.59; 326.60; 326.601; 326.61, subdivisions 1, 2, 3, 4; 326.62; 326.65; 326.83, subdivisions 6, 7, 11, 18, 19, 20; 326.84; 326.841; 326.842; 326.86; 326.87; 326.88; 326.89; 326.90, subdivision 1; 326.91, subdivision 1; 326.92; 326.921; 326.93; 326.94; 326.95, subdivision 2; 326.96; 326.97; 326.975, subdivision 1; 326.992; 327.20, subdivision 1; 327.205; 327.31, subdivisions 2, 3, 4, 7, 15, by adding a subdivision; 327.32, subdivision 8; 327.33, subdivisions 2, 6, 7; 327.34, subdivision 3; 327.35, subdivisions 1, 2; 327A.01, subdivision 2; 327B.01, subdivisions 4, 5, 7, 17, by adding subdivisions; 327B.04, subdivisions 1, 4, 6, 7, 8, by adding a subdivision; 327B.05, subdivision 1; 327B.10; 363A.40, subdivision 1; 462.357, subdivision 6a; 462A.07, subdivision 8; 471.465; 471.466; 471.467; 471.471; 541.051; proposing coding for new law in Minnesota Statutes, chapters 326; 327B; proposing coding for new law as Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2006, sections 16B.665; 16B.747, subdivision 4; 183.001; 183.02; 183.375, subdivisions 1, 2, 3, 4, 5, 6; 183.41, subdivisions 1, 2, 3, 4; 183.44, subdivisions 1, 2, 3; 183.52; 183.54, subdivision 2; 183.545, subdivision 9; 183.61, subdivisions 1, 3, 5, 6; 326.01, subdivisions 4, 6h, 9, 10, 11, 12, 13; 326.241; 326.242, subdivisions 4, 9, 9a, 9b, 9c, 9d, 9e, 9f, 9g, 9h, 9i, 9j, 9k, 10; 326.244, subdivision 6; 326.246; 326.2461; 326.247; 326.40, subdivision 4; 326.41; 326.44; 326.45; 326.47, subdivision 5; 326.51; 326.52; 326.521; 326.64; 326.83, subdivisions 3, 4, 12, 13; 326.85; 326.875; 326.91, subdivisions 2, 3, 4; 326.945; 326.975; 326.98; 327B.05, subdivisions 2, 3, 4, 5, 6; Minnesota Rules, parts 2809.0230; 2891.0010; 2891.0030; 3800.2650; 3800.3580; 3800.3590; 3800.3630; 3800.3750; 3800.3835; 4715.5600; 4715.5900; 4717.7000, subpart 1, item I; 5225.0880; 5225.8600, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9; 5230.0010; 5230.0020; 5230.0040; 5230.0060, subpart 2; 5230.0100, subparts 1, 3, 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mahoney moved that the House refuse to concur in the Senate amendments to H. F. No. 1208, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1753, A bill for an act relating to airports; creating an advisory task force to study airport funding issues and the state airports fund; requiring a report; appropriating money.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Rest, Jungbauer and Saltzman.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Dill moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1753. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1274.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1274, A resolution memorializing the United States Congress to reauthorize the Conservation Reserve Program as part of the 2007 Farm Bill.

The bill was read for the first time.

DeLaForest moved that S. F. No. 1274 and H. F. No. 151, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Saturday, May 19, 2007:

S. F. Nos. 2043 and 1966.

CALENDAR FOR THE DAY

Pursuant to rule 1.50, Howes moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

H. F. No. 2285 was reported to the House.

Sertich, Howes and Moe moved to amend H. F. No. 2285, the second engrossment, as follows:

Page 1, line 24, after "support" insert "state, regional, and county"

Page 2, line 7, after the period, insert "The dedicated money under this section may be used to provide matching grants."

Page 2, line 25, after "on" insert "state, regional, and county"

Page 3, line 7, delete "November 15, 2008" and insert "July 1, 2009"

Page 3, after line 17 insert:

"**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the people."

Page 5, after line 29 insert:

"**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the people."

The motion prevailed and the amendment was adopted.

Hackbarth moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[85.0195] PARKS AND TRAILS FUNDS; EXPENDITURES.**

Subdivision 1. **Fund.** The parks and trails fund is established in section 297A.94, paragraph (g). All money earned by the parks and trails fund must be credited to the fund.

Subd. 2. **Expenditures.** Money in the parks and trails fund may be spent only on state and regional parks and trails subject to appropriation by law.

Subd. 3. **Audit.** The legislative auditor shall audit parks and trails fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. **[97A.056] NATURAL HERITAGE FUND.**

(a) The natural heritage fund is established in section 297A.94, paragraph (g). All money earned by the heritage fund must be credited to the fund. At least 97 percent of the money appropriated from the fund must be spent to restore, preserve, and enhance the state's fish and wildlife habitat and other natural resources.

(b) Lands acquired in fee by appropriations from this fund are subject to the payment in lieu of tax as provided in section 477A.12, subdivision 1, paragraph (a), clause (1).

(c) The legislative auditor shall audit natural heritage fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

EFFECTIVE DATE. This section is effective November 15, 2008.

Sec. 3. **[103H.285] SUSTAINABLE DRINKING WATER FUND.**

A sustainable drinking water fund is established in section 297A.94, paragraph (g). All money earned by the sustainable drinking water fund must be credited to the fund. At least 97 percent of the money appropriated from the fund must be spent to protect the state's drinking water sources including, but not limited to, well monitoring and

cleanup, wellhead and source protection, the state match for available federal dollars, and groundwater protection according to law. The legislative auditor shall audit sustainable drinking water fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

Sec. 4. Minnesota Statutes 2006, section 114D.20, subdivision 6, is amended to read:

Subd. 6. **Priorities for restoration of impaired waters.** In implementing restoration of impaired waters, in addition to the priority considerations in subdivision 5, the Clean Water Council ~~shall~~ must give priority in its recommendations for restoration funding from the clean water ~~legacy account~~ fund to restoration projects that:

- (1) coordinate with and ~~utilize~~ use existing local authorities and infrastructure for implementation;
- (2) can be implemented in whole or in part by providing support for existing or ongoing restoration efforts;
- (3) most effectively leverage other sources of restoration funding, including federal, state, local, and private sources of funds;
- (4) show a high potential for early restoration and delisting based upon scientific data developed through public agency or citizen monitoring or other means; and
- (5) show a high potential for long-term water quality and related conservation benefits.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 5. Minnesota Statutes 2006, section 114D.30, subdivision 6, is amended to read:

Subd. 6. **Recommendations on appropriation of funds.** The Clean Water Council ~~shall~~ must recommend to the governor the manner in which money from the clean water ~~legacy account~~ fund should be appropriated for the purposes identified in section 114D.45, subdivision 3. The council's recommendations must be consistent with the purposes, policies, goals, and priorities in sections 114D.05 to 114D.35, and ~~shall~~ must allocate adequate support and resources to identify impaired waters, develop TMDL's, implement restoration of impaired waters, and provide assistance and incentives to prevent waters from becoming impaired and improve the quality of waters which are listed as impaired but have no approved TMDL. The council must recommend methods of ensuring that awards of grants, loans, or other funds from the clean water ~~legacy account~~ fund specify the outcomes to be achieved as a result of the funding and specify standards to hold the recipient accountable for achieving the desired outcomes. Expenditures from the account must be appropriated by law.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 6. Minnesota Statutes 2006, section 114D.45, is amended to read:

114D.45 CLEAN WATER LEGACY ACCOUNT FUND.

Subdivision 1. **Creation.** The clean water ~~legacy account~~ fund ~~is created as an account in the environmental fund established in section 297A.94, paragraph (g).~~ Money in the ~~account~~ fund must be made available for the implementation of this chapter and sections 446A.073, 446A.074, and 446A.075, without supplanting or taking the place of any other funds which are currently available or may become available from any other source, whether federal, state, local, or private, for implementation of those sections.

Subd. 2. **Sources of revenue.** The following revenues must be deposited in the clean water ~~legacy account~~ fund:

(1) money deposited in the fund as provided in section 297A.94, paragraph (g);

~~(1)~~ (2) money transferred to the ~~account~~ fund; and

~~(2)~~ (3) interest accrued on the ~~account~~ fund.

Subd. 3. **Purposes.** Subject to appropriation by the legislature, the clean water ~~legacy account~~ fund may be spent for the following purposes:

(1) to provide grants, loans, and technical assistance to public agencies and others who are participating in the process of identifying impaired waters, developing TMDL's, implementing restoration plans for impaired waters, and monitoring the effectiveness of restoration;

(2) to support measures to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but do not have an approved TMDL addressing the impairment;

(3) to provide grants and loans for wastewater and storm water treatment projects through the Public Facilities Authority;

(4) to support the efforts of public agencies associated with individual sewage treatment systems and financial assistance for upgrading and replacing the systems; and

(5) to provide funds to state agencies to carry out their responsibilities under this chapter.

Subd. 4. **Audit.** The legislative auditor shall audit clean water fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 7. **[129D.17] ARTS AND CULTURAL HERITAGE FUND; EXPENDITURES.**

Subdivision 1. **Fund.** The arts and cultural heritage fund is established in section 297A.94, paragraph (g). All money earned by the fund must be credited to the fund.

Subd. 2. **Expenditures.** Subject to appropriation, receipts in the fund must be spent for arts activities and to support the cultural heritage of the state according to law.

Subd. 3. **Audit.** The legislative auditor shall audit arts and cultural heritage fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

Sec. 8. Minnesota Statutes 2006, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where

angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

(g) For sales and purchases made beginning July 1, 2009, until June 30, 2034, receipts from the general sales and use tax imposed under section 297A.62, subdivision 1, equal to three eighths of one percent, plus penalties and interest and reduced by any refunds, are dedicated as follows: at least 25 percent of the receipts shall be deposited in the natural heritage fund and may be spent only to restore, preserve, and enhance fish and wildlife habitat and other natural resources; at least 25 percent of the receipts shall be deposited in the clean water fund and may be spent only to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater; at least 15 percent of the receipts shall be deposited in the parks and trails fund and may be spent only to support the state's parks and trails; at least 15 percent of the receipts shall be deposited in the sustainable drinking water fund and may be spent only to protect the state's drinking water sources; and at least ten percent shall be deposited in the arts and cultural heritage fund and may be spent only for arts and cultural heritage purposes. Up to ten percent of the remaining funds shall be divided by law among the funds created in this section. A natural heritage fund; a parks and trails fund; a clean water fund; a sustainable drinking water fund; and an arts and cultural heritage fund are created in the state treasury. The money dedicated under this section shall be appropriated by law. The dedicated money under this section must supplement traditional sources of funding for these purposes and may not be used as a substitute. Land acquired by fee with money deposited in the natural heritage fund under this section must be open to public taking of fish and game during the open season unless otherwise provided by law.

EFFECTIVE DATE. This section is effective July 1, 2009."

Delete the title and insert:

"A bill for an act relating to natural and cultural resources; dedicating sales tax receipts equal to a sales tax rate of three-eighths of one percent for natural resource and cultural heritage purposes; creating a natural heritage fund; creating a parks and trails fund; creating a clean water fund; creating a sustainable drinking water fund; creating an arts and cultural heritage fund; amending Minnesota Statutes 2006, sections 114D.20, subdivision 6; 114D.30, subdivision 6; 114D.45; 297A.94; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103H; 129D."

A roll call was requested and properly seconded.

The question was taken on the Hackbarth amendment and the roll was called. There were 52 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Gottwalt	Lenczewski	Peppin	Sviggum
Anderson, B.	Demmer	Gunther	Liebling	Peterson, N.	Swails
Anderson, S.	Dittrich	Hackbarth	Magnus	Ruth	Tschumper
Beard	Eastlund	Hamilton	McFarlane	Ruud	Urdahl
Berns	Emmer	Heidgerken	McNamara	Seifert	Wardlow
Brod	Erhardt	Holberg	Nornes	Severson	Westrom
Buesgens	Erickson	Kohls	Norton	Shimanski	Zellers
Cornish	Finstad	Kranz	Olson	Simpson	
Dean	Garofalo	Lanning	Paulsen	Smith	

Those who voted in the negative were:

Anzelc	Eken	Howes	Madore	Ozment	Thissen
Atkins	Faust	Huntley	Mahoney	Paymar	Tillberry
Benson	Fritz	Jaros	Mariani	Pelowski	Tingelstad
Bigham	Gardner	Johnson	Marquart	Peterson, A.	Wagenius
Bly	Greiling	Juhnke	Masin	Peterson, S.	Walker
Brown	Hansen	Kahn	Moe	Poppe	Ward
Brynaert	Hausman	Kalin	Morgan	Rukavina	Welti
Bunn	Haws	Knuth	Morrow	Sailer	Winkler
Carlson	Hilstrom	Koenen	Mullery	Sertich	Wollschlager
Clark	Hilty	Laine	Murphy, E.	Simon	Spk. Kelliher
Davnie	Hoppe	Lesch	Murphy, M.	Slawik	
Dill	Hornstein	Lieder	Nelson	Slocum	
Dominguez	Hortman	Lillie	Olin	Solberg	
Doty	Hosch	Loeffler	Otremba	Thao	

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

Hackbarth moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Because hunting and fishing and the taking of game and fish are forever preserved for the people under article XIII, section 12, beginning July 1, 2010, the sales and use tax receipts equal to the state sales and use tax of one-eighth of one percent on sales and uses taxable under the general state sales and use tax law, plus penalties and interest and reduced by any refunds, are dedicated only to provide hunter and angler access and to improve, preserve, or protect game and fish habitat. The money dedicated under this section shall not be used as a substitute for traditional funding sources for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes. Easements in land acquired with money deposited in the game and fish preservation fund under this section must be open to public taking of game and fish during the open season.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment shall be submitted to the people at the 2008 general election. The question submitted shall be:

"Because hunting and fishing are forever preserved under the Minnesota Constitution, shall the Minnesota Constitution be amended to provide funding, without increasing the state sales and use tax, beginning July 1, 2010, to provide hunter and angler access and to improve, preserve, or protect game and fish habitat by dedicating the sales and use tax receipts equal to the state sales and use tax of one-eighth of one percent on taxable sales?"

Yes
No"

Sec. 3. **[84.946] GAME AND FISH PRESERVATION FUND.**

The commissioner of finance shall create a game and fish preservation fund. The fund shall consist of revenue deposited under the Minnesota Constitution, article XI, section 15, and all money earned by the fund.

Sec. 4. **[84.947] GAME AND FISH PRESERVATION FUND; EXPENDITURE ALLOCATION.**

The commissioner of natural resources' Budgetary Oversight Committee, under section 97A.055, subdivision 4b, shall allocate expenditures from the game and fish preservation fund. The amount of the game and fish preservation fund that is available for appropriation under the terms of the Minnesota Constitution, article XI, section 15, is appropriated to the commissioner of natural resources' Budgetary Oversight Committee. The expenditure allocations must be only for projects that provide hunter and angler access and to improve, preserve, or protect game and fish habitat.

Sec. 5. Minnesota Statutes 2006, section 97A.055, subdivision 4b, is amended to read:

Subd. 4b. **Citizen oversight subcommittees.** (a) The commissioner shall appoint subcommittees of affected persons to review the reports prepared under subdivision 4; review the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information; and make recommendations to the legislature and the commissioner for improvements in the management and use of money in the game and fish fund.

(b) The commissioner shall appoint the following subcommittees, each comprised of at least three affected persons:

(1) a Fisheries Operations Subcommittee to review fisheries funding, excluding activities related to trout and salmon stamp funding;

(2) a Wildlife Operations Subcommittee to review wildlife funding, excluding activities related to migratory waterfowl, pheasant, and turkey stamp funding and excluding review of the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c);

(3) a Big Game Subcommittee to review the report required in subdivision 4, paragraph (a), clause (2);

(4) an Ecological Services Operations Subcommittee to review ecological services funding;

(5) a subcommittee to review game and fish fund funding of enforcement, support services, and Department of Natural Resources administration;

(6) a subcommittee to review the trout and salmon stamp report and address funding issues related to trout and salmon;

(7) a subcommittee to review the report on the migratory waterfowl stamp and address funding issues related to migratory waterfowl;

(8) a subcommittee to review the report on the pheasant stamp and address funding issues related to pheasants; and

(9) a subcommittee to review the report on the turkey stamp and address funding issues related to wild turkeys.

(c) The chairs of each of the subcommittees shall form a Budgetary Oversight Committee to coordinate the integration of the subcommittee reports into an annual report to the legislature; recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; provide a forum to address issues that transcend the subcommittees; and submit a report for any subcommittee that fails to submit its report in a timely manner.

(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even-numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house committees with jurisdiction over natural resources finance. In addition, the committee must review and decide on recommended expenditures from the game and fish preservation fund under section 84.947.

(e) Each subcommittee shall choose its own chair, except that the chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of any of the subcommittees.

(f) The Budgetary Oversight Committee must make recommendations to the commissioner and to the senate and house committees with jurisdiction over natural resources finance for outcome goals from expenditures.

(g) Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the Budgetary Oversight Committee and subcommittees do not expire until June 30, 2010. Expenses for performing their duties under this section are governed by section 15.059, subdivision 6.

Sec. 6. Minnesota Statutes 2006, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section and the Minnesota Constitution, article XI, section 15, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

Sec. 7. **EFFECTIVE DATE.**

Sections 1 and 2 apply to sales and uses occurring after June 30, 2010. Sections 3, 4, 5, and 6 are effective July 1, 2010, if the constitutional amendment proposed in section 1 is adopted by the voters."

Delete the title and insert:

"A bill for an act relating to constitutional amendments; proposing an amendment to the Minnesota Constitution by adding a section to article XI; dedicating sales and use tax receipts equal to a rate of one-eighth of one percent on taxable sales and uses to provide angler and hunter access and to improve, preserve, or protect game and fish habitat; creating a game and fish preservation fund; amending Minnesota Statutes 2006, sections 97A.055, subdivision 4b; 297A.94; proposing coding for new law in Minnesota Statutes, chapter 84."

A roll call was requested and properly seconded.

The question was taken on the Hackbarth amendment and the roll was called. There were 47 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Hosch	Peppin	Smith
Anderson, B.	DeLaForest	Gottwalt	Kohls	Peterson, N.	Sviggum
Anderson, S.	Dittrich	Gunther	Kranz	Ruth	Tingelstad
Beard	Eastlund	Hackbarth	Magnus	Ruud	Urdahl
Berns	Emmer	Hamilton	McFarlane	Seifert	Wardlow
Brod	Erhardt	Heidgerken	McNamara	Severson	Westrom
Buesgens	Erickson	Holberg	Nornes	Shimanski	Zellers
Cornish	Finstad	Hoppe	Paulsen	Simpson	

Those who voted in the negative were:

Anzelc	Eken	Johnson	Mahoney	Ozment	Thissen
Atkins	Faust	Juhnke	Mariani	Paymar	Tillberry
Benson	Fritz	Kahn	Marquart	Pelowski	Tschumper
Bigham	Gardner	Kalin	Masin	Peterson, A.	Wagenius
Bly	Greiling	Knuth	Moe	Peterson, S.	Walker
Brown	Hansen	Koenen	Morgan	Poppe	Ward
Brynaert	Hausman	Laine	Morrow	Rukavina	Welti
Bunn	Haws	Lanning	Mullery	Sailer	Winkler
Carlson	Hilstrom	Lenczewski	Murphy, E.	Sertich	Wollschlager
Clark	Hilty	Lesch	Murphy, M.	Simon	Spk. Kelliher
Davnie	Hornstein	Liebling	Nelson	Slawik	
Demmer	Hortman	Lieder	Norton	Slocum	
Dill	Howes	Lillie	Olin	Solberg	
Dominguez	Huntley	Loeffler	Olson	Swails	
Doty	Jaros	Madore	Otremba	Thao	

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

Zellers moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Beginning July 1, 2010, the sales and use tax receipts equal to the state sales and use tax of one-fourth of one percent on sales and uses taxable under the general state sales and use tax law, plus penalties and interest and reduced by any refunds, are dedicated to the following funds: 50 percent of the receipts shall be deposited in the natural resources fund and may be spent only to restore, preserve, and enhance fish and wildlife habitat and 50 percent of the receipts shall be deposited in the environmental fund and credited to the clean water legacy account and may be spent only to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater. The money dedicated under this section shall not be used as a substitute for traditional funding sources for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes. Easements in land acquired with money deposited in the natural resources fund under this section must be open to public taking of game and fish during the open season.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment shall be submitted to the people at the 2008 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding, beginning July 1, 2010, to restore, preserve, and enhance fish and wildlife habitat and protect and restore the state's lakes, rivers, streams, wetlands, and groundwater by dedicating the sales and use tax receipts equal to the state sales and use tax of one-fourth of one percent on taxable sales?"

Yes
No"

Sec. 3. Minnesota Statutes 2006, section 114D.45, subdivision 2, is amended to read:

Subd. 2. **Sources of revenue.** The following revenues must be deposited in the clean water legacy account:

(1) money credited to the account as provided in the Minnesota Constitution, article XI, section 15;

~~(1)~~ (2) money transferred to the account; and

~~(2)~~ (3) interest accrued on the account.

EFFECTIVE DATE. This section is effective July 1, 2010, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 4. Minnesota Statutes 2006, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section and the Minnesota Constitution, article XI, section 15, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

EFFECTIVE DATE. This section is effective July 1, 2010, if the constitutional amendment proposed in section 1 is adopted by the voters."

Delete the title and insert:

"A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution by adding a section to article XI; dedicating sales and use tax receipts equal to a rate of one-fourth of one percent on taxable sales and uses to protect fish and wildlife habitat and the state's waters; amending Minnesota Statutes 2006, sections 114D.45, subdivision 2; 297A.94."

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called. There were 44 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gottwalt	Magnus	Ruud	Urdahl
Anderson, B.	DeLaForest	Hackbarth	McFarlane	Seifert	Wardlow
Anderson, S.	Dittrich	Hamilton	McNamara	Severson	Westrom
Beard	Eastlund	Heidgerken	Nornes	Shimanski	Zellers
Berns	Emmer	Holberg	Olson	Simpson	
Brod	Erickson	Hoppe	Paulsen	Smith	
Buesgens	Finstad	Kohls	Peppin	Svigum	
Cornish	Garofalo	Kranz	Ruth	Tingelstad	

Those who voted in the negative were:

Anzelc	Eken	Howes	Lillie	Olin	Solberg
Atkins	Erhardt	Huntley	Loeffler	Otremba	Swails
Benson	Faust	Jaros	Madore	Ozment	Thao
Bigham	Fritz	Johnson	Mahoney	Paymar	Thissen
Bly	Gardner	Juhnke	Mariani	Pelowski	Tillberry
Brown	Greiling	Kahn	Marquart	Peterson, A.	Tschumper
Brynaert	Gunther	Kalin	Masin	Peterson, N.	Wagenius
Bunn	Hansen	Knuth	Moe	Peterson, S.	Walker
Carlson	Hausman	Koenen	Morgan	Poppe	Ward
Clark	Haws	Laine	Morrow	Rukavina	Welti
Davnie	Hilstrom	Lanning	Mullery	Sailer	Winkler
Demmer	Hilty	Lenczewski	Murphy, E.	Sertich	Wollschlager
Dill	Hornstein	Lesch	Murphy, M.	Simon	Spk. Kelliher
Dominguez	Hortman	Liebling	Nelson	Slawik	
Doty	Hosch	Lieder	Norton	Slocum	

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

Finstad offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the Finstad amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Finstad amendment out of order.

Seifert appealed the decision of Speaker pro tempore Thissen.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Abeler	Dill	Heidgerken	Liebling	Otremba	Slocum
Anderson, B.	Dittrich	Hilstrom	Lieder	Ozment	Smith
Anderson, S.	Dominguez	Hilty	Lillie	Paulsen	Solberg
Anzelc	Doty	Holberg	Loeffler	Paymar	Sviggum
Atkins	Eastlund	Hoppe	Madore	Pelowski	Swails
Beard	Eken	Hornstein	Magnus	Peppin	Thao
Benson	Emmer	Hortman	Mahoney	Peterson, A.	Thissen
Berns	Erhardt	Hosch	Mariani	Peterson, N.	Tillberry
Bigham	Erickson	Howes	Marquart	Peterson, S.	Tingelstad
Bly	Faust	Huntley	Masin	Poppe	Tschumper
Brod	Finstad	Jaros	McFarlane	Rukavina	Urdahl
Brown	Fritz	Johnson	McNamara	Ruth	Wagenius
Brynaert	Gardner	Juhnke	Moe	Ruud	Walker
Buesgens	Garofalo	Kahn	Morgan	Sailer	Ward
Bunn	Gottwalt	Knuth	Morrow	Scalze	Wardlow
Carlson	Greiling	Koenen	Murphy, E.	Seifert	Welti
Clark	Gunther	Kohls	Murphy, M.	Sertich	Westrom
Cornish	Hackbarth	Kranz	Nelson	Severson	Winkler
Davnie	Hamilton	Laine	Nornes	Shimanski	Wollschlager
Dean	Hansen	Lanning	Norton	Simon	Zellers
DeLaForest	Hausman	Lenczewski	Olin	Simpson	Spk. Kelliher
Demmer	Haws	Lesch	Olson	Slawik	

Seifert 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 did not prevail.

Sertich 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 vote was taken on the question "Shall the decision of Speaker pro tempore Thissen stand as the judgment of the House?" and the roll was called. There were 81 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anzelc	Doty	Jaros	Madore	Paymar	Swails
Atkins	Faust	Johnson	Mahoney	Pelowski	Thao
Benson	Gardner	Juhnke	Mariani	Peterson, A.	Thissen
Bigham	Greiling	Kahn	Marquart	Peterson, S.	Tillberry
Bly	Hansen	Kalin	Masin	Poppe	Wagenius
Brown	Hausman	Knuth	Moe	Rukavina	Walker
Brynaert	Haws	Kranz	Morgan	Ruud	Ward
Bunn	Hilstrom	Laine	Morrow	Sailer	Welti
Carlson	Hilty	Lenczewski	Mullery	Scalze	Winkler
Clark	Hornstein	Lesch	Murphy, E.	Sertich	Wollschlager
Davnie	Hortman	Liebling	Murphy, M.	Simon	Spk. Kelliher
Dill	Hosch	Lieder	Nelson	Slawik	
Dittrich	Howes	Lillie	Norton	Slocum	
Dominguez	Huntley	Loeffler	Olin	Solberg	

Those who voted in the negative were:

Abeler	DeLaForest	Garofalo	Kohls	Paulsen	Sviggum
Anderson, B.	Demmer	Gottwalt	Lanning	Peppin	Tingelstad
Anderson, S.	Eastlund	Gunther	Magnus	Peterson, N.	Tschumper
Beard	Eken	Hackbarth	McFarlane	Ruth	Urdahl
Berns	Emmer	Hamilton	McNamara	Seifert	Wardlow
Brod	Erhardt	Heidgerken	Nornes	Severson	Westrom
Buesgens	Erickson	Holberg	Olson	Shimanski	Zellers
Cornish	Finstad	Hoppe	Otremba	Simpson	
Dean	Fritz	Koenen	Ozment	Smith	

So it was the judgment of the House that the decision of Speaker pro tempore Thissen should stand.

CALL OF THE HOUSE LIFTED

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

Hackbarth moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, line 15, delete "rate shall be"

Page 1, delete lines 16 and 17 and insert "receipts equal to the state sales and use tax of three-eighths of one percent on sales and uses taxable under the general state sales and use tax law, plus penalties and interest and reduced"

Page 2, line 17, delete "increasing" and insert "dedicating"

Page 2, line 18, delete "rate by" and insert "receipts equal to the state sales and use tax of"

Page 5, delete section 10

Page 7, delete section 12

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Juhnke raised a point of order pursuant to section 124, paragraph 3, of "Mason's Manual of Legislative Procedure," relating to Personalities Not Permitted in Debate. Speaker pro tempore Thissen ruled the point of order not well taken.

The question recurred on the Hackbarth amendment and the roll was called. There were 46 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Lanning	Peterson, N.	Sviggum
Anderson, B.	DeLaForest	Gottwalt	Magnus	Ruth	Tingelstad
Anderson, S.	Dittrich	Gunther	McFarlane	Ruud	Tschumper
Beard	Eastlund	Hackbarth	McNamara	Seifert	Wardlow
Berns	Emmer	Hamilton	Nornes	Severson	Westrom
Brod	Erhardt	Holberg	Olson	Shimanski	Zellers
Buesgens	Erickson	Kohls	Paulsen	Simpson	
Cornish	Finstad	Kranz	Peppin	Smith	

Those who voted in the negative were:

Anzelc	Eken	Howes	Loeffler	Otremba	Swails
Atkins	Faust	Huntley	Madore	Ozment	Thao
Benson	Fritz	Jaros	Mahoney	Paymar	Thissen
Bigham	Gardner	Johnson	Mariani	Pelowski	Tillberry
Bly	Greiling	Juhnke	Marquart	Peterson, A.	Urdahl
Brown	Hansen	Kahn	Masin	Peterson, S.	Wagenius
Brynaert	Hausman	Kalin	Moe	Poppe	Walker
Bunn	Haws	Knuth	Morgan	Rukavina	Ward
Carlson	Heidgerken	Koenen	Morrow	Sailer	Welti
Clark	Hilstrom	Laine	Mullery	Scalze	Winkler
Davnie	Hilty	Lenczewski	Murphy, E.	Sertich	Wollschlager
Demmer	Hoppe	Lesch	Murphy, M.	Simon	Spk. Kelliher
Dill	Hornstein	Liebling	Nelson	Slawik	
Dominguez	Hortman	Lieder	Norton	Slocum	
Doty	Hosch	Lillie	Olin	Solberg	

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

McNamara moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, line 18, delete "at"

Page 1, line 19, delete "least 25" and insert "35"

Page 1, line 21, delete "at least 25" and insert "35"

Page 1, line 23, delete "at least"

Page 1, line 24, delete "at least" and insert "and"

Page 1, line 26, delete everything after "sources" and insert a period

Page 2, delete line 1

Page 2, line 2, delete everything before "A"

Page 2, line 3, after the third semicolon, insert "and"

Page 2, line 4, delete "; and an arts and cultural heritage fund"

Page 2, line 16, delete "to support the arts and cultural heritage of our state;"

Page 5, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the McNamara amendment and the roll was called. There were 41 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Finstad	Hoppe	Peppin	Solberg
Anderson, S.	DeLaForest	Garofalo	Hosch	Ruth	Sviggum
Beard	Demmer	Gottwalt	Kohls	Seifert	Tingelstad
Berns	Dittrich	Hackbarth	Kranz	Severson	Urdahl
Brod	Eastlund	Hamilton	Magnus	Shimanski	Wardlow
Buesgens	Emmer	Heidgerken	McNamara	Simpson	Zellers
Cornish	Faust	Holberg	Olson	Smith	

Those who voted in the negative were:

Abeler	Eken	Jaros	Madore	Otremba	Slocum
Anzelc	Erhardt	Johnson	Mahoney	Ozment	Swails
Atkins	Fritz	Juhnke	Mariani	Paymar	Thao
Benson	Gardner	Kahn	Marquart	Pelowski	Thissen
Bigham	Greiling	Kalin	Masin	Peterson, A.	Tillberry
Bly	Gunther	Knuth	Moe	Peterson, N.	Tschumper
Brown	Hansen	Koenen	Morgan	Peterson, S.	Wagenius
Brynaert	Hausman	Laine	Morrow	Poppe	Walker
Bunn	Haws	Lanning	Mullery	Rukavina	Ward
Carlson	Hilstrom	Lenczewski	Murphy, E.	Ruud	Walti
Clark	Hilty	Lesch	Murphy, M.	Sailer	Westrom
Davnie	Hornstein	Liebling	Nelson	Scalze	Winkler
Dill	Hortman	Lieder	Nornes	Sertich	Wollschlager
Dominguez	Howes	Lillie	Norton	Simon	Spk. Kelliher
Doty	Huntley	Loeffler	Olin	Slawik	

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

Urdahl offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Howes raised a point of order pursuant to rule 3.21 that the Urdahl amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Urdahl amendment out of order.

Simpson moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 2, line 20, delete the quotation mark

Page 2, after line 20, insert:

"By voting yes on this question, you are voting for a sales tax increase."

A roll call was requested and properly seconded.

The question was taken on the Simpson amendment and the roll was called. There were 63 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Gunther	Liebling	Paymar	Smith
Anderson, B.	Demmer	Hackbarth	Magnus	Peppin	Sviggum
Anderson, S.	Eastlund	Hamilton	McFarlane	Poppe	Swails
Beard	Eken	Heidgerken	McNamara	Rukavina	Tschumper
Berns	Emmer	Holberg	Morgan	Ruth	Urdahl
Brod	Erhardt	Hoppe	Mullery	Ruud	Wardlow
Brown	Erickson	Hosch	Nornes	Seifert	Westrom
Buesgens	Finstad	Koenen	Norton	Severson	Zellers
Bunn	Garofalo	Kohls	Olson	Shimanski	
Cornish	Gottwalt	Lanning	Otremba	Simpson	
Dean	Greiling	Lenczewski	Paulsen	Slawik	

Those who voted in the negative were:

Anzelc	Doty	Huntley	Loeffler	Ozment	Thissen
Atkins	Faust	Jaros	Madore	Pelowski	Tillberry
Benson	Fritz	Johnson	Mahoney	Peterson, A.	Tingelstad
Bigham	Gardner	Juhnke	Mariani	Peterson, N.	Wagenius
Bly	Hansen	Kahn	Marquart	Peterson, S.	Walker
Brynaert	Hausman	Kalin	Masin	Sailer	Ward
Carlson	Haws	Knuth	Moe	Scalze	Welti
Clark	Hilstrom	Kranz	Morrow	Sertich	Winkler
Davnie	Hilty	Laine	Murphy, E.	Simon	Wollschlager
Dill	Hornstein	Lesch	Murphy, M.	Slocum	Spk. Kelliher
Dittrich	Hortman	Lieder	Nelson	Solberg	
Dominguez	Howes	Lillie	Olin	Thao	

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

Olson, Heidgerken and Hackbarth moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 2, line 7, delete the period and insert ", nor may other operating budget items in the environment and arts budgets be reduced because of these newly dedicated funds."

A roll call was requested and properly seconded.

The question was taken on the Olson et al amendment and the roll was called. There were 21 yeas and 112 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Hamilton	Mariani	Rukavina	Sviggum	Zellers
Eastlund	Heidgerken	Mullery	Ruth	Wardlow	
Greiling	Holberg	Olson	Severson	Welti	
Hackbarth	Lanning	Peppin	Smith	Westrom	

Those who voted in the negative were:

Abeler	DeLaForest	Haws	Lenczewski	Nornes	Simpson
Anderson, S.	Demmer	Hilstrom	Lesch	Norton	Slawik
Anzelc	Dill	Hilty	Liebling	Olin	Slocum
Atkins	Dittrich	Hoppe	Lieder	Otremba	Solberg
Beard	Dominguez	Hornstein	Lillie	Ozment	Swails
Benson	Doty	Hortman	Loeffler	Paulsen	Thao
Berns	Eken	Hosch	Madore	Paymar	Thissen
Bigham	Emmer	Howes	Magnus	Pelowski	Tillberry
Bly	Erhardt	Huntley	Mahoney	Peterson, A.	Tingelstad
Brod	Erickson	Jaros	Marquart	Peterson, N.	Tschumper
Brown	Faust	Johnson	Masin	Peterson, S.	Urdahl
Brynaert	Finstad	Juhnke	McFarlane	Poppe	Wagenius
Buesgens	Fritz	Kahn	McNamara	Ruud	Walker
Bunn	Gardner	Kalin	Moe	Sailer	Ward
Carlson	Garofalo	Knuth	Morgan	Scalze	Winkler
Clark	Gottwalt	Koenen	Morrow	Seifert	Wollschlager
Cornish	Gunther	Kohls	Murphy, E.	Sertich	Spk. Kelliher
Davnie	Hansen	Kranz	Murphy, M.	Shimanski	
Dean	Hausman	Laine	Nelson	Simon	

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

McNamara moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, line 16, delete "three-eighths" and insert "three-tenths"

Page 1, line 19, delete "25" and insert "35"

Page 1, line 21, delete "25" and insert "35"

Page 1, line 26, delete everything after "sources" and insert a period

Page 2, line 1, delete line 1

Page 2, line 2, delete everything before "A"

Page 5, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the McNamara amendment and the roll was called. There were 43 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Gunther	Magnus	Seifert	Wardlow
Anderson, S.	Demmer	Hackbarth	McFarlane	Severson	Westrom
Beard	Eastlund	Hamilton	McNamara	Shimanski	Zellers
Berns	Emmer	Heidgerken	Nornes	Simpson	
Brod	Erhardt	Holberg	Olson	Smith	
Buesgens	Finstad	Hoppe	Paulsen	Sviggum	
Cornish	Garofalo	Hosch	Peppin	Tingelstad	
Dean	Gottwalt	Kohls	Ruth	Urdahl	

Those who voted in the negative were:

Abeler	Doty	Jaros	Loeffler	Otremba	Slocum
Anzelc	Eken	Johnson	Madore	Ozment	Solberg
Atkins	Erickson	Juhnke	Mahoney	Paymar	Swails
Benson	Faust	Kahn	Mariani	Pelowski	Thao
Bigham	Fritz	Kalin	Marquart	Peterson, A.	Thissen
Bly	Gardner	Knuth	Masin	Peterson, N.	Tillberry
Brown	Greiling	Koenen	Moe	Peterson, S.	Tschumper
Brynaert	Hansen	Kranz	Morgan	Poppe	Wagenius
Bunn	Hausman	Laine	Morrow	Rukavina	Walker
Carlson	Hilstrom	Lanning	Mullery	Ruud	Ward
Clark	Hilty	Lenczewski	Murphy, E.	Sailer	Welti
Davnie	Hornstein	Lesch	Murphy, M.	Scalze	Winkler
Dill	Hortman	Liebling	Nelson	Sertich	Wollschlager
Dittrich	Howes	Lieder	Norton	Simon	Spk. Kelliher
Dominguez	Huntley	Lillie	Olin	Slawik	

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

Heidgerken and Urdahl offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the Heidgerken and Urdahl amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Heidgerken and Urdahl amendment out of order.

McNamara moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, lines 19 and 21, delete "25" and insert "28"

Page 1, line 24, delete "15" and insert "18"

Page 1, line 26, delete "ten" and insert "one"

A roll call was requested and properly seconded.

The question was taken on the McNamara amendment and the roll was called. There were 43 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Garofalo	Kohls	Seifert	Wardlow
Anderson, S.	Demmer	Gottwalt	Kranz	Severson	Westrom
Beard	Dittrich	Hackbarth	Magnus	Shimanski	Zellers
Berns	Eastlund	Hamilton	McNamara	Simpson	
Brod	Emmer	Heidgerken	Olson	Smith	
Buesgens	Erhardt	Holberg	Paulsen	Sviggum	
Cornish	Faust	Hoppe	Peppin	Tingelstad	
Dean	Finstad	Hosch	Ruth	Urdahl	

Those who voted in the negative were:

Abeler	Eken	Jaros	Madore	Olin	Slawik
Anzelc	Erickson	Johnson	Mahoney	Otremba	Slocum
Atkins	Fritz	Juhnke	Mariani	Ozment	Solberg
Benson	Gardner	Kahn	Marquart	Paymar	Swails
Bigham	Greiling	Kalin	Masin	Pelowski	Thao
Bly	Gunther	Knuth	McFarlane	Peterson, A.	Thissen
Brown	Hansen	Koenen	Moe	Peterson, N.	Tillberry
Brynaert	Hausman	Laine	Morgan	Peterson, S.	Tschumper
Bunn	Haws	Lanning	Morrow	Poppe	Wagenius
Carlson	Hilstrom	Lenczewski	Mullery	Rukavina	Walker
Clark	Hilty	Lesch	Murphy, E.	Ruud	Ward
Davnie	Hornstein	Liebling	Murphy, M.	Sailer	Welti
Dill	Hortman	Lieder	Nelson	Scalze	Winkler
Dominguez	Howes	Lillie	Nornes	Sertich	Wollschlager
Doty	Huntley	Loeffler	Norton	Simon	Spk. Kelliher

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

Sviggum moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, line 16, delete "three-eighths" and insert "one-eighth"

Page 1, line 19, delete "at least 25" and insert "50"

Page 1, line 21, delete "at least 25" and insert "and 50"

Page 1, line 22, delete everything after "groundwater" and insert a period

Page 1, delete lines 23 to 26

Page 2, delete lines 1 to 9 and insert "A natural heritage fund and a clean water fund are created in the state treasury."

Page 2, line 15, delete "; to protect the state's drinking water sources; to support the state's parks and" and insert "and"

Page 2, line 16, delete "trails; and to support the arts and cultural heritage of the state"

Page 2, delete section 3

Page 3, delete section 5

Page 6, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 45 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gottwalt	Kohls	Peppin	Tingelstad
Anderson, B.	Demmer	Gunther	Kranz	Ruth	Urdahl
Anderson, S.	Eastlund	Hackbarth	Magnus	Seifert	Wardlow
Beard	Emmer	Hamilton	McFarlane	Severson	Westrom
Berns	Erhardt	Heidgerken	McNamara	Shimanski	Zellers
Brod	Erickson	Holberg	Nornes	Simpson	
Buesgens	Finstad	Hoppe	Olson	Smith	
Cornish	Garofalo	Hosch	Paulsen	Sviggum	

Those who voted in the negative were:

Anzelc	Bigham	Brynaert	Clark	Dill	Doty
Atkins	Bly	Bunn	Davnie	Dittrich	Eken
Benson	Brown	Carlson	DeLaForest	Dominguez	Faust

Fritz	Jaros	Lieder	Murphy, E.	Rukavina	Tillberry
Gardner	Johnson	Lillie	Murphy, M.	Ruud	Tschumper
Greiling	Juhnke	Loeffler	Nelson	Sailer	Wagenius
Hansen	Kahn	Madore	Olin	Scalze	Walker
Hausman	Kalin	Mahoney	Otremba	Sertich	Ward
Haws	Knuth	Mariani	Ozment	Simon	Welti
Hilstrom	Koenen	Marquart	Paymar	Slawik	Winkler
Hilty	Laine	Masin	Pelowski	Slocum	Wollschlager
Hornstein	Lanning	Moe	Peterson, A.	Solberg	Spk. Kelliher
Hortman	Lenczewski	Morgan	Peterson, N.	Swails	
Howes	Lesch	Morrow	Peterson, S.	Thao	
Huntley	Liebling	Mullery	Poppe	Thissen	

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

Zellers moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, line 19, delete "25" and insert "34"

Page 1, line 21, delete "25" and insert "22"

Page 1, line 23, delete "15" and insert "12"

Page 1, line 25, delete "15" and insert "12"

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called. There were 44 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Kohls	Ruth	Urdahl
Anderson, B.	DeLaForest	Gottwalt	Kranz	Seifert	Wardlow
Anderson, S.	Demmer	Gunther	Magnus	Severson	Westrom
Beard	Eastlund	Hackbarth	McNamara	Shimanski	Zellers
Berns	Emmer	Hamilton	Nornes	Simpson	
Brod	Erickson	Heidgerken	Olson	Smith	
Buesgens	Faust	Holberg	Paulsen	Sviggum	
Cornish	Finstad	Hosch	Peppin	Tingelstad	

Those who voted in the negative were:

Anzelc	Carlson	Fritz	Hoppe	Kahn	Liebling
Atkins	Clark	Gardner	Hornstein	Kalin	Lieder
Benson	Davnie	Greiling	Hortman	Knuth	Lillie
Bigham	Dill	Hansen	Howes	Koenen	Loeffler
Bly	Dittrich	Hausman	Huntley	Laine	Madore
Brown	Dominguez	Haws	Jaros	Lanning	Mahoney
Brynaert	Doty	Hilstrom	Johnson	Lenczewski	Mariani
Bunn	Erhardt	Hilty	Juhnke	Lesch	Marquart

Masin	Murphy, M.	Pelowski	Sailer	Swails	Ward
McFarlane	Nelson	Peterson, A.	Scalze	Thao	Welti
Moe	Norton	Peterson, N.	Sertich	Thissen	Winkler
Morgan	Olin	Peterson, S.	Simon	Tillberry	Wollschlager
Morrow	Otremba	Poppe	Slawik	Tschumper	Spk. Kelliher
Mullery	Ozment	Rukavina	Slocum	Wagenius	
Murphy, E.	Paymar	Ruud	Solberg	Walker	

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

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

McNamara moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, line 16, delete "three-eighths" and insert "one-fourth"

Page 1, line 19, delete "25" and insert "35"

Page 1, line 26, delete everything after the semicolon

Page 2, line 1, delete everything before the period

Page 2, line 3, after the third semicolon insert "and"

Page 2, line 4, delete "; and an arts and cultural heritage fund"

Page 2, line 16, delete "to support the arts and cultural heritage of our state;"

Page 2, line 18, delete "three-eighths" and insert "one-fourth"

Page 2, after line 20, insert:

"Sec. 3. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 16, will read:

Sec. 16. **APPROVAL OF REVENUE INCREASE.**

Beginning July 1, 2009, until June 30, 2034, the sales and use tax rate shall be increased by one-eighth of one percent on sales and uses taxable under the general state sales and use tax law. Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated and deposited in the arts and cultural heritage fund to be spent only for arts and cultural heritage purposes.

Sec. 4. **SUBMISSION TO VOTERS.**

The proposed amendment must be submitted to the people at the 2008 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2009, to support the arts and cultural heritage of the state by increasing the sales and use tax by one-eighth of one percent on taxable sales until the year 2034?"

Yes
No ""

Page 6, line 4, after "15" insert "and 16"

Page 6, line 6, delete "amendment" and insert "amendments" and delete "section 1" and insert "sections 1 and 3"

Page 6, line 10, after "15" insert "and 16"

Page 7, line 30, delete "amendment" and insert "amendments" and delete "section 1" and insert "sections 1 and 3"

Page 8, line 5, delete "amendment" and insert "amendments" and delete "section 1" and insert "sections 1 and 3"

A roll call was requested and properly seconded.

The question was taken on the McNamara amendment and the roll was called. There were 42 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Finstad	Hoppe	Paulsen	Smith
Anderson, B.	Dean	Gottwalt	Kohls	Paymar	Sviggum
Anderson, S.	Demmer	Gunther	Kranz	Peppin	Tingelstad
Beard	Eastlund	Hackbarth	Magnus	Ruth	Urdahl
Berns	Emmer	Hamilton	McNamara	Seifert	Wardlow
Brod	Erickson	Heidgerken	Nornes	Severson	Westrom
Buesgens	Faust	Holberg	Olson	Shimanski	Zellers

Those who voted in the negative were:

Anzelc	Doty	Howes	Loeffler	Olin	Slawik
Atkins	Eken	Jaros	Madore	Otremba	Slocum
Benson	Erhardt	Johnson	Mahoney	Ozment	Solberg
Bigham	Fritz	Juhnke	Mariani	Pelowski	Swails
Bly	Gardner	Kahn	Marquart	Peterson, A.	Thao
Brown	Garofalo	Kalin	Masin	Peterson, N.	Thissen
Brynaert	Greiling	Knuth	McFarlane	Peterson, S.	Tillberry
Bunn	Hansen	Koenen	Moe	Poppe	Tschumper
Carlson	Hausman	Laine	Morgan	Rukavina	Wagenius
Clark	Haws	Lanning	Morrow	Ruud	Walker
Davnie	Hilstrom	Lenczewski	Mullery	Sailer	Ward
DeLaForest	Hilty	Lesch	Murphy, E.	Scalze	Walti
Dill	Hornstein	Liebling	Murphy, M.	Sertich	Winkler
Dittrich	Hortman	Lieder	Nelson	Simon	Wollschlager
Dominguez	Hosch	Lillie	Norton	Simpson	Spk. Kelliher

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

Urdahl moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 5, line 26, after the period, insert "Money appropriated under this section for an arts activity must have the natural environment or history of Minnesota as its primary subject."

A roll call was requested and properly seconded.

The question was taken on the Urdahl amendment and the roll was called. There were 30 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Garofalo	Jaros	Nornes	Severson
Anderson, B.	Eastlund	Gottwalt	Koenen	Olson	Shimanski
Anderson, S.	Emmer	Gunther	Kohls	Peppin	Urdahl
Berns	Erickson	Hackbarth	Magnus	Ruth	Walker
Buesgens	Finstad	Heidgerken	Morrow	Seifert	Westrom

Those who voted in the negative were:

Anzcl	Dittrich	Hornstein	Loeffler	Ozment	Solberg
Atkins	Dominguez	Hortman	Madore	Paulsen	Sviggum
Beard	Doty	Hosch	Mahoney	Pelowski	Swails
Benson	Eken	Howes	Mariani	Peterson, A.	Thao
Bigham	Erhardt	Johnson	Marquart	Peterson, N.	Thissen
Bly	Faust	Juhnke	Masin	Peterson, S.	Tillberry
Brod	Fritz	Kahn	McFarlane	Poppe	Tingelstad
Brown	Gardner	Kalin	McNamara	Rukavina	Tschumper
Brynaert	Greiling	Knuth	Moe	Ruud	Wagenius
Bunn	Hamilton	Kranz	Morgan	Sailer	Ward
Carlson	Hansen	Laine	Mullery	Scalze	Wardlow
Clark	Hausman	Lanning	Murphy, E.	Sertich	Welti
Davnie	Haws	Lenczewski	Murphy, M.	Simon	Winkler
Dean	Hilstrom	Lesch	Nelson	Simpson	Wollschlager
DeLaForest	Hilty	Liebling	Norton	Slawik	Zellers
Demmer	Holberg	Lieder	Olin	Slocum	Spk. Kelliher
Dill	Hoppe	Lillie	Otremba	Smith	

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

Westrom offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the Westrom amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Westrom amendment out of order.

DeLaForest offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the DeLaForest amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the DeLaForest amendment out of order.

Finstad appealed the decision of Speaker pro tempore Thissen.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Thissen stand as the judgment of the House?" and the roll was called. There were 86 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abeler	Doty	Jaros	Madore	Paymar	Thao
Anzelc	Eken	Johnson	Mahoney	Pelowski	Thissen
Atkins	Faust	Juhnke	Mariani	Peterson, A.	Tillberry
Benson	Fritz	Kahn	Marquart	Peterson, S.	Tschumper
Bigham	Gardner	Kalin	Masin	Poppe	Wagenius
Bly	Greiling	Knuth	Moe	Rukavina	Walker
Brown	Hansen	Koenen	Morgan	Ruud	Ward
Brynaert	Hausman	Kranz	Morrow	Sailer	Welti
Bunn	Haws	Laine	Mullery	Scalze	Winkler
Carlson	Hilstrom	Lenczewski	Murphy, E.	Sertich	Wollschlager
Clark	Hilty	Lesch	Murphy, M.	Simon	Spk. Kelliher
Davnie	Hornstein	Liebling	Nelson	Slawik	
Dill	Hortman	Lieder	Norton	Slocum	
Dittrich	Hosch	Lillie	Olin	Solberg	
Dominguez	Howes	Loeffler	Otremba	Swails	

Those who voted in the negative were:

Anderson, B.	DeLaForest	Gottwalt	Lanning	Peppin	Sviggum
Anderson, S.	Demmer	Gunther	Magnus	Peterson, N.	Tingelstad
Beard	Eastlund	Hackbarth	McFarlane	Ruth	Urdahl
Berns	Emmer	Hamilton	McNamara	Seifert	Wardlow
Brod	Erhardt	Heidgerken	Nornes	Severson	Westrom
Buesgens	Erickson	Holberg	Olson	Shimanski	Zellers
Cornish	Finstad	Hoppe	Ozment	Simpson	
Dean	Garofalo	Kohls	Paulsen	Smith	

So it was the judgment of the House that the decision of Speaker pro tempore Thissen should stand.

Finstad offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the Finstad amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Finstad amendment out of order.

MOTION TO FIX TIME TO CONVENE

Westrom moved that when the House adjourns today it adjourn until 6:00 p.m., Sunday, May 20, 2007.

A roll call was requested and properly seconded.

The question was taken on the Westrom motion and the roll was called. There were 35 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Jaros	Rukavina	Sviggum
Beard	Eastlund	Gunther	Lanning	Ruth	Tingelstad
Buesgens	Emmer	Hackbarth	Magnus	Seifert	Wardlow
Cornish	Erickson	Hamilton	Nornes	Severson	Westrom
Dean	Finstad	Heidgerken	Olson	Shimanski	Zellers
DeLaForest	Garofalo	Hoppe	Peppin	Simpson	

Those who voted in the negative were:

Abeler	Dittrich	Hosch	Loeffler	Olin	Smith
Anderson, S.	Dominguez	Howes	Madore	Otremba	Solberg
Anzenc	Doty	Johnson	Mahoney	Paulsen	Swails
Atkins	Eken	Juhnke	Mariani	Paymar	Thao
Benson	Erhardt	Kahn	Marquart	Pelowski	Thissen
Berns	Faust	Kalin	Masin	Peterson, A.	Tillberry
Bigham	Fritz	Knuth	McFarlane	Peterson, N.	Tschumper
Bly	Gardner	Koenen	McNamara	Peterson, S.	Urdahl
Brod	Greiling	Kohls	Moe	Poppe	Wagenius
Brown	Hansen	Kranz	Morgan	Ruud	Walker
Brynaert	Hausman	Laine	Morrow	Sailer	Ward
Bunn	Haws	Lenczewski	Mullery	Scalze	Welti
Carlson	Hilstrom	Lesch	Murphy, E.	Sertich	Winkler
Clark	Hilty	Liebling	Murphy, M.	Simon	Wollschlager
Davnie	Hornstein	Lieder	Nelson	Slawik	Spk. Kelliher
Dill	Hortman	Lillie	Norton	Slocum	

The motion did not prevail.

DeLaForest moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 2, line 7, before the period, insert ", except for arts and cultural heritage purposes"

Page 5, after line 29, insert:

"Subd. 4. **Sole funding source.** From July 1, 2009, until June 30, 2034, the legislature shall make no appropriations for arts and cultural heritage purposes other than appropriations from the arts and cultural heritage fund according to this section."

A roll call was requested and properly seconded.

The question was taken on the DeLaForest amendment and the roll was called. There were 34 yeas and 98 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cornish	Eastlund	Finstad	Gunther	Heidgerken
Beard	Dean	Emmer	Garofalo	Hackbarth	Holberg
Buesgens	DeLaForest	Erickson	Gottwalt	Hamilton	Hoppe

Kohls	McNamara	Peppin	Severson	Sviggum	Zellers
Kranz	Nornes	Ruth	Shimanski	Urdahl	
Magnus	Olson	Seifert	Simpson	Wardlow	

Those who voted in the negative were:

Abeler	Dittrich	Howes	Mahoney	Paymar	Thao
Anderson, S.	Dominguez	Jaros	Mariani	Pelowski	Thissen
Anzelc	Doty	Johnson	Marquart	Peterson, A.	Tillberry
Atkins	Eken	Juhnke	Masin	Peterson, N.	Tingelstad
Benson	Erhardt	Kahn	McFarlane	Peterson, S.	Tschumper
Berns	Faust	Kalin	Moe	Poppe	Wagenius
Bigham	Fritz	Knuth	Morgan	Rukavina	Walker
Bly	Gardner	Koenen	Morrow	Ruud	Ward
Brod	Greiling	Laine	Mullery	Sailer	Welti
Brown	Hansen	Lanning	Murphy, E.	Scalze	Westrom
Brynaert	Hausman	Lenczewski	Murphy, M.	Sertich	Winkler
Bunn	Haws	Lesch	Nelson	Simon	Wollschlager
Carlson	Hilstrom	Liebling	Norton	Slawik	Spk. Kelliher
Clark	Hilty	Lieder	Olin	Slocum	
Davnie	Hornstein	Lillie	Otremba	Smith	
Demmer	Hortman	Loeffler	Ozment	Solberg	
Dill	Hosch	Madore	Paulsen	Swails	

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

Paulsen moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 1, line 19, delete "25" and insert "27"

Page 2, line 1, delete "ten" and insert "eight"

Page 3, after line 2, insert:

"(b) The commissioner of natural resources shall develop a biennial budget plan to include up to \$5,000,000 in each fiscal year for a conservation partners program to provide matching grants of up to \$20,000 to local sporting and conservation clubs for the improvement, enhancement, and protection of fish, game, wildlife, habitat, forestry, and land conservation."

Page 3, line 3, delete "(b)" and insert "(c)"

Page 3, line 5, delete "(c)" and insert "(d)"

A roll call was requested and properly seconded.

The question was taken on the Paulsen amendment and the roll was called. There were 59 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Buesgens	Dean	Dittrich	Emmer
Anderson, B.	Berns	Bunn	DeLaForest	Doty	Erhardt
Anderson, S.	Brod	Cornish	Demmer	Eastlund	Erickson

Finstad	Haws	Lanning	Olson	Ruth	Sviggum
Gardner	Heidgerken	Magnus	Ozment	Ruud	Tingelstad
Garofalo	Holberg	Marquart	Paulsen	Seifert	Urdahl
Gottwalt	Hoppe	McFarlane	Paymar	Severson	Wardlow
Gunther	Hosch	McNamara	Peppin	Shimanski	Westrom
Hackbarth	Kohls	Nornes	Peterson, N.	Simpson	Zellers
Hamilton	Kranz	Norton	Poppe	Smith	

Those who voted in the negative were:

Anzelc	Faust	Kahn	Mariani	Peterson, S.	Tschumper
Atkins	Fritz	Kalin	Masin	Rukavina	Wagenius
Benson	Greiling	Knuth	Moe	Sailer	Walker
Bigham	Hansen	Koenen	Morgan	Scalze	Ward
Bly	Hausman	Laine	Morrow	Sertich	Walti
Brown	Hilstrom	Lenczewski	Mullery	Simon	Winkler
Brynaert	Hilty	Lesch	Murphy, E.	Slawik	Wollschlager
Carlson	Hornstein	Liebling	Murphy, M.	Slocum	Spk. Kelliher
Clark	Hortman	Lieder	Nelson	Solberg	
Davnie	Howes	Lillie	Olin	Swails	
Dill	Jaros	Loeffler	Otremba	Thao	
Dominguez	Johnson	Madore	Pelowski	Thissen	
Eken	Juhnke	Mahoney	Peterson, A.	Tillberry	

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

McNamara moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 3, lines 1 and 12, delete "97" and insert "98.5"

The motion prevailed and the amendment was adopted.

Hackbarth offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the Hackbarth amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Hackbarth amendment out of order.

Dean appealed the decision of Speaker pro tempore Thissen.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Thissen stand as the judgment of the House?" and the roll was called. There were 90 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abeler	Doty	Jaros	Loeffler	Olin	Slawik
Anzelc	Eken	Johnson	Madore	Otremba	Slocum
Atkins	Faust	Juhnke	Mahoney	Ozment	Solberg
Benson	Fritz	Kahn	Mariani	Pelowski	Swails
Bigham	Gardner	Kalin	Marquart	Peterson, A.	Thao
Bly	Greiling	Knuth	Masin	Peterson, N.	Thissen
Brown	Hansen	Koenen	McFarlane	Peterson, S.	Tillberry
Brynaert	Hausman	Kranz	Moe	Poppe	Tschumper
Bunn	Haws	Laine	Morgan	Rukavina	Wagenius
Carlson	Hilstrom	Lanning	Morrow	Ruth	Walker
Clark	Hilty	Lenczewski	Mullery	Ruud	Ward
Davnie	Hornstein	Lesch	Murphy, E.	Sailer	Welti
Dill	Hortman	Liebling	Murphy, M.	Scalze	Winkler
Dittrich	Hosch	Lieder	Nelson	Sertich	Wollschlager
Dominguez	Howes	Lillie	Norton	Simon	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	DeLaForest	Garofalo	Hoppe	Peppin	Tingelstad
Anderson, S.	Demmer	Gottwalt	Kohls	Seifert	Urdahl
Berns	Eastlund	Gunther	Magnus	Severson	Wardlow
Brod	Emmer	Hackbarth	McNamara	Shimanski	Westrom
Buesgens	Erhardt	Hamilton	Nornes	Simpson	Zellers
Cornish	Erickson	Heidgerken	Olson	Smith	
Dean	Finstad	Holberg	Paulsen	Sviggum	

So it was the judgment of the House that the decision of Speaker pro tempore Thissen should stand.

Ruth offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the Ruth amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Ruth amendment out of order.

Hackbarth offered an amendment to H. F. No. 2285, the second engrossment, as amended.

POINT OF ORDER

Moe raised a point of order pursuant to rule 3.21 that the Hackbarth amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Hackbarth amendment out of order.

Seifert appealed the decision of Speaker pro tempore Thissen.

A roll call was requested and properly seconded.

LAY ON THE TABLE

Davnie moved to lay the Seifert appeal of the decision of Speaker pro tempore Thissen on the table.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Abeler	Dittrich	Hilstrom	Lillie	Paulsen	Solberg
Anderson, B.	Dominguez	Hilty	Loeffler	Paymar	Sviggum
Anderson, S.	Doty	Holberg	Madore	Pelowski	Swails
Anzelc	Eastlund	Hoppe	Magnus	Peppin	Thao
Atkins	Eken	Hornstein	Mariani	Peterson, A.	Thissen
Benson	Emmer	Hortman	Marquart	Peterson, N.	Tillberry
Berns	Erhardt	Hosch	Masin	Peterson, S.	Tingelstad
Bigham	Erickson	Howes	McFarlane	Poppe	Tschumper
Bly	Faust	Jaros	McNamara	Rukavina	Urdahl
Brod	Finstad	Johnson	Moe	Ruth	Wagenius
Brown	Fritz	Juhnke	Morgan	Ruud	Ward
Brynaert	Gardner	Kahn	Morrow	Sailer	Wardlow
Buesgens	Garofalo	Kalin	Mullery	Scalze	Welti
Bunn	Gottwalt	Knuth	Murphy, E.	Seifert	Westrom
Carlson	Greiling	Koenen	Murphy, M.	Sertich	Winkler
Clark	Gunther	Kohls	Nelson	Severson	Wollschlager
Cornish	Hackbarth	Kranz	Nornes	Shimanski	Zellers
Davnie	Hamilton	Laine	Norton	Simon	Spk. Kelliher
Dean	Hansen	Lanning	Olin	Simpson	
DeLaForest	Hausman	Lenczewski	Olson	Slawik	
Demmer	Haws	Liebling	Otremba	Slocum	
Dill	Heidgerken	Lieder	Ozment	Smith	

Sertich 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 question recurred on the Davnie motion and the roll was called.

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

There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Atkins	Bly	Bunn	Davnie	Fritz	Hansen
Benson	Brown	Carlson	Dominguez	Gardner	Hausman
Bigham	Brynaert	Clark	Eken	Greiling	Hilstrom

Hilty	Lenczewski	Marquart	Norton	Simon	Wagenius
Hornstein	Lesch	Masin	Paymar	Slawik	Walker
Hortman	Liebling	Moe	Pelowski	Slocum	Ward
Jaros	Lieder	Morgan	Peterson, A.	Solberg	Winkler
Johnson	Lillie	Morrow	Peterson, S.	Swails	Wollschlager
Juhnke	Loeffler	Mullery	Ruud	Thao	Spk. Kelliher
Kahn	Madore	Murphy, E.	Sailer	Thissen	
Knuth	Mahoney	Murphy, M.	Scalze	Tillberry	
Laine	Mariani	Nelson	Sertich	Tschumper	

Those who voted in the negative were:

Abeler	Dill	Gunther	Kranz	Peppin	Tingelstad
Anderson, B.	Dittrich	Hackbarth	Lanning	Peterson, N.	Urdahl
Anderson, S.	Doty	Hamilton	Magnus	Poppe	Wardlow
Anzalc	Eastlund	Haws	McFarlane	Rukavina	Wolti
Berns	Emmer	Heidgerken	McNamara	Ruth	Westrom
Brod	Erhardt	Holberg	Nornes	Seifert	Zellers
Buesgens	Erickson	Hoppe	Olin	Severson	
Cornish	Faust	Hosch	Olson	Shimanski	
Dean	Finstad	Kalin	Otremba	Simpson	
DeLaForest	Garofalo	Koenen	Ozment	Smith	
Demmer	Gottwalt	Kohls	Paulsen	Sviggum	

The motion prevailed and the appeal of the decision of Speaker pro tempore Thissen was laid on the table.

The Speaker resumed the Chair.

CALL OF THE HOUSE LIFTED

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

Brod moved to amend H. F. No. 2285, the second engrossment, as amended, as follows:

Page 2, line 1, delete everything after the period

Page 2, line 2, delete everything before the period and insert "Ten percent of the receipts shall be used by the commissioner of natural resources to develop a biennial budget plan in each fiscal year for a conservation partners program to provide matching grants of up to \$20,000 to local sporting and conservation clubs for the improvement, enhancement, and protection of fish, game, wildlife, habitat, forestry, and land conservation."

Page 2, line 4, delete everything after the period

Page 2, line 5, delete everything before "The"

A roll call was requested and properly seconded.

The question was taken on the Brod amendment and the roll was called. There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Hackbarth	Magnus	Poppe	Urdahl
Anderson, B.	Demmer	Hamilton	Marquart	Ruth	Wardlow
Anderson, S.	Doty	Heidgerken	McFarlane	Seifert	Westrom
Beard	Eastlund	Holberg	McNamara	Severson	Zellers
Berns	Emmer	Hoppe	Nornes	Shimanski	
Brod	Erickson	Hosch	Olson	Simpson	
Buesgens	Garofalo	Kohls	Ozment	Smith	
Cornish	Gottwalt	Kranz	Paulsen	Sviggum	
Dean	Gunther	Lanning	Peppin	Tingelstad	

Those who voted in the negative were:

Anzelc	Eken	Howes	Loeffler	Otremba	Swails
Atkins	Erhardt	Jaros	Madore	Paymar	Thao
Benson	Faust	Johnson	Mahoney	Pelowski	Thissen
Bigham	Finstad	Juhnke	Mariani	Peterson, A.	Tillberry
Bly	Fritz	Kahn	Masin	Peterson, S.	Tschumper
Brown	Gardner	Kalin	Moe	Rukavina	Wagenius
Brynaert	Greiling	Knuth	Morgan	Ruud	Walker
Bunn	Hansen	Koenen	Morrow	Sailer	Ward
Carlson	Hausman	Laine	Mullery	Scalze	Welti
Clark	Haws	Lenczewski	Murphy, E.	Sertich	Winkler
Davnie	Hilstrom	Lesch	Murphy, M.	Simon	Wollschlager
Dill	Hilty	Liebling	Nelson	Slawik	Spk. Kelliher
Dittrich	Hornstein	Lieder	Norton	Slocum	
Dominguez	Hortman	Lillie	Olin	Solberg	

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

H. F. No. 2285, A bill for an act relating to constitutional amendments; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for natural resource and cultural heritage purposes; creating a natural heritage fund; creating a parks and trails fund; creating a clean water fund; creating a sustainable drinking water fund; creating an arts and cultural heritage fund; amending Minnesota Statutes 2006, sections 114D.20, subdivision 6; 114D.30, subdivision 6; 114D.45; 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103H; 129D.

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 86 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anzelc	Bigham	Brynaert	Clark	Dill	Doty
Atkins	Bly	Bunn	Cornish	Dittrich	Faust
Benson	Brown	Carlson	Davnie	Dominguez	Fritz

Gardner	Johnson	Magnus	Nornes	Simpson	Walker
Gunther	Juhnke	Mahoney	Olin	Slawik	Ward
Hamilton	Kahn	Mariani	Ozment	Slocum	Wardlow
Hansen	Kalin	Marquart	Pelowski	Smith	Welti
Hausman	Knuth	Masin	Peterson, A.	Solberg	Westrom
Haws	Koenen	McFarlane	Peterson, N.	Swails	Winkler
Heidgerken	Kranz	McNamara	Peterson, S.	Thao	Wollschlager
Hilstrom	Laine	Moe	Poppe	Thissen	Spk. Kelliher
Hornstein	Lieder	Morgan	Ruud	Tillberry	
Hortman	Lillie	Morrow	Scalze	Tingelstad	
Howes	Loeffler	Murphy, E.	Sertich	Urdahl	
Jaros	Madore	Nelson	Simon	Wagenius	

Those who voted in the negative were:

Abeler	DeLaForest	Garofalo	Kohls	Olson	Seifert
Anderson, B.	Demmer	Gottwalt	Lanning	Otremba	Severson
Anderson, S.	Eastlund	Greiling	Lenczewski	Paulsen	Shimanski
Beard	Eken	Hackbarth	Lesch	Paymar	Sviggum
Berns	Emmer	Hilty	Liebling	Peppin	Tschumper
Brod	Erhardt	Holberg	Mullery	Rukavina	Zellers
Buesgens	Erickson	Hoppe	Murphy, M.	Ruth	
Dean	Finstad	Hosch	Norton	Sailer	

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

S. F. No. 2043, A bill for an act relating to the city of Anoka; authorizing the city in its home rule charter to provide the procedure for the appointment of the city housing and redevelopment authority commissioners.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Gardner	Howes	Loeffler	Norton
Anderson, B.	Davnie	Garofalo	Jaros	Madore	Olin
Anderson, S.	Dean	Gottwalt	Johnson	Magnus	Olson
Anzelc	DeLaForest	Greiling	Juhnke	Mahoney	Otremba
Atkins	Demmer	Gunther	Kahn	Mariani	Ozment
Beard	Dill	Hackbarth	Kalin	Marquart	Paulsen
Benson	Dittrich	Hamilton	Knuth	Masin	Paymar
Berns	Dominguez	Hansen	Koenen	McFarlane	Pelowski
Bigham	Doty	Hausman	Kohls	McNamara	Peppin
Bly	Eastlund	Haws	Kranz	Moe	Peterson, A.
Brod	Eken	Heidgerken	Laine	Morgan	Peterson, N.
Brown	Emmer	Hilstrom	Lanning	Morrow	Peterson, S.
Brynaert	Erhardt	Hilty	Lenczewski	Mullery	Poppe
Buesgens	Erickson	Holberg	Lesch	Murphy, E.	Rukavina
Bunn	Faust	Hoppe	Liebling	Murphy, M.	Ruth
Carlson	Finstad	Hornstein	Lieder	Nelson	Ruud
Clark	Fritz	Hosch	Lillie	Nornes	Sailer

Scalze	Simon	Solberg	Tillberry	Walker	Winkler
Seifert	Simpson	Sviggum	Tingelstad	Ward	Wollschlager
Sertich	Slawik	Swails	Tschumper	Wardlow	Zellers
Severson	Slocum	Thao	Urdahl	Welti	Spk. Kelliher
Shimanski	Smith	Thissen	Wagenius	Westrom	

The bill was passed and its title agreed to.

Sertich moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 464:

Sertich; Murphy, E., and Gunther.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1208:

Mahoney, Nelson and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 430:

Murphy, M.; Smith; Thissen; Kahn and Nelson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1753:

Dill, Rukavina and Beard.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Sertich from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 683, A bill for an act relating to health; proposing an amendment to the Minnesota Constitution, article XIII, by adding a section, affirming that every resident of Minnesota has the right to affordable health care.

Reported the same back with the recommendation that the bill pass.

Emmer moved that H. F. No. 683 be re-referred to the Committee on Ways and Means.

A roll call was requested and properly seconded.

The question was taken on the Emmer motion and the roll was called. There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Gottwalt	Magnus	Peterson, N.	Urdahl
Anderson, B.	Demmer	Gunther	McFarlane	Ruth	Wardlow
Anderson, S.	Eastlund	Hackbarth	McNamara	Seifert	Westrom
Beard	Emmer	Hamilton	Morrow	Severson	Zellers
Brod	Erhardt	Holberg	Nornes	Shimanski	
Brynaert	Erickson	Hoppe	Olson	Simpson	
Buesgens	Finstad	Kalin	Ozment	Smith	
Cornish	Gardner	Kohls	Paulsen	Sviggum	
Dean	Garofalo	Lanning	Peppin	Tingelstad	

Those who voted in the negative were:

Anzelc	Doty	Howes	Loeffler	Otremba	Solberg
Atkins	Eken	Jaros	Madore	Paymar	Swails
Benson	Faust	Johnson	Mahoney	Pelowski	Thao
Berns	Fritz	Juhnke	Mariani	Peterson, A.	Thissen
Bigham	Greiling	Kahn	Marquart	Peterson, S.	Tillberry
Bly	Hansen	Knuth	Masin	Poppe	Tschumper
Brown	Hausman	Koenen	Moe	Rukavina	Wagenius
Bunn	Haws	Kranz	Morgan	Ruud	Walker
Carlson	Heidgerken	Laine	Mullery	Sailer	Ward
Clark	Hilstrom	Lenczewski	Murphy, E.	Scalze	Welti
Davnie	Hilty	Lesch	Murphy, M.	Sertich	Winkler
Dill	Hornstein	Liebling	Nelson	Simon	Wollschlager
Dittrich	Hortman	Lieder	Norton	Slawik	Spk. Kelliher
Dominguez	Hosch	Lillie	Olin	Slocum	

The motion did not prevail.

The question recurred on the adoption of the Committee Report relating to H. F. No. 683. The report was adopted.

Sertich from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 470, A bill for an act relating to motor vehicles; extending permissible route for three-unit paper products vehicles; allowing certain trucks to qualify for special paper products vehicle permit; changing effective date authorizing permit for special paper products vehicle; amending Minnesota Statutes 2006, section 169.864, subdivisions 1, 2; Laws 2005, First Special Session chapter 1, article 4, section 39.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2006, section 169.8261, is amended to read:

169.8261 GROSS WEIGHT LIMITATIONS; FOREST PRODUCTS.

(a) A vehicle or combination of vehicles hauling raw or unfinished forest products, including wood chips, paper, pulp, oriented strand board, laminated strand lumber, hardboard, treated lumber, untreated lumber, or barrel staves, by the most direct route to the nearest highway that has been designated under section 169.832, subdivision 11, may be operated on any highway with gross weights permitted under sections 169.822 to 169.829 without regard to load restrictions imposed on that highway, except that the vehicles must:

(1) comply with seasonal load restrictions in effect between the dates set by the commissioner under section 169.87, subdivision 2;

(2) comply with bridge load limits posted under section 169.84;

(3) be equipped and operated with six axles and brakes on all wheels;

(4) not exceed 90,000 pounds gross weight, or ~~98,000~~ 99,000 pounds gross weight during the time when seasonal increases are authorized under section 169.826;

(5) not be operated on interstate and defense highways;

(6) obtain an annual permit from the commissioner of transportation;

(7) obey all road postings; and

(8) not exceed 20,000 pounds gross weight on any single axle.

(b) A vehicle operated under this section may exceed the legal axle weight limits listed in section 169.824 by not more than 12.5 percent; except that, the weight limits may be exceeded by not more than 22.5 percent during the time when seasonal increases are authorized under section 169.826, subdivision 1."

Page 2, after line 17, insert:

"Sec. 4. **169.865 EXTENDED WEIGHT LIMIT PERMITS.**

Subdivision 1. Six-axle vehicles. (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six axles to haul raw or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Notwithstanding subdivision 4, paragraph (a), clause (4), a vehicle or combination of vehicles operated under this subdivision and transporting only sealed intermodal containers may be operated on an interstate highway if allowed by the United States Department of Transportation.

(c) The fee for a permit issued under this subdivision is \$300.

Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of seven axles to haul raw or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

(1) 97,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Drivers of vehicles operating under this subdivision must comply with driver qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code of Federal Regulations, title 49, parts 40 and 382.

(c) The fee for a permit issued under this subdivision is \$500.

Subd. 3. **Single unit vehicles.** (a) A road authority may issue an annual permit authorizing a single unit vehicle with a total of seven axles up to 45 feet in length to haul raw or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

(1) 80,000 pounds; and

(2) 88,000 pounds during the period set by the commissioner under section 169.826, subdivisions 1 and 1a.

(b) The fee for a permit issued under this subdivision is \$300.

Subd. 4. **Requirements; restrictions.** (a) A vehicle or combination of vehicles operating under this section:

(1) is subject to axle weight limitations under section 169.824, subdivision 1;

(2) is subject to seasonal load restrictions under section 169.87;

(3) is subject to bridge load limits posted under section 169.84;

(4) may only be operated on trunk highways other than interstate highways, and on local roads designated under section 169.832, subdivision 11;

(5) may not be operated with loads that exceed the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating complying with Code of Federal Regulations, title 49, parts 567.4 to 567.7;

(6) must be issued a permit from each road authority having jurisdiction over a road on which the vehicle is operated, if required;

(7) must comply with the requirements of section 169.851, subdivision 4; and

(8) must have brakes on all wheels.

(b) The percentage allowances for exceeding gross weights if transporting unfinished forest products under section 168.013, subdivision 3, paragraph (b), or for the first haul of unprocessed or raw farm products or unfinished forest products under section 168.013, subdivision 3, paragraph (d), clause (3), do not apply to a vehicle or combination of vehicles operated under this section.

Subd. 5. **Deposit of revenues; appropriation.** (a) Revenue from the permits issued under this section must be deposited:

(1) in fiscal years 2007 through 2010, in the bridge inspection and signing account in the special revenue fund; and

(2) in fiscal year 2011 and subsequent years, in the trunk highway fund.

(b) The revenue in the bridge inspection and signing account under this section is annually appropriated to the commissioner for:

(1) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and

(2) erection of weight posting signs on local bridges.

Sec. 5. Minnesota Statutes 2006, section 169.87, subdivision 4, is amended to read:

Subd. 4. **Vehicle transporting milk.** ~~Until June 1, 2007,~~ A weight restriction imposed under subdivision 1 by the commissioner of transportation or a local road authority, or imposed by subdivision 2, does not apply to a vehicle transporting milk from the point of production to the point of first processing if, at the time the weight restriction is exceeded, the vehicle is carrying milk loaded at only one point of production. This subdivision does not authorize a vehicle described in this subdivision to exceed a weight restriction of five tons per axle by more than two tons per axle.

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

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "changing gross weight requirements for vehicles hauling certain forest products; authorizing extended weight limit permits and providing for deposit of permit fee revenues; extending a weight restriction exemption for certain vehicles transporting milk; appropriating money;"

Correct the title numbers accordingly

With the recommendation that the bill be amended and without further recommendation.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 683 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 470 was read for the second time.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1196.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1196, A bill for an act relating to housing; creating the Minnesota manufactured home relocation trust fund; requiring that a manufactured home park owner make specified payments to the trust fund; requiring an owner of a manufactured home who rents a lot in a manufactured home park to make an annual payment to the trust fund; authorizing advances to the Minnesota manufactured home relocation trust fund; amending Minnesota Statutes 2006, sections 327C.095, subdivisions 1, 4, by adding subdivisions; 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

MOTIONS AND RESOLUTIONS

Hansen moved that the names of Bly and Wollschlager be added as authors on H. F. No. 278. The motion prevailed.

Tingelstad moved that the name of Kranz be added as an author on H. F. No. 1906. The motion prevailed.

Severson moved that the name of Slawik be added as an author on H. F. No. 2492. The motion prevailed.

Haws moved that the names of Gottwalt and Severson be added as authors on H. F. No. 2505. The motion prevailed.

Cornish moved that the name of Wardlow be added as an author on H. F. No. 2509. The motion prevailed.

Doty moved that the name of Ward be added as an author on H. F. No. 2519. The motion prevailed.

Jaros moved that S. F. No. 108 be recalled from the Committee on Finance and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 464, A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 3.971, subdivision 6; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

The Senate has appointed as such committee:

Senators Betzold, Vickerman and Koering.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1409, A bill for an act relating to health; changing provisions for well contractor's license; amending Minnesota Statutes 2006, sections 103I.525, subdivision 5; 103I.531, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2268, A bill for an act relating to public finance; providing terms and conditions related to the issuance of obligations and the financing of public improvements and services; extending the time for certain publications of notices; authorizing and validating trusts to pay public postemployment benefits; amending Minnesota Statutes 2006, sections 118A.03, subdivision 3; 123B.61; 204B.46; 275.61, subdivision 1; 331A.05, subdivision 2; 365A.02; 365A.04; 365A.08; 365A.095; 373.01, subdivision 3; 373.40, subdivision 4; 375B.09; 383B.117, subdivision 2; 383B.77, subdivisions 1, 2; 410.32; 412.301; 428A.02, subdivision 1; 453A.02, subdivision 3; 473.39, by adding subdivisions; 475.52, subdivision 6; 475.53, subdivision 1; 475.58, subdivisions 1, 3b; proposing coding for new law in Minnesota Statutes, chapters 471; 475.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate wishes to recall H. F. No. 2268 for the purpose of further consideration.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sertich moved that the House accede to the request of the Senate, and that H. F. No. 2268, as amended by the Senate, be returned to the Senate for further consideration. The motion prevailed.

Madam Speaker:

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

H. F. No. 2245, A bill for an act relating to education; increasing the basic revenue formula allowance; modifying general education aid; amending Minnesota Statutes 2006, sections 126C.10, subdivision 2; 126C.13, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate wishes to recall H. F. No. 2245 for the purpose of further consideration.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sertich moved that the House accede to the request of the Senate, and that H. F. No. 2245, as amended by the Senate, be returned to the Senate for further consideration. The motion prevailed.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 2:00 p.m., Sunday, May 20, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Sunday, May 20, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives