

STATE OF MINNESOTA

EIGHTY-FOURTH SESSION — 2005

 FORTY-FIRST DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 18, 2005

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

Prayer was offered by Pastor John Lestock, Trinity Lutheran Church, Owatonna, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Abrams, Davnie and Walker were excused.

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

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 11, 2005

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

Dear Speaker Sviggum:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House File:

H. F. No. 3, relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; making adjustments to previous bond authorizations; establishing new programs and modifying existing programs; authorizing sale of state bonds; appropriating money.

Sincerely,

TIM PAWLENTY
Governor

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

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2005 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2005</i>	<i>Date Filed 2005</i>
	3	20	2:42 p.m. April 11	April 11

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 432, A bill for an act relating to state government; providing that chaplains employed by the state are in the classified civil service; amending Minnesota Statutes 2004, section 43A.08, subdivision 1.

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

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 632, A bill for an act relating to taxation; income; providing for economic growth in rural counties of the state by allowing a credit against the income tax of an employer for the creation and retention of certain jobs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [290.0681] [RURAL ECONOMIC GROWTH CREDIT.]

Subdivision 1. [CREDIT NAME.] The credit allowed by this section shall be known as the "Rural Minnesota Catch-Up Credit."

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible county" means a county, located outside the metropolitan area, as defined in section 473.121, subdivision 2, that experienced, between 1993 and 2003, a net new job growth rate of less than 15.6 percent, or a county that has a population of less than 25,000 according to the 2000 census.

(c) "Qualifying job" means a job in an industry that produces goods or services that bring outside wealth into an eligible county. A qualifying job includes jobs in the following industries: value-added manufacturing, technologically innovative and information industries, forestry, mining, agriprocessing, and tourism attractions. At a minimum, a qualifying job must provide full-time employment and pay not less than \$12 per hour, or \$10 per hour plus health insurance benefits, or its equivalent. A qualifying job does not include any job for which a tax credit is received under section 469.318 or for which a grant is made under section 469.309.

Subd. 3. [CREDIT ALLOWED.] A taxpayer that is awarded a credit under subdivision 4 may take a credit against the tax imposed by this chapter, equal to \$4,000 per qualifying job created by the taxpayer, per year for three years and \$3,000 in the fourth year.

Subd. 4. [QUALIFICATION; APPLICATION.] (a) To qualify for a credit under this section a taxpayer must create a new qualifying job within an eligible county. The taxpayer must create the qualifying job within 12 months of being awarded the credit. If a taxpayer does not create the qualifying job within 12 months, the credit is forfeited and, if claimed by the taxpayer, subject to recapture, and the credit amount accrues back to the eligible county for allocation under subdivision 5.

(b) A taxpayer seeking a credit under this section must make an application to an eligible county at least 60 days before the award date in paragraph (c). Applications for a credit shall be made on a form and in a manner prescribed by the commissioner.

(c) Eligible counties shall award credits under this section twice each year, by March 15 and September 15. An eligible county shall publish a notice advertising the award date at least 90 days before the date. Selection of applicants for awarding tax credits under this section shall be made by the county board of commissioners of an eligible county, or the duly appointed representatives of the county board of commissioners, using uniform criteria established by the commissioner. In selecting among applicants for awarding credits under this section, criteria must contemplate and place greater weight on the following factors: whether the qualifying job provides higher wages, better benefits, or on-the-job training; whether the taxpayer's business is locally owned and owns, rather than leases, its own facilities or buildings; whether the taxpayer's business provides employee stock ownership plans or employee profit sharing; and whether a higher percentage of the business's employees are hired with tax credits under this section. For purposes of this section, "duly appointed representatives" include a county or regional economic development agency or authority.

Subd. 5. [LIMITATION; CARRYFORWARD.] (a) The total amount of credits under this section may not exceed \$150,000 per eligible county over two years. If a county fails to award \$150,000 within a year, it may carry forward the amount that remains unawarded to the following year. Unawarded amounts may not be carried beyond the following year and are lost.

(b) A taxpayer may claim the credit under this section for the year following the year in which the new qualifying job is created and for each year the new qualifying job remains in existence, up to a maximum of four years or \$15,000 per qualifying job created. The taxpayer may claim the credit under this section for years in which the qualifying job was in existence for the entire year. A credit under this section is awarded to the taxpayer for, and attaches to, a designated employee. If the designated employee for whom a credit under this section was awarded leaves the employment of the taxpayer for any reason, the remaining credit the taxpayer would otherwise be eligible to receive is forfeited and may not be claimed by the taxpayer unless a replacement employee is hired to fill the qualifying job within a reasonable period, not to exceed three months. Credit amounts forfeited under this paragraph accrue back to and may be awarded by an eligible county as if the amount had been unawarded, as provided in paragraph (a).

Subd. 6. [CREDIT REFUNDABLE.] If the amount of credit that the taxpayer is eligible to receive under this section exceeds the liability for tax under this chapter, the commissioner shall refund the excess to the claimant. An amount sufficient to pay the refunds authorized by this subdivision is appropriated to the commissioner from the general fund.

Subd. 7. [MANNER OF CLAIMING.] The commissioner shall prescribe the manner in which the credit may be issued and claimed. This may include providing for the issuance of credit certificates or allowing the credit only as a separately processed claim for a refund.

Subd. 8. [REPORT.] The commissioner shall report to the legislature by February 15, 2008, on credits claimed under this section and shall evaluate the feasibility and benefit of continuing the program. The commissioner may consult with the commissioner of employment and economic development in preparing this report.

Subd. 9. [EXPIRATION.] This section expires for taxable years beginning after December 31, 2010.

[EFFECTIVE DATE.] This section is effective January 1, 2006."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 632 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 751, A bill for an act relating to real property; establishing the Electronic Real Estate Recording Task Force; appropriating money; amending Minnesota Statutes 2004, sections 507.093; 507.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 507.

Reported the same back with the following amendments:

Page 3, line 18, delete "15" and insert "18"

Page 3, line 25, delete "three" and insert "four"

Page 3, line 26, delete "one" and insert "two" and delete "recorder" and insert "recorders"

Page 3, line 28, delete "appointed" and insert "recommended"

Page 3, line 29, after "Counties" insert "and appointed by the chair"

Page 3, line 32, after "sector" insert "recommended by their industries and"

Page 3, line 36, delete "title companies,"

Page 4, line 3, delete the third "and"

Page 4, line 5, before the period, insert "; and

(5) two representatives of title companies"

Page 4, after line 24, insert:

"The task force shall review the Uniform Electronic Recording Act as drafted by the National Conference of Commissioners on Uniform State Laws and recommend alternative structures for the permanent Commission on Electronic Real Estate Recording Standards."

Page 6, line 15, delete everything after "APPROPRIATION"

Page 6, line 16, delete "FUNDS"

Page 6, delete lines 17 to 26

Page 6, line 27, delete everything before "\$25,000"

Page 6, line 28, delete "payment" and insert "appropriated"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 751 was re-referred to the Committee on Rules and Legislative Administration.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 759, A bill for an act relating to labor; requiring the certification and regulation of crane operators; authorizing civil penalties; proposing coding for new law as Minnesota Statutes, chapter 184C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [182.6525] [CRANE OPERATION.]

Subdivision 1. [CERTIFICATION REQUIRED.] An individual may not operate a crane with a lifting capacity of five tons or more on a construction site unless the individual has a valid crane operator certificate received from a nationally recognized and accredited certification program. No employer, and no person who is under a contract to construct an improvement to land, may permit any employee, agent, or independent contractor to perform work in violation of this section. A crane operator certification required under this subdivision must be renewed by an accredited certification program every five years.

Subd. 2. [EXCEPTIONS.] The requirements of subdivision 1 do not apply to:

(1) a crane operator trainee or apprentice, if the individual is under the direct supervision of a crane operator who holds a valid crane operator certificate as required in subdivision 1;

(2) a person directly employed by a class 1 or 2 railroad who is qualified by the employing railroad as a crane operator or boom truck operator while performing work on property owned, leased, or controlled by the employing railroad;

(3) a person who is employed by or performing work for a public utility, rural electric cooperative, municipality, telephone company, or industrial manufacturing plant;

(4) a person who is subject to inspection and regulation under the Mine Safety and Health Act, United States Code, title 30, sections 801 through 962;

(5) a person engaged in boating, fishing, agriculture, or arboriculture;

(6) a person who is a member of and performing work for a uniformed service or who is a member of and performing work for the United States Merchant Marines;

(7) a person who is operating a crane for personal use on premises owned or leased by that person; and

(8) a person who is operating a crane in an emergency situation.

Subd. 3. [PENALTIES.] An employer or general contractor may be cited by the commissioner for a violation of the certification requirements in this section. A citation is punishable as a serious violation under section 182.666.

Sec. 2. Minnesota Statutes 2004, section 182.659, is amended by adding a subdivision to read:

Subd. 1a. [PROOF OF CRANE OPERATOR CERTIFICATION.] An individual who is operating a crane on a worksite shall provide proof of certification required under section 182.6525 upon request by an investigator.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 2007."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 2004, section 182.659, by adding a subdivision;" and delete "as" and insert "in"

Page 1, line 5, delete "184C" and insert "182"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 865, A bill for an act relating to elections; changing certain procedures in cases of annexations affecting precinct boundaries; amending Minnesota Statutes 2004, section 204B.14, subdivision 5.

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

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 899, A bill for an act relating to local government; authorizing the state auditor to waive certain rules and laws applying to local government units; creating a grants board to fund cooperative efforts in public service delivery; proposing coding for new law in Minnesota Statutes, chapter 6.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 912, A bill for an act relating to traffic regulations; defining motorized foot scooters and regulating their use and operation; amending Minnesota Statutes 2004, section 169.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2004, section 160.80, subdivision 1a, is amended to read:

Subd. 1a. [ELIGIBILITY CRITERIA FOR BUSINESS PANELS.] (a) To be eligible for a business panel on a logo sign panel, a business establishment must:

- (1) be open for business;
- (2) have a sign on site that both identifies the business and is visible to motorists;
- (3) be open to everyone, regardless of race, religion, color, age, sex, national origin, creed, marital status, sexual orientation, or disability;
- (4) not impose a cover charge or otherwise require customers to purchase additional products or services; and
- (5) meet the appropriate criteria in paragraphs (b) to (e).

(b) Gas businesses must provide vehicle services including fuel and oil; restroom facilities and drinking water; continuous, staffed operation at least 12 hours a day, seven days a week; and public access to a telephone.

(c) Food businesses must serve at least two meals a day during normal mealtimes of breakfast, lunch, and dinner; provide a continuous, staffed food service operation at least ten hours a day, seven days a week except holidays as defined in section 645.44, subdivision 5, and except as provided for seasonal food service businesses; provide seating capacity for at least 20 people; ~~serve meals prepared on the premises;~~ and possess any required state or local licensing or approval. ~~Reheated, prepackaged, ready to eat food is not "food prepared on the premises."~~ Seasonal food service businesses must provide a continuous, staffed food service operation at least ten hours a day, seven days a week, during their months of operation.

(d) Lodging businesses must include sleeping accommodations, provide public access to a telephone, and possess any required state or local licensing or approval.

(e) Camping businesses must include sites for camping, include parking accommodations for each campsite, provide sanitary facilities and drinking water, and possess any required state or local licensing or approval.

(f) Businesses that do not meet the appropriate criteria in paragraphs (b) to (e) but that have a signed lease as of January 1, 1998, may retain the business panel until December 31, 2005, or until they withdraw from the program, whichever occurs first, provided they continue to meet the criteria in effect in the department's contract with the logo sign vendor on August 1, 1995. After December 31, 2005, or after withdrawing from the program, a business must meet the appropriate criteria in paragraphs (a) to (e) to qualify for a business panel.

(g) Seasonal businesses must indicate to motorists when they are open for business by either putting the full months of operation directly on the business panel or by having a "closed" plaque applied to the business panel when the business is closed for the season.

(h) The maximum distance that an eligible business in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county can be located from the interchange is: for gas businesses, one mile; for food businesses, two miles; for lodging businesses, three miles; and for camping businesses, ten miles.

(i) The maximum distance that an eligible business in any other county can be located from the interchange shall not exceed 15 miles in either direction.

(j) Logo sign panels must be erected so that motorists approaching an interchange view the panels in the following order: camping, lodging, food, gas.

(k) If there is insufficient space on a logo sign panel to display all eligible businesses for a specific type of service, the businesses closest to the interchange have priority over businesses farther away from the interchange.

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

Sec. 2. Minnesota Statutes 2004, section 168.012, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, or licensed commercial driving school, plainly displayed on both sides of the vehicle; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program."

Page 1, line 8, delete "Section 1" and insert "Sec. 3"

Page 1, line 19, delete "2" and insert "4"

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "exempting motorized foot scooters from tax and registration fees; changing eligibility criteria for certain business panels;"

Page 1, line 4, delete "section" and insert "sections 160.80, subdivision 1a; 168.012, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 986, A bill for an act relating to economic development; redefining low-income area for the purpose of the urban initiative program; amending Minnesota Statutes 2004, section 116M.14, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 2004, section 116M.15, is amended by adding a subdivision to read:

Subd. 5. [SUNSET.] This section expires on June 30, 2007."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing a sunset date for the Urban Initiative Board;"

Page 1, line 5, after "4" insert "; 116M.15, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 987, A bill for an act relating to child safety; prohibiting the sale and commercial use of certain cribs; providing enforcement; proposing coding for new law in Minnesota Statutes, chapters 245A; 325F.

Reported the same back with the following amendments:

Page 3, line 15, after "shall" insert ": (i)"

Page 3, line 16, delete "so that it is no longer used by or" and insert "from use; and (ii) as soon as practicable, but not more than two business days after the inspection, ensure that the crib is not"

Page 4, line 15, delete "remanufacture, retrofit,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 987 was re-referred to the Committee on Rules and Legislative Administration.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 1003, A bill for an act relating to commerce; regulating service contracts and contract providers; providing exceptions; amending Minnesota Statutes 2004, section 72A.20, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 59B.

Reported the same back with the following amendments:

Page 4, line 5, delete "\$200" and insert "\$750"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 1003 was re-referred to the Committee on Rules and Legislative Administration.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 1081, A bill for an act relating to natural resources; modifying commercial fishing restrictions in infested waters; providing for a water recreation account; modifying expiration of certain committees; modifying disposition of certain revenue and unrefunded tax receipts; modifying terms of certain reports; eliminating commissioner approval of county expenditures of county timber receipts; modifying zoning requirements in floodplain areas; amending Minnesota Statutes 2004, sections 84D.03, subdivision 4; 97A.055, subdivision 4b; 97A.4742, subdivision 4; 103G.615, subdivision 2; 282.08; 282.38, subdivision 1; 296A.18, subdivision 2; 462.357, subdivision 1e; proposing coding for new law in Minnesota Statutes, chapter 86B.

Reported the same back with the following amendments:

Page 2, after line 29, insert:

"Sec. 2. Minnesota Statutes 2004, section 85.053, subdivision 1, is amended to read:

Subdivision 1. [FORM, ISSUANCE, VALIDITY.] (a) The commissioner shall prepare and provide state park permits for each calendar year that state a motor vehicle may enter and use state parks, state recreation areas, and state waysides over 50 acres in area. State park permits must be available and placed on sale by January 1 of the calendar year ~~that the permit is valid~~ in which the permits are to be issued. A separate motorcycle permit may be prepared and provided by the commissioner.

(b) An annual state park permit must be affixed when purchased and may be used from the time it is affixed for a 12-month period. State park permits in each category must be numbered consecutively for each year of issue.

(c) State park permits shall be issued by employees of the Division of Parks and Recreation as designated by the commissioner. State park permits also may be consigned to and issued by agents designated by the commissioner who are not employees of the Division of Parks and Recreation. All proceeds from the sale of permits and all unsold permits consigned to agents shall be returned to the commissioner at such times as the commissioner may direct, but no later than the end of the calendar year for which the permits are ~~effective~~ issued. No part of the permit fee may be retained by an agent. An additional charge or fee in an amount to be determined by the commissioner, but not to exceed four percent of the price of the permit, may be collected and retained by an agent for handling or selling the permits.

Sec. 3. Minnesota Statutes 2004, section 85.054, is amended by adding a subdivision to read:

Subd. 11. [BIG BOG STATE RECREATION AREA.] A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at the parking area located north of Tamarac River in the southern unit of Big Bog State Recreation Area, Beltrami County."

Page 5, line 18, before the period, insert "and to the senate and house committees with jurisdiction over natural resources finance"

Page 5, line 24, after "commissioner" insert "and to the senate and house committees with jurisdiction over natural resources finance"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying state park permit exemptions;"

Page 1, line 11, after the first semicolon, insert "85.053, subdivision 1; 85.054, by adding a subdivision;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 1081 was re-referred to the Committee on Rules and Legislative Administration.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 1103, A bill for an act relating to employment; permitting employers of professional athletes to request or require random drug testing for the presence of anabolic steroids; amending Minnesota Statutes, section 181.951, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 14, delete everything after "athletes" and insert "and subject to a collective bargaining agreement that permits or requires such testing"

Page 1, line 15, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1172, A bill for an act relating to local government; providing for local governments to opt out of state mandates; proposing coding for new law as Minnesota Statutes, chapter 471B.

Reported the same back with the following amendments:

Page 1, line 25, delete "unless" and insert "whether or not"

Page 4, line 26, delete "the resolutions" and insert "at least seven certified opt out or reform proposals from each government of the same kind listed in paragraph (c)"

Page 4, line 27, delete "included in" and insert "submitted as" and after "notice" insert "that" and delete "delivered" and insert "delivers"

Page 4, delete lines 31 to 35 and insert:

"(b) The house of representatives and senate must adopt rules ensuring that bills to specifically address at least seven mandates for which the minimum number of resolutions have been filed are given a priority status and presented to the house of representatives and senate for consideration and action by that body in a timely manner during the regular session that biennium."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 1172 was re-referred to the Committee on Rules and Legislative Administration.

Holberg from the Committee on Transportation Finance to which was referred:

H. F. No. 1173, A bill for an act relating to taxation; exempting public personal rapid transit systems from certain taxes; amending Minnesota Statutes 2004, sections 272.02, by adding a subdivision; 290.05, subdivision 1; 297A.61, by adding a subdivision; 297A.68, by adding a subdivision; 297A.71, by adding a subdivision.

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

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 1173 was re-referred to the Committee on Rules and Legislative Administration.

Holberg from the Committee on Transportation Finance to which was referred:

H. F. No. 1174, A bill for an act relating to local government; authorizing local bonding for personal rapid transit; amending Minnesota Statutes 2004, sections 429.021, subdivision 1; 475.51, by adding a subdivision; 475.52, subdivisions 1, 3, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, line 15, before the period, insert "if the commissioner of transportation has certified that the personal rapid transit technology is at least as safe and reliable as other fixed-guideway transit systems"

Page 4, line 7, after "systems" insert "is contingent on the commissioner of transportation certifying that the personal rapid transit technology is at least as safe and reliable as other fixed-guideway transit systems, and"

Page 4, line 23, after "systems" insert "is contingent on the commissioner of transportation certifying that the personal rapid transit technology is at least as safe and reliable as other fixed-guideway transit systems, and"

Page 4, lines 31 and 32, delete "or a PRT public safety certification and training facility"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 1174 was re-referred to the Committee on Rules and Legislative Administration.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 1275, A bill for an act relating to state government; establishing a Minnesota Humanities Commission; proposing coding for new law in Minnesota Statutes, chapter 138.

Reported the same back with the following amendments:

Page 2, after line 4, insert:

"Sec. 2. [138.912] [POET LAUREATE.]

(a) The position of poet laureate of the State of Minnesota is established. The Minnesota Humanities Commission must solicit nominations for the poet laureate appointment, and must make recommendations to the governor. After receiving recommendations from the Minnesota Humanities Commission, the governor shall appoint a state poet laureate, and shall conduct appropriate ceremonies to honor the person appointed. The person appointed as poet laureate continues to serve in this position until the governor appoints another person.

(b) State agencies and officers are encouraged to use the services of the poet laureate for appropriate ceremonies and celebrations.

(c) Any expenses associated with the poet laureate must be paid from nonstate sources."

Page 2, line 5, delete "2" and insert "3"

Page 2, line 6, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing a poet laureate position;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 1528, A bill for an act relating to insurance; regulating claims practices; amending Minnesota Statutes 2004, section 72A.201, subdivision 6.

Reported the same back with the following amendments:

Page 4, line 10, delete everything after "vehicle" and insert a period

Page 4, line 11, delete everything before "Your"

Page 4, line 12, delete "restoring" and insert "repairing"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 1732, A bill for an act relating to agriculture; changing certain loan provisions; establishing a loan program; changing certain livestock zoning regulations; appropriating money; amending Minnesota Statutes 2004, sections 41B.046, subdivision 5; 41B.049, subdivision 2; 174.52, subdivision 5; 394.25, subdivision 3c; 462.355, subdivision 4; 462.357, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 2004, section 41B.046, subdivision 3.

Reported the same back with the following amendments:

Pages 8 and 9, delete sections 9 and 10

Page 9, line 31, delete "11" and insert "9"

Page 9, line 34, delete "12" and insert "10"

Amend the title as follows:

Page 1, lines 4 and 5, delete "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Holberg from the Committee on Transportation Finance to which was referred:

H. F. No. 1818, A bill for an act relating to transportation; exempting certain unsubsidized providers of public transit service from vehicle registration taxes, motor fuel taxes, and corporate income tax; deleting restriction on use of freeway and expressway shoulders by transit buses; requiring Metropolitan Council to permit providers of transit service to use its bus stops; amending Minnesota Statutes 2004, sections 168.012, subdivision 1; 169.306; 290.01, subdivision 19d; 296A.07, subdivision 4; 296A.08, subdivision 3; 473.411, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 13, delete "in" and insert "to provide service to"

Page 8, line 25, delete "in" and insert "to serve"

Page 9, line 28, delete "in" and insert "to serve"

Page 10, line 5, after the period, insert "This subdivision applies only to vehicles that:

(1) provide transit service originating outside the metropolitan area as defined in section 473.121, subdivision 2;

(2) while inbound to the metropolitan area, do not pick up passengers within the metropolitan area; and

(3) while outbound from the metropolitan area, do not drop off passengers within the metropolitan area."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 1818 was re-referred to the Committee on Rules and Legislative Administration.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 1879, A bill for an act relating to campaign finance; changing certain reporting requirements; redefining inactivity; requiring assumption of certain liabilities; changing certain limits; changing public subsidy distribution requirements; amending Minnesota Statutes 2004, sections 10A.20, subdivisions 2, 5, by adding a subdivision; 10A.24, subdivision 2; 10A.242, subdivision 2; 10A.25, subdivision 2; 10A.31, subdivisions 6, 7; 10A.323.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 9, is amended to read:

Subd. 9. [CAMPAIGN EXPENDITURE.] (a) "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

(b) An expenditure is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

(c) An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

(d) Except as provided in clause (1), "expenditure" includes the dollar value of a donation in kind.

"Expenditure" does not include:

(1) noncampaign disbursements as defined in subdivision 26;

(2) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, political fund, principal campaign committee, or party unit; ~~or~~

(3) the publishing or broadcasting of news items or editorial comments by the news media; or

(4) the cost of a communication on any subject by a corporation intended for its shareholders or executive or administrative personnel, by a membership association intended for its members or the members' executive or administrative personnel, or by a labor organization intended for its members or executive or administrative personnel or their families.

(e) For purposes of this subdivision and subdivision 11, the following terms have the meanings given them.

(1) "Executive or administrative personnel" means individuals employed by a corporation, membership association, or labor organization who are paid on a salary rather than an hourly basis and who have policymaking, managerial, professional, or supervisory responsibilities.

(2) "Labor organization" means any organization of any kind, or any agency or employee representative committee or plan, in which employees participate and that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(3) "Members" means all persons who are currently satisfying the requirements for membership in a membership association, affirmatively accept the membership association's invitation to become a member, and either:

(i) have some significant financial attachment to the membership association, such as a significant investment or ownership stake, but not merely the payment of dues;

(ii) are required to pay on a regular basis a specific amount of dues that is predetermined by the association and are entitled to vote directly either for at least one member who has full participatory and voting rights on the highest governing body of the membership association, or for those who select at least one member of those on the highest governing body of the membership association; or

(iii) are entitled to vote directly for all of those on the highest governing body of the membership association.

(4) "Membership association" means a membership organization; trade association; cooperative; corporation without capital shares; or local, national, or international labor organization that expressly:

(i) provides for members in its articles and bylaws;

(ii) solicits members; and

(iii) acknowledges the acceptance of membership, such as by sending a membership card or inclusion on a membership newsletter list.

(5) "Shareholder" means a person who has a vested beneficial interest in one or more shares, has the power to direct how those shares are voted if they are voting shares, and has the right to receive dividends.

Sec. 2. Minnesota Statutes 2004, section 10A.01, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTION.] (a) "Contribution" means money, a negotiable instrument, or a donation in kind that is given to a political committee, political fund, principal campaign committee, or party unit.

(b) "Contribution" includes a loan or advance of credit to a political committee, political fund, principal campaign committee, or party unit, if the loan or advance of credit is: (1) forgiven; or (2) repaid by an individual or an association other than the political committee, political fund, principal campaign committee, or party unit to which the loan or advance of credit was made. If an advance of credit or a loan is forgiven or repaid as provided in this paragraph, it is a contribution in the year in which the loan or advance of credit was made.

(c) "Contribution" does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, political fund, principal campaign committee, or party unit, or the publishing or broadcasting of news items or editorial comments by the news media.

(d) "Contribution" does not include the cost of a communication on any subject by a corporation intended for its shareholders or executive or administrative personnel, by a membership association intended for its members or the members' executive or administrative personnel, or by a labor organization intended for its members or executive or administrative personnel or their families, as defined in subdivision 9."

Page 3, line 12, after "years" insert "or in the case of candidates for judicial offices, six years,"

Page 3, line 16, after "years" insert "or in the case of candidates for judicial offices, six years,"

Page 5, line 2, strike "If"

Page 5, line 7, delete "the preprimary"

Page 5, delete lines 8 to 13

Page 7, after line 24, insert:

"Sec. 12. Minnesota Statutes 2004, section 211B.15, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] ~~For purposes of (a) The definitions in this subdivision apply to this section.~~

(b) "Contribution" has the meaning given in section 10A.01, subdivision 11.

(c) "Corporation" means:

(1) a corporation organized for profit that does business in this state;

(2) a nonprofit corporation that carries out activities in this state; or

(3) a limited liability company formed under chapter 322B, or under similar laws of another state, that does business in this state.

(d) "Expenditure" has the meaning given in section 10A.01, subdivision 9.

(e) "Political office" means an elective office of the state or a political subdivision, but does not include the office of president of the United States or the office of senator or representative in Congress.

Sec. 13. Minnesota Statutes 2004, section 211B.15, subdivision 17, is amended to read:

Subd. 17. [~~NONPROFIT CORPORATION POLITICAL ACTIVITY ADMINISTRATIVE SUPPORT.~~] It is not a violation of this section for a nonprofit corporation to provide administrative assistance to one political committee or political fund that is associated with the nonprofit corporation and registered with the Campaign Finance and Public Disclosure Board under section 10A.14. ~~Such Administrative assistance must be limited to~~ includes accounting, clerical or legal services, bank charges, utilities, office space, ~~and~~ supplies, and the expenses of soliciting donations to the political committee or political fund. The records of the political committee or political fund may be kept on the premises of the nonprofit corporation.

~~The administrative assistance provided by the nonprofit corporation to the political committee or political fund is limited annually to the lesser of \$5,000 or 7-1/2 percent of the expenditures of the political committee or political fund."~~

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "changing certain definitions, procedures, and requirements;"

Page 1, line 7, after "sections" insert "10A.01, subdivisions 9, 11;"

Page 1, line 10, before the period, insert "; 211B.15, subdivisions 1, 17"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 1914, A bill for an act relating to employment; increasing the penalty for failure to pay a discharged employee within 24 hours; modifying the penalty for failure to pay benefits or wage supplements; increasing the penalty for violation of migrant worker payment requirements; amending Minnesota Statutes 2004, sections 181.11; 181.74, subdivision 1; 181.89, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 23, after "two" insert "business"

Amend the title as follows:

Page 1, line 3, delete "a" and insert "certain" and delete "employee" and insert "employees"

With the recommendation that when so amended the bill pass.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 2092, A bill for an act relating to retirement; elective state officers retirement plan; amending Minnesota Statutes 2004, section 352C.091, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 352C; repealing Minnesota Statutes 2004, sections 352C.01; 352C.011; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352C.091, subdivisions 2, 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"2005 OMNIBUS RETIREMENT BILL

ARTICLE 1

CLARIFICATION/RECODIFICATION OF
STATEWIDE SPECIALTY RETIREMENT PLANS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3A.011 [ADMINISTRATION OF PLAN.]

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

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

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

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

(2) has attained the normal retirement age;

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

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

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

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

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

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

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

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

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] (a) Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age set by the board of directors of the Minnesota State Retirement System and who is otherwise qualified ~~in accordance with~~ under subdivision 1 is entitled, upon making written application on ~~forms supplied~~ a form prescribed by the director, to a reduced retirement allowance ~~in~~. The reduced retirement allowance is an amount equal to the retirement allowance specified in subdivision 1, paragraph (b), that is reduced so that the reduced ~~annuity allowance~~ annuity allowance is the actuarial equivalent of the ~~annuity allowance~~ annuity allowance that would be payable if the former member of the legislature deferred receipt of the ~~annuity allowance~~ annuity allowance and the ~~annuity allowance~~ annuity allowance amount ~~were~~ was augmented at an annual rate of three percent compounded annually from the date the ~~annuity allowance~~ annuity allowance begins to accrue until age 62.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3A.05 [APPLICATION FOR SURVIVOR BENEFIT.]

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

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

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

3A.07 [APPLICATION.]

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 2. [REFUND REPAYMENT.] ~~Any A~~ former legislator who has received a refund as provided in section 3A.03, subdivision 2, who is a currently contributing member of a retirement fund plan specified in subdivision 1, paragraph (b), may repay the refund as provided in section 3A.03, subdivision 2. ~~Any A~~ member of the legislature who has received a refund from any of the funds retirement plans specified in subdivision 1, may repay the refund to the respective fund plan under such terms and conditions consistent with the law governing such fund the retirement plan if the law governing such fund the plan permits the repayment of refunds. If the total amount to be repaid, including principal and interest exceeds \$2,000, repayment may be made in three equal installments over a period of 18 months, with the interest accrued during the period of the repayment added to the final installment.

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

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

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

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

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

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

(b) Nothing in this section or section 31 or 77, subdivision 2, is intended to reduce the benefits of former constitutional officers or to adversely modify their eligibility for benefits in effect as of the day before the effective date of this section.

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

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

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

Sec. 32. Minnesota Statutes 2004, section 490.121, subdivision 1, is amended to read:

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

Sec. 33. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

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

Sec. 34. Minnesota Statutes 2004, section 490.121, subdivision 4, is amended to read:

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

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

Sec. 35. Minnesota Statutes 2004, section 490.121, subdivision 6, is amended to read:

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

Sec. 36. Minnesota Statutes 2004, section 490.121, subdivision 7, is amended to read:

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

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

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

Sec. 38. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

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

Sec. 39. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

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

Sec. 40. Minnesota Statutes 2004, section 490.121, subdivision 13, is amended to read:

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

Sec. 41. Minnesota Statutes 2004, section 490.121, subdivision 14, is amended to read:

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

Sec. 42. Minnesota Statutes 2004, section 490.121, subdivision 15, is amended to read:

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

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

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

Sec. 44. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

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

Sec. 45. Minnesota Statutes 2004, section 490.121, subdivision 21, is amended to read:

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

Sec. 46. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 49. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

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

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

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

Sec. 51. Minnesota Statutes 2004, section 490.121, subdivision 22, is amended to read:

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

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

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

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

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

Sec. 54. Minnesota Statutes 2004, section 490.122, is amended to read:

490.122 [ADMINISTRATION OF JUDGES' RETIREMENT.]

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

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

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

Sec. 55. Minnesota Statutes 2004, section 490.123, subdivision 1, is amended to read:

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

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

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

Sec. 56. Minnesota Statutes 2004, section 490.123, subdivision 1a, is amended to read:

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

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

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

Sec. 57. Minnesota Statutes 2004, section 490.123, subdivision 1b, is amended to read:

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

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

Sec. 58. Minnesota Statutes 2004, section 490.123, subdivision 1c, is amended to read:

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

Sec. 59. Minnesota Statutes 2004, section 490.123, subdivision 2, is amended to read:

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

Sec. 60. Minnesota Statutes 2004, section 490.123, subdivision 3, is amended to read:

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

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

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

Sec. 61. Minnesota Statutes 2004, section 490.124, subdivision 1, is amended to read:

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

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

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

Sec. 62. Minnesota Statutes 2004, section 490.124, subdivision 2, is amended to read:

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

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

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

Sec. 63. Minnesota Statutes 2004, section 490.124, subdivision 3, is amended to read:

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

Sec. 64. Minnesota Statutes 2004, section 490.124, subdivision 4, is amended to read:

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

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

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

Sec. 65. Minnesota Statutes 2004, section 490.124, subdivision 5, is amended to read:

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

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

Sec. 66. Minnesota Statutes 2004, section 490.124, subdivision 8, is amended to read:

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

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

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

Sec. 67. Minnesota Statutes 2004, section 490.124, subdivision 9, is amended to read:

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

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

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

Sec. 68. Minnesota Statutes 2004, section 490.124, subdivision 10, is amended to read:

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

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

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

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

Sec. 69. Minnesota Statutes 2004, section 490.124, subdivision 11, is amended to read:

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

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

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

Sec. 70. Minnesota Statutes 2004, section 490.124, subdivision 12, is amended to read:

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

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

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

Sec. 71. Minnesota Statutes 2004, section 490.124, subdivision 13, is amended to read:

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

Sec. 72. Minnesota Statutes 2004, section 490.125, subdivision 1, is amended to read:

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

Sec. 73. Minnesota Statutes 2004, section 490.126, is amended to read:

490.126 [PROCEDURES.]

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

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

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

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

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

Sec. 74. Minnesota Statutes 2004, section 490.133, is amended to read:

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

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

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

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

Sec. 75. [490A.01] [BOARD OF JUDICIAL STANDARDS; ESTABLISHMENT.]

Subdivision 1. [ESTABLISHMENT; COMPOSITION.] The Board on Judicial Standards is established. The Board on Judicial Standards is a continuation of the board established by Laws 1971, chapter 909, sections 1 and 2, as amended. For the purposes of this chapter, "board" means the Board on Judicial Standards.

Subd. 2. [COMPOSITION; APPOINTMENT.] (a) The board consists of one judge of the Court of Appeals, three trial court judges, two lawyers who have practiced law in the state for at least ten years, and four citizens who are not judges, retired judges, or lawyers.

(b) All members must be appointed by the governor with the advice and consent of the senate. Senate confirmation is not required for judicial members.

Subd. 3. [TERM MAXIMUM; MEMBERSHIP TERMINATION.] No member may serve more than two full four-year terms or their equivalent. Membership terminates if a member ceases to hold the position that qualified the member for appointment.

Subd. 4. [MEMBER TERMS; COMPENSATION; REMOVAL.] The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575.

Subd. 5. [EXECUTIVE SECRETARY APPOINTMENT; SALARY.] (a) The board shall appoint the executive secretary.

(b) The salary of the executive secretary of the board is 85 percent of the maximum salary provided for an administrative law judge under section 15A.083, subdivision 6a.

Sec. 76. [490A.02] [JUDICIAL STANDARDS BOARD; POWERS.]

Subdivision 1. [JUDICIAL DISQUALIFICATION.] A judge is disqualified from acting as a judge, without a loss of salary, while there is pending an indictment or any information charging the judge with a crime that is punishable as a felony under either Minnesota law or federal law, or while there is pending a recommendation to the Supreme Court by the Board on Judicial Standards for the judge's removal or retirement.

Subd. 2. [JUDICIAL SUSPENSION.] On receipt of a recommendation of the Board on Judicial Standards or on its own motion, the Supreme Court may suspend a judge from office without salary when the judge pleads guilty to or no contest to or is found guilty of a crime that is punishable as a felony under either Minnesota law or federal law or any other crime that involves moral turpitude. If the conviction is reversed, the suspension terminates and the judge must be paid a salary for the period of suspension. If the judge is suspended and the conviction becomes final, the Supreme Court shall remove the judge from office.

Subd. 3. [JUDICIAL DISABILITY.] On receipt of a recommendation of the Board on Judicial Standards, the Supreme Court may retire a judge for a disability that the court determines seriously interferes with the performance of the judge's duties and is or is likely to become permanent, and censure or remove a judge for an action or inaction that may constitute persistent failure to perform the judge's duties, incompetence in performing the judge's duties, habitual intemperance, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

Subd. 4. [AUTHORITY TO REOPEN MATTERS.] The board is specifically empowered to reopen any matter wherein any information or evidence was previously precluded by a statute of limitations or by a previously existing provision of time limitation.

Subd. 5. [RETIREMENT STATUS.] (a) A judge who is retired by the Supreme Court must be considered to have retired voluntarily.

(b) This section and section 490A.01 must not affect the right of a judge who is suspended, retired, or removed under this section from qualifying for any pension or other retirement benefits to which the judge would otherwise be entitled by law to receive.

Subd. 6. [ELIGIBILITY FOR JUDICIAL OFFICE; PRACTICE LAW.] A judge removed by the Supreme Court is ineligible for any future service in a judicial office. The question of the right of a removed judge to practice law in this state must be referred to the proper authority for review.

Subd. 7. [SUPREME COURT RULES.] The Supreme Court shall make rules to implement this section.

Sec. 77. [REPEALER; EFFECT ON BENEFIT COVERAGE.]

Subdivision 1. [LEGISLATORS RETIREMENT PLAN; REPEALED AS OBSOLETE.] Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, and 7; 3A.02, subdivision 2; 3A.04, subdivision 1; and 3A.09, are repealed.

Subd. 2. [ELECTIVE STATE OFFICERS RETIREMENT PLAN; REPEALED AS OBSOLETE.] Minnesota Statutes 2004, sections 352C.01; 352C.011; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; and 352C.091, subdivisions 2 and 3, are repealed.

Subd. 3. [JUDICIAL RETIREMENT PLANS; REPEALED AS OBSOLETE.] Minnesota Statutes 2004, sections 490.021; 490.025, subdivisions 1, 2, 3, 4, and 6; 490.101; 490.102; 490.103; 490.105; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12; and 490.121, subdivisions 2, 3, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19, and 20, are repealed.

Subd. 4. [JUDICIAL STANDARDS BOARD; REPEALED FOR RELOCATION AS MINNESOTA STATUTES, CHAPTER 490A.] Minnesota Statutes 2004, sections 490.021; 490.025, subdivisions 1, 2, 3, 4, and 6; 490.101; 490.102; 490.103; 490.105; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12; and 490.121, subdivisions 2, 3, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19, and 20, are repealed.

Subd. 5. [UNIFORM JUDICIAL RETIREMENT PLAN; NO BENEFIT DIMINISHMENT INTENDED; PROCEDURE.] Sections 32 to 76 are not intended to reduce or increase the entitlement of active, deferred, or retired judges to retirement annuities or benefits as of July 1, 2005, as reflected in the records of the Minnesota State Retirement System. If the executive director of the Minnesota State Retirement System determines that any provisions of sections 32 to 76 functions to modify, impair, or diminish the retirement annuity or benefit entitlement of any judge that had accrued or earned before July 1, 2005, the executive director shall certify that determination and a recommendation as to the required legislative correction to the chair of the Legislative Commission on Pensions and Retirement, the chair of the senate State and Local Governmental Operations Committee, the chair of the house Governmental Operations and Veterans Affairs Policy Committee, and the executive director of the Legislative Commission on Pensions and Retirement on or before the October 1 next following that determination.

Sec. 78. [EFFECTIVE DATE.]

This article is effective on July 1, 2005.

ARTICLE 2

COVERED SALARY; AVERAGE SALARY

Section 1. Minnesota Statutes 2004, section 352.01, is amended by adding a subdivision to read:

Subd. 14a. [AVERAGE SALARY.] (a) "Average salary" means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions. Average salary must be based upon all allowable service if this service is less than five years.

(b) "Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum nor does it include the reduced salary, if any, paid during the period the employee is entitled to workers' compensation benefit payments for temporary disability.

(c) For an employee covered by the correctional state employees retirement plan, "average salary" means the average of the monthly salary during the employee's highest five successive years of salary as an employee covered by the general state employees retirement plan, or the correctional state employees retirement plan, or by a combination of the two. If the total of the covered service is less than five years, the determination of average salary must be based on all allowable service.

Sec. 2. Minnesota Statutes 2004, section 352.115, subdivision 2, is amended to read:

Subd. 2. [~~AVERAGE SALARY~~ NORMAL RETIREMENT ANNUITY.] The retirement annuity hereunder payable at normal retirement age or thereafter must be computed in accordance with the applicable provisions of the formula stated in subdivision 3, on the basis of the employee's average salary for the period of allowable service. This retirement annuity is known as the "normal" retirement annuity.

~~For each year of allowable service, "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions. Average salary must be based upon all allowable service if this service is less than five years.~~

~~"Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum nor does it include the reduced salary, if any, paid during the period the employee is entitled to workers' compensation benefit payments for temporary disability.~~

Sec. 3. Minnesota Statutes 2004, section 352.115, subdivision 3, is amended to read:

Subd. 3. [~~RETIREMENT ANNUITY FORMULA.~~] (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person who became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) will apply. The employee's average salary, as defined in section 352.01, subdivision 2 14a, multiplied by the percent specified in section 356.315, subdivision 1, per year of allowable service for the first ten years and the percent specified in section 356.315, subdivision 2, for each later year of allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

(b) This paragraph applies to a person who has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1. The employee's average salary, as defined in section 352.01, subdivision 2 14a, multiplied by the percent specified in section 356.315, subdivision 2, for each year of allowable service and pro rata for months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

Sec. 4. Minnesota Statutes 2004, section 352.87, subdivision 3, is amended to read:

Subd. 3. [~~RETIREMENT ANNUITY FORMULA.~~] A person specified in subdivision 1 ~~will have~~ is entitled to receive a retirement annuity applicable for allowable service credit under this section calculated by multiplying the employee's average salary, as defined in section ~~352.115~~ 352.01, subdivision 2 14a, by the percent specified in section 356.315, subdivision 2a, for each year or portions of a year of allowable service credit. No reduction for retirement ~~prior to before~~ the normal retirement age, as specified in section 352.01, subdivision 25, applies to service to which this section applies.

Sec. 5. Minnesota Statutes 2004, section 352.93, subdivision 1, is amended to read:

Subdivision 1. [BASIS OF ANNUITY; WHEN TO APPLY.] After separation from state service, an employee covered under section 352.91 who has reached age 55 years and has credit for at least three years of covered correctional service or a combination of covered correctional service and regular Minnesota general employees state retirement System plan service is entitled upon application to a retirement annuity under this section, based only on covered correctional employees' service. Application may be made no earlier than 60 days before the date the employee is eligible to retire by reason of both age and service requirements.

~~In this section, "average salary" means the average of the monthly salary during the employee's highest five successive years of salary as an employee covered by the Minnesota State Retirement System. Average salary must be based upon all allowable service if this service is less than five years.~~

Sec. 6. Minnesota Statutes 2004, section 352C.021, is amended by adding a subdivision to read:

Subd. 1a. [AVERAGE SALARY.] "Average salary," for purposes of calculating the normal retirement annuity under section 352C.031, subdivision 4, means the average of the highest five successive years of salary upon which contributions have been made under section 352C.09.

Sec. 7. Minnesota Statutes 2004, section 353.01, subdivision 10, is amended to read:

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

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

(2) for a public employee who is covered by a supplemental retirement plan under section 356.24, subdivision 1, clause (8), (9), or (10), which require all plan contributions be made by the employer, the contribution to the applicable supplemental retirement plan when the contribution is from mandatory withholdings from employees' wages; and

~~(3) for a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the Public Employees Retirement Association or to which section 353.665 applies and who has elected coverage either under the public employees police and fire fund benefit plan under section 353A.08 following the consolidation or under section 353.665, subdivision 4, the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified by law and by bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure and the actual periodic compensation of the public employee after the effective date of consolidation.~~

(b) Salary does not mean:

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

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

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

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

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

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

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

(5) the amount of compensation that exceeds the limitation provided in section 356.611.

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations.

Sec. 8. Minnesota Statutes 2004, section 353.01, is amended by adding a subdivision to read:

Subd. 17a. [AVERAGE SALARY.] (a) "Average salary," for purposes of calculating a retirement annuity under section 353.29, subdivision 3, means an amount equivalent to the average of the highest salary of the member, police officer, or firefighter, whichever applies, upon which employee contributions were paid for any five successive years of allowable service, based on dates of salary periods as listed on salary deduction reports. Average salary must be based upon all allowable service if this service is less than five years.

(b) "Average salary" may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability, unless the average salary is higher, including this period.

Sec. 9. Minnesota Statutes 2004, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c, applies to any member who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) will apply. The average salary as defined in section 353.01, subdivision 2 17a, multiplied by the percent specified in section 356.315, subdivision 3, for each year of allowable service for the first ten years and thereafter by the percent specified in section 356.315, subdivision 4, per year of allowable service and completed months less than a full year for the "basic member," and the percent specified in section 356.315, subdivision 1, for each year of allowable service for the first ten years and thereafter by the percent specified in section 356.315, subdivision 2, per year of allowable service and completed months less than a full year for the "coordinated member," shall determine the amount of the "normal" retirement annuity.

(b) This paragraph applies to a member who has become at least 55 years old and first became a public employee after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c. The average salary, as defined in section 353.01, subdivision 2 17a, multiplied by the percent specified in section 356.315, subdivision 4, for each year of allowable service and completed months less than a full year for a basic member and the percent specified in section 356.315, subdivision 2, per year of allowable service and completed months less than a full year for a coordinated member, shall determine the amount of the normal retirement annuity.

Sec. 10. Minnesota Statutes 2004, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] This disability benefit is an amount equal to the normal annuity payable to a member who has reached normal retirement age with the same number of years of allowable service and the same average salary, as provided in section 353.01, subdivision 17a, and section 353.29, subdivisions 2 and subdivision 3.

A basic member shall receive a supplementary monthly benefit of \$25 to age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later.

If the disability benefits under this subdivision exceed the average salary as defined in section 353.29 353.01, subdivision 2 17a, the disability benefits must be reduced to an amount equal to ~~said~~ the average salary.

Sec. 11. Minnesota Statutes 2004, section 353.651, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary as defined in section 353.01, subdivision 2 17a, multiplied by the percent specified in section 356.315, subdivision 6, per year of allowable service determines the amount of the normal retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or firefighter, the annuity representing ~~such~~ that service is must be computed under sections 353.29 and 353.30.

Sec. 12. Minnesota Statutes 2004, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] A member of the police and fire plan who becomes disabled and physically unfit to perform duties as a police officer, firefighter, or paramedic as defined under section 353.64, subdivision 10, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which has or is expected to render the member physically or mentally unable to perform the duties as a police officer, firefighter, or paramedic as defined under section 353.64, subdivision 10, for a period of at least one year, shall receive disability benefits during the period of such disability. The benefits must be in an amount equal to 60 percent of the "average salary" as defined in section 353.651 353.01, subdivision 2 17a, plus an additional percent specified in section 356.315, subdivision 6, of that average salary for each year of service in excess of 20 years. If the disability under this subdivision occurs before the member has at least five years of allowable service credit in the police and fire plan, the disability benefit must be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 13. Minnesota Statutes 2004, section 354.05, is amended by adding a subdivision to read:

Subd. 13a. [AVERAGE SALARY.] (a) "Average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made for the highest five successive years of formula service credit.

(b) "Average salary" may not include any more than the equivalent of 60 monthly salary payments.

(c) "Average salary" must be based upon all years of formula service credit if this service credit is less than five years.

Sec. 14. Minnesota Statutes 2004, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

~~For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit provided, however, that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of formula service credit if this service credit is less than five years.~~

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in ~~paragraph (a)~~ section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	the percent specified in section 356.315, subdivision 1, per year	the percent specified in section 356.315, subdivision 3, per year
Each year of service thereafter	the percent specified in section 356.315, subdivision 2, per year	the percent specified in section 356.315, subdivision 4, per year

(c)(i) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(ii) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c). The average salary, as defined in ~~paragraph (a) section 354.05, subdivision 13a,~~ multiplied by the percent specified by section 356.315, subdivision 4, for each year of service for a basic member and by the percent specified in section 356.315, subdivision 2, for each year of service for a coordinated member shall determine the amount of the retirement annuity to which the member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b), in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in paragraph (d) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

(f) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

Sec. 15. Minnesota Statutes 2004, section 354A.011, is amended by adding a subdivision to read:

Subd. 7a. [AVERAGE SALARY.] "Average salary," for purposes of computing a normal coordinated program retirement annuity under section 354A.31, subdivision 4 or 4a, means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit but may not, in any event, include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.

Sec. 16. Minnesota Statutes 2004, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY; MINNEAPOLIS AND ST. PAUL FUNDS.] (a) This subdivision applies to the coordinated programs of the Minneapolis Teachers Retirement Fund Association and the St. Paul Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity ~~shall be~~ is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage. ~~Average salary for purposes of this section shall mean an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but which shall not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.~~

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) will apply. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 1, per year for each year of coordinated service for the first ten years and the percent specified in section 356.315, subdivision 2, for each year of coordinated service thereafter.

(d) This paragraph applies to a person who has become at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (c), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 2, for each year of coordinated service.

Sec. 17. Minnesota Statutes 2004, section 354A.31, subdivision 4a, is amended to read:

Subd. 4a. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY; DULUTH FUND.] (a) This subdivision applies to the new law coordinated program of the Duluth Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage. ~~Average salary for purposes of this section means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but may not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.~~

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) applies. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 1, per year for each year of coordinated service for the first ten years and the percent specified in section 356.315, subdivision 2, for each subsequent year of coordinated service.

(d) This paragraph applies to a person who is at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who is at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7, is higher than it is when calculated under paragraph (c) in conjunction with subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 2, for each year of coordinated service.

Sec. 18. Minnesota Statutes 2004, section 422A.01, is amended by adding a subdivision to read:

Subd. 4a. [AVERAGE SALARY.] (a) "Average salary" means the arithmetic average annual salary, wages, or compensation of the member from the city for any five calendar years out of the last ten calendar years of service, except as provided for in section 422A.16, which may include the year in which the employee retires, as selected by the employee.

(b) A member with more than five calendar years of service, but less than ten calendar years, may select any five calendar years of service to determine the average salary. A member with less than five years of service with the city shall use all earnings to determine the average salary.

Sec. 19. Minnesota Statutes 2004, section 422A.15, subdivision 1, is amended to read:

Subdivision 1. [FORMULA PENSION AND ANNUITY.] Except as otherwise provided in subdivision 3, each contributing member who, at the time of retirement, fulfills the conditions necessary to enable the member to retire, ~~shall is entitled to receive what shall be known as a "formula pension and annuity" equal to two percent for each year of allowable service for the first ten years and thereafter 2.5 percent per year of allowable service of the arithmetic average annual salary, wages or compensation of the member from the city for any five calendar years out~~

~~of the last ten calendar years of service except as provided for in section 422A.16, which may include the year in which the employee retires, as selected by the employee, multiplied by the years of service credited by the retirement fund. The formula pension and annuity shall must be computed on the single life plan but subject to the option selections provided for in section 422A.17.~~

In order to be entitled to the formula pension and annuity herein provided for, the retiring employee at the time of cessation of employment and of actual retirement ~~shall must~~ have attained the age of 60 years or have been employed by the city not less than 30 years, or meet the qualifications provided for in section 422A.16, and in addition thereto have contributed to the retirement fund at the percentage rate prescribed by the retirement law applicable when the salary, wages or compensation was paid on all salaries, wages, or compensation received from the city or from an applicable employing unit. The years of service to be applied in the formula pension and annuity ~~shall must~~ be found and determined by the retirement board, except that no credit ~~shall may~~ be allowed for any year in which a back charge is owing at time of retirement and the earnings from any year in which a back charge is owing ~~shall may~~ not be used in determining the average ~~annual~~ salary.

Sec. 20. Minnesota Statutes 2004, section 422A.16, subdivision 9, is amended to read:

Subd. 9. [INCOMPETENCY OR DEATH OF MEMBER.] Any member of the contributing class who becomes permanently separated from the service of the city under subdivision 8, may, by an instrument in writing, filed with the municipal employees retirement board within 30 days after ~~such the~~ separation becomes permanent, elect to allow the member contributions to ~~such the~~ fund to the date of separation to remain on deposit in ~~such the~~ fund, and in ~~such the~~ event the member ~~shall be~~ is entitled to receive a retirement allowance at age 65, provided the member, or someone acting in the member's behalf if the member be incompetent, ~~shall must~~ make a written application for ~~such the~~ retirement allowance in the same manner provided for in section 422A.17 and in accordance with the provisions of section 422A.15, subdivision 1, except for determining average ~~annual~~ salary. A member with more than five calendar years of service but less than ten calendar years may select any five calendar years of service to determine the average annual salary. A member with less than five years of service with the city shall use all earnings to determine the average annual salary.

If the contributing member dies before reaching the age of 65 years, or having attained the age of 65 years without having made the election provided for herein, the net accumulated amount of deductions from the member's salary, pay or compensation, plus interest, to the member's credit on date of death ~~shall be paid~~ is payable to ~~such the~~ person or persons as have been nominated by written designation filed with the retirement board, in ~~such the~~ form as that the retirement board ~~shall require~~ requires.

If the employee fails to make a designation, or if the person or persons designated by ~~such the~~ employee predeceases ~~such the~~ employee, the net accumulated credit to ~~such the~~ employee's account on date of death ~~shall be paid~~ is payable to ~~such the~~ employee's estate.

The provisions of subdivisions 4, 5, and 6 ~~shall~~ also apply to any member qualifying for benefits under this subdivision, except for purposes of this subdivision the age referred to in subdivision 4 ~~shall be~~ is 65 years.

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

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

Sec. 22. [REPEALER.]

Minnesota Statutes 2004, sections 352C.031, subdivision 3; 353.29, subdivision 2; and 353.651, subdivision 2, are repealed.

Sec. 23. [EFFECTIVE DATE.]

This article is effective July 1, 2005.

ARTICLE 3

ALLOWABLE SERVICE CREDIT

Section 1. [356.195] [SERVICE CREDIT PURCHASE PROCEDURES FOR STRIKE PERIODS.]

Subdivision 1. [COVERED PLANS.] This section applies to all defined benefit plans specified in section 356.30, subdivision 3.

Subd. 2. [PURCHASE PROCEDURE FOR STRIKE PERIODS.] (a) An employee covered by a plan specified in subdivision 1 may purchase allowable service credit in the applicable plan for any period of time during which the employee was on a public employee strike without pay, not to exceed a period of one year, if the employee makes a payment in lieu of salary deductions as specified in paragraphs (b) and (c), whichever is applicable. The employing unit, at its option, may pay the employer portion of the amount specified in paragraph (b) on behalf of its employees.

(b) If payment is received by the applicable pension plan executive director within one year from the end of the strike, the payment amount is equal to the applicable employee and employer contribution rates specified in law for the applicable plan during the strike period, applied to the employee's rate of salary in effect at the conclusion of the strike for the period of the strike without pay, plus compound interest at a monthly rate of 0.71 percent from the last day of the strike period until the date payment is received.

(c) If payment is received by the applicable pension fund director after one year and before five years from the end of the strike, the payment amount is the amount determined under section 356.551.

(d) Payments may not be made more than five years after the end of the strike.

Sec. 2. Minnesota Statutes 2004, section 490.121, subdivision 4, is amended to read:

Subd. 4. [ALLOWABLE SERVICE.] (a) "Allowable service" means any calendar month, subject to the service credit limit in subdivision 22, served as a judge at any time, or served as a referee in probate for all referees in probate who were in office prior to January 1, 1974.

(b) "Allowable service" also means a period of authorized leave of absence for which the judge has made a payment in lieu of contributions, not in an amount in excess of the service credit limit under subdivision 22. To obtain the service credit, the judge shall pay an amount equal to the member and employer contribution rates under section 490.123, subdivisions 1a and 1b, applied to the judge's average monthly salary rate during the authorized leave of absence and multiplied by the number of months of the authorized leave of absence, plus annual compound interest at the rate of 8.5 percent from the date of the termination of the leave to the date on which payment is made. The payment must be made within one year of the date on which the authorized leave of absence terminated. Service credit for an authorized leave of absence is in addition to a uniformed service leave under section 490.1211.

Sec. 3. Laws 1999, chapter 222, article 16, section 16, as amended by Laws 2002, chapter 392, article 7, section 1, and Laws 2003, First Special Session chapter 12, article 6, section 2, and Laws 2004, chapter 267, article 17, section 6, is amended to read:

Sec. 16. [REPEALER.]

(a) Sections 2 to 6 and 8 to 13 are repealed on May 16, 2004.

(b) Sections 1 and 7 are repealed on May 16, ~~2006~~ 2007.

Sec. 4. Laws 2000, chapter 461, article 4, section 4, as amended by Laws 2003, First Special Session chapter 12, article 6, section 3, and Laws 2004, chapter 267, article 17, section 7, is amended to read:

Sec. 4. [EFFECTIVE DATE; SUNSET REPEALER.]

(a) Sections 1, 2, and 3 are effective ~~on~~ the day following final enactment.

(b) Sections 1, 2, and 3, are repealed on May 16, ~~2006~~ 2007.

Sec. 5. [METRO TRANSIT STRIKE PROVISION.]

Notwithstanding the payment deadline specified in Minnesota Statutes, section 356.195, subdivision 2, paragraph (b), a Metro Transit employee covered by the general state employees retirement plan of the Minnesota State Retirement System who was on strike on or after January 1, 2004, and before the effective date of this section, is authorized to make a payment under that paragraph on or before one year after the effective date of this section.

Sec. 6. [CROSBY-IRONTON PUBLIC SCHOOL STRIKE PROVISION.]

Notwithstanding the payment deadline specified in Minnesota Statutes, section 356.195, subdivision 2, paragraph (b), a Crosby-Ironton public school teacher covered by the Teachers Retirement Association who was on strike during a period that included April 1, 2005, and before the effective date of this section, is authorized to make a payment under that paragraph on or before one year after the effective date of this section.

Sec. 7. [EFFECTIVE DATE.]

(a) Sections 1 and 3 to 6 are effective the day following final enactment.

(b) Section 2 is effective retroactively from January 1, 2005, and applies to any person who was in active service as a judge on or after that date and applies to an authorized leave of absence that occurred before or after that date. For a person for whom section 2 is retroactive, the equivalent contribution payment must be made on or before July 1, 2006.

ARTICLE 4

ACTUARIAL AND FINANCIAL REPORTING CHANGES

Section 1. Minnesota Statutes 2004, section 352.01, subdivision 12, is amended to read:

Subd. 12. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date at a specified age with each actuarial present value based on the appropriate mortality table adopted by the board of directors based on

the experience of the fund as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 2. Minnesota Statutes 2004, section 353.01, subdivision 14, is amended to read:

Subd. 14. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 3. Minnesota Statutes 2004, section 354.05, subdivision 7, is amended to read:

Subd. 7. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the association as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 4. Minnesota Statutes 2004, section 354A.011, subdivision 3a, is amended to read:

Subd. 3a. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the appropriate board of trustees based on the experience of that retirement fund association as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 5. Minnesota Statutes 2004, section 356.20, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF FINANCIAL REPORT.] (a) The financial report required by this section must contain financial statements and disclosures that indicate the financial operations and position of the retirement plan and fund. The report must conform with generally accepted governmental accounting principles, applied on a consistent basis. The report must be audited. The report must include, as part of its exhibits or its footnotes, an actuarial disclosure item based on the actuarial valuation calculations prepared by the ~~commission retained~~ actuary retained under section 356.214 or by the actuary retained by the retirement fund or plan, if applicable whichever applies, according to applicable actuarial requirements enumerated in section 356.215, and specified in the most recent standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement. The accrued assets, the accrued liabilities, including accrued reserves, and the unfunded actuarial accrued liability of the fund or plan must be disclosed. The disclosure item must contain a declaration by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214 or the actuary retained by the fund or plan, whichever applies, specifying that the required reserves for any retirement, disability, or survivor benefits provided under a benefit formula are computed in accordance with the entry age actuarial cost method and in accordance with the most recent applicable standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

(b) Assets of the fund or plan contained in the disclosure item must include the following statement of the actuarial value of current assets as defined in section 356.215, subdivision 1:

	Value at cost	Value at market
Cash, cash equivalents, and short-term securities
Accounts receivable
Accrued investment income
Fixed income investments
Equity investments other than real estate
Real estate investments
Equipment
<u>Equity Participation</u> in the Minnesota postretirement investment fund or <u>the retirement</u> <u>benefit fund</u>
Other
Total assets		
Value at cost	
Value at market	
<u>Actuarial</u> value of current assets	

(c) The unfunded actuarial accrued liability of the fund or plan contained in the disclosure item must include the following measures of unfunded actuarial accrued liability, using the actuarial value of current assets:

(1) the unfunded actuarial accrued liability, determined by subtracting the current assets and the present value of future normal costs from the total current and expected future benefit obligations; and

(2) the unfunded pension benefit obligation, determined by subtracting the current assets from the actuarial present value of credited projected benefits.

If the current assets of the fund or plan exceed the actuarial accrued liabilities, the excess must be disclosed and indicated as a surplus.

(d) The pension benefit obligations schedule included in the disclosure must contain the following information on the benefit obligations:

(1) the pension benefit obligation, determined as the actuarial present value of credited projected benefits on account of service rendered to date, separately identified as follows:

- (i) for annuitants;
 - retirement annuities;
 - disability benefits;
 - surviving spouse and child benefits;
- (ii) for former members without vested rights;
- (iii) for deferred annuitants' benefits, including any augmentation;
- (iv) for active employees;
 - accumulated employee contributions, including allocated investment income;
 - employer-financed benefits vested;
 - employer-financed benefits nonvested;
 - total pension benefit obligation; and

(2) if there are additional benefits not appropriately covered by the foregoing items of benefit obligations, a separate identification of the obligation.

(e) The report must contain an itemized exhibit describing the administrative expenses of the plan, including, but not limited to, the following items, classified on a consistent basis from year to year, and with any further meaningful detail:

- (1) personnel expenses;
- (2) communication-related expenses;
- (3) office building and maintenance expenses;
- (4) professional services fees; and
- (5) other expenses.

(f) The report must contain an itemized exhibit describing the investment expenses of the plan, including, but not limited to, the following items, classified on a consistent basis from year to year, and with any further meaningful detail:

- (1) internal investment-related expenses; and
- (2) external investment-related expenses.

(g) Any additional statements or exhibits or more detailed or subdivided itemization of a disclosure item that will enable the management of the fund to portray a true interpretation of the fund's financial condition must be included in the additional statements or exhibits.

Sec. 6. Minnesota Statutes 2004, section 422A.01, subdivision 6, is amended to read:

Subd. 6. [PRESENT WORTH OR PRESENT VALUE.] "Present worth" or "present value" means that the present amount of money if increased at the applicable postretirement or preretirement interest rate assumption specified in section 356.215, subdivision 8, and based on the mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained by the ~~Legislative Commission on Pensions and Retirement~~ under section 356.214, and approved under section 356.215, subdivision 18, will at retirement equal the actuarial accrued liability of the annuity already earned.

Sec. 7. Minnesota Statutes 2004, section 490.121, subdivision 20, is amended to read:

Subd. 20. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of ~~trustees~~ directors of the Minnesota State Retirement System based on the experience of the fund as recommended by the ~~commission-retained~~ actuary retained under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 8. [EFFECTIVE DATE.]

(a) Sections 1 to 4, 6, and 7 are effective on July 1, 2005.

(b) Section 5 is effective the day following final enactment and applies to annual financial reporting occurring on or after June 30, 2005.

ARTICLE 5

MEMBERSHIP INCLUSIONS AND EXCLUSIONS

Section 1. Minnesota Statutes 2004, section 69.011, is amended by adding a subdivision to read:

Subd. 2c. [INELIGIBILITY OF CERTAIN POLICE OFFICERS.] A police officer employed by the University of Minnesota who is required by the Board of Regents to be a member of the University of Minnesota faculty retirement plan is not eligible to be included in any police state-aid certification under this section.

Sec. 2. Minnesota Statutes 2004, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] (a) "State employee" includes:

- (1) employees of the Minnesota Historical Society;
- (2) employees of the State Horticultural Society;
- (3) employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed before July 1, 1963;
- (4) employees of the Minnesota Crop Improvement Association;
- (5) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;

(6) employees of the Minnesota State Colleges and Universities employed under the university or college activities program;

(7) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);

(8) employees of the Armory Building Commission;

(9) employees of the legislature appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;

(10) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(11) employees of the Minnesota Safety Council;

(12) any employees on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(13) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, Metropolitan Mosquito Control Commission, or Metropolitan Radio Board unless excluded or covered by another public pension fund or plan under section 473.415, subdivision 3;

(14) judges of the Tax Court;

(15) personnel employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization; ~~and~~

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

(17) persons employed by the Department of Commerce as a peace officer in the Insurance Fraud Prevention Division under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4.

(b) Employees specified in paragraph (a), clause (15), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 3. Minnesota Statutes 2004, section 352.91, is amended by adding a subdivision to read:

Subd. 4a. [PROCESS FOR EVALUATING AND RECOMMENDING POTENTIAL EMPLOYMENT POSITIONS FOR MEMBERSHIP INCLUSION.] (a) The Department of Corrections and the Department of Human Services must establish a procedure for evaluating periodic requests by department employees for

qualification for recommendation by the commissioner for inclusion of the employment position in the correctional facility or human services facility in the correctional retirement plan and for periodically determining employment positions that no longer qualify for continued correctional retirement plan coverage.

(b) The procedure must provide for an evaluation of the extent of the employee's working time spent in direct contact with patients or inmates, the extent of the physical hazard that the employee is routinely subjected to in the course of employment, and the extent of intervention routinely expected of the employee in the event of a facility incident. The percentage of routine direct contact with inmates or patients may not be less than 75 percent.

(c) The applicable commissioner shall notify the employee of the determination of the appropriateness of recommending the employment position for inclusion in the correctional retirement plan, if the evaluation procedure results in a finding that the employee:

(1) routinely spends 75 percent of the employee's time in direct contact with inmates or patients; and

(2) is regularly engaged in the rehabilitation, treatment, custody, or supervision of inmates or patients.

(d) After providing the affected employee an opportunity to dispute or clarify any evaluation determinations, if the commissioner determines that the employment position is appropriate for inclusion in the correctional retirement plan, the commissioner shall forward that recommendation and supporting documentation to the chair of the Legislative Commission on Pensions and Retirement, the chair of the State and Local Governmental Operations Committee of the senate, the chair of the Governmental Operations and Veterans Affairs Policy Committee of the house of representatives, and the executive director of the Legislative Commission on Pensions and Retirement in the form of the appropriate proposed legislation. The recommendation must be forwarded to the legislature before January 15 for the recommendation to be considered in that year's legislative session.

Sec. 4. Minnesota Statutes 2004, section 352B.01, subdivision 2, is amended to read:

Subd. 2. [MEMBER.] "Member" means:

(1) a State Patrol member currently employed after June 30, 1943, under section 299D.03 by the state, who is a peace officer under section 626.84, and whose salary or compensation is paid out of state funds;

(2) a conservation officer employed under section 97A.201, currently employed by the state, whose salary or compensation is paid out of state funds;

(3) a crime bureau officer who was employed by the crime bureau and was a member of the Highway Patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds;

(4) a person who is employed by the state in the Department of Public Safety in a data processing management position with salary or compensation paid from state funds, who was a crime bureau officer covered by the State Patrol retirement plan on August 15, 1987, and who was initially hired in the data processing management position within the department during September 1987, or January 1988, with membership continuing for the duration of the person's employment in that position, whether or not the person has the power of arrest by warrant after August 15, 1987;

(5) a public safety employee defined as a peace officer in section 626.84, subdivision 1, paragraph (c), and employed with the Division of Alcohol and Gambling Enforcement under section 299L.01; ~~and~~

(6) a Fugitive Apprehension Unit officer after October 31, 2000, employed by the Office of Special Investigations of the Department of Corrections who is a peace officer under section 626.84; and

(7) an employee of the Department of Commerce defined as a peace officer in section 626.84, subdivision 1, paragraph (c), who is employed by the Division of Insurance Fraud Prevention under section 45.0135 after January 1, 2005, and who has not attained the mandatory retirement age specified in section 43A.34, subdivision 4.

Sec. 5. Minnesota Statutes 2004, section 353.01, subdivision 6, is amended to read:

Subd. 6. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, city, town, school district within this state, or a department or unit of state government, or any public body whose revenues are derived from taxation, fees, assessments or from other sources.

(b) Governmental subdivision also means the Public Employees Retirement Association, the League of Minnesota Cities, the Association of Metropolitan Municipalities, public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions, the Association of Minnesota Counties, the Metropolitan Intercounty Association, the Minnesota Municipal Utilities Association, the Metropolitan Airports Commission, the University of Minnesota with respect to police officers covered by the public employees police and fire retirement plan, the Minneapolis Employees Retirement Fund for employment initially commenced after June 30, 1979, the Range Association of Municipalities and Schools, soil and water conservation districts, economic development authorities created or operating under sections 469.090 to 469.108, the Port Authority of the city of St. Paul, the Spring Lake Park Fire Department, incorporated, the Lake Johanna Volunteer Fire Department, incorporated, the Red Wing Environmental Learning Center, and the Dakota County Agricultural Society.

(c) Governmental subdivision does not mean any municipal housing and redevelopment authority organized under the provisions of sections 469.001 to 469.047; or any port authority organized under sections 469.048 to 469.089 other than the Port Authority of the city of St. Paul; or any hospital district organized or reorganized prior to July 1, 1975, under sections 447.31 to 447.37 or the successor of the district, nor the Minneapolis Community Development Agency.

Sec. 6. Minnesota Statutes 2004, section 353.64, is amended by adding a subdivision to read:

Subd. 6a. [UNIVERSITY OF MINNESOTA POLICE OFFICERS; EXCLUSION.] (a) Unless paragraph (b) applies, a person who is employed as a peace officer by the University of Minnesota at any campus or facility of the university, who is required by the university to be and is licensed as a peace officer by the Minnesota Peace Officer Standards and Training Board under sections 626.84 to 626.863, and who has the full power of arrest is a member of the public employees police and fire retirement plan.

(b) A police officer employed by the University of Minnesota who is required by the Board of Regents to contribute to the University of Minnesota faculty retirement plan is not eligible to be a member of the public employees police and fire retirement plan.

Sec. 7. [EFFECTIVE DATE.]

(a) Sections 1, 3, 5, and 6 are effective July 1, 2005.

(b) Sections 2 and 4 are effective retroactively from January 1, 2005.

ARTICLE 6

RETIREMENT CONTRIBUTIONS

Section 1. Minnesota Statutes 2004, section 353.28, subdivision 5, is amended to read:

Subd. 5. [~~INTEREST CHARGES CHARGEABLE ON AMOUNTS DUE.~~] Any amount due under this section or section 353.27, subdivision 4, is payable with interest at an annual compound rate of 8.5 percent ~~compounded annually~~ from the date due until the date payment is received by the association, with a minimum interest charge of \$10. ~~Interest for past due payments of excess police state aid under section 69.031, subdivision 5, must be charged at an annual rate of 8.5 percent compounded annually.~~

Sec. 2. Minnesota Statutes 2004, section 353.28, subdivision 6, is amended to read:

Subd. 6. [~~FAILURE TO PAY COLLECTION OF UNPAID AMOUNTS.~~] (a) ~~If the a governmental subdivision which receives the direct proceeds of property taxation fails to pay amounts an amount due under chapters chapter 353, 353A, 353B, 353C, and or 353D or fails to make payments of excess police state aid to the public employees police and fire fund under section 69.031, subdivision 5, the executive director shall certify those amounts the amount to the governmental subdivision for payment. If the governmental subdivision fails to remit the sum so due in a timely fashion, the executive director shall certify amounts the amount to the applicable county auditor for collection. The county auditor shall collect such amounts the amount out of the revenue of the governmental subdivision, or shall add them the amount to the levy of the governmental subdivision and make payment directly to the association. This tax shall must be levied, collected, and apportioned in the manner that other taxes are levied, collected, and apportioned.~~

(b) If a governmental subdivision which is not funded directly from the proceeds of property taxation fails to pay an amount due under this chapter, the executive director shall certify the amount to the governmental subdivision for payment. If the governmental subdivision fails to pay the amount for a period of 60 days after certification, the executive director shall certify the amount to the commissioner of finance, who shall deduct the amount from any subsequent state-aid payment or state appropriation amount applicable to the governmental subdivision.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 2005.

ARTICLE 7

PENSION BENEFITS UPON PRIVATIZATION

Section 1. Minnesota Statutes 2004, section 353F.02, subdivision 4, is amended to read:

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

- (1) Bridges Medical Services;
- (2) the Fair Oaks Lodge, Wadena;
- (~~2~~) (3) the Glencoe Area Health Center;
- (~~3~~) (4) the Hutchinson Area Health Care;

- (5) the Kanabec Hospital;
- (4) (6) the Luverne Public Hospital;
- (7) the Northfield Hospital;
- (5) (8) the RenVilla Nursing Home;
- (6) (9) the Renville County Hospital in Olivia;
- (7) (10) the St. Peter Community Healthcare Center; and
- (8) (11) the Waconia-Ridgeview Medical Center.

Sec. 2. Laws 2004, chapter 267, article 12, section 4, is amended to read:

Sec. 4. [EFFECTIVE DATE.]

(a) Section 1, relating to the Fair Oaks Lodge, Wadena, is effective upon the latter of:

(1) the day after the governing body of Todd County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the day after the governing body of Wadena County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(b) Section 1, relating to the RenVilla Nursing Home, is effective upon the latter of:

(1) the day after the governing body of the city of Renville and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, except that the certificate of approval must be filed before January 1, 2006; and

(2) the first day of the month next following certification to the governing body of the city of Renville by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized RenVilla Nursing Home employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement, or the actuary retained under Minnesota Statutes, section 356.214, whichever is applicable.

(c) The cost of the actuarial calculations must be borne by the city of Renville or the purchaser of the RenVilla Nursing Home.

(d) Section 1, relating to the St. Peter Community Healthcare Center, is effective upon the latter of:

(1) the day after the governing body of the city of St. Peter and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of St. Peter by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized St. Peter Community Healthcare Center employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement, or the actuary retained under Minnesota Statutes, section 356.214, whichever is applicable.

(e) The cost of the actuarial calculations must be borne by the city of St. Peter or the purchaser of the St. Peter Community Healthcare Center.

(f) If the required actions under paragraphs (b) and (c) occur, section 1 applies retroactively to the RenVilla Nursing Home as of the date of privatization.

(g) If the required actions under paragraph (a) occur, section 1 applies retroactively to Fair Oaks Lodge, Wadena, as of January 1, 2004.

(h) Sections 2 and 3 are effective on the day following final enactment.

Sec. 3. [EFFECTIVE DATE.]

(a) Section 1, relating to Bridges Medical Services, is effective upon the later of:

(1) the day after the governing body of the city of Ada and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of Ada by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Bridges Medical Services employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained under Minnesota Statutes, section 356.214.

(b) Section 1, relating to the Hutchinson Area Health Care, is effective upon the later of:

(1) the day after the governing body of the city of Hutchinson and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of Hutchinson by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Hutchinson Area Health Care employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement.

(c) Section 1, relating to the Northfield Hospital, is effective upon the later of:

(1) the day after the governing body of the city of Northfield and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and

(2) the first day of the month next following certification to the governing body of the city of Northfield by the executive director of the Public Employees Retirement Association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Northfield Hospital employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the Public Employees Retirement Association, as calculated by the consulting actuary retained by the Legislative Commission on Pensions and Retirement.

(d) The cost of the actuarial calculations must be borne by the facility, the city in which the facility is located, or the purchaser of the facility.

(e) If the required actions in paragraphs (a), (b), or (c) and (d) occur, section 1 applies retroactively to the date of privatization.

(f) Section 2 is effective the day following final enactment.

ARTICLE 8

FIRST CLASS CITY TEACHER
RETIREMENT FUND ASSOCIATIONS

Section 1. Minnesota Statutes 2004, section 354A.021, is amended by adding a subdivision to read:

Subd. 9. [UPDATED ARTICLES OF INCORPORATION AND BYLAWS; FILING.] (a) On or before July 1, 2006, and within six months of the date of the approval of any amendment to the articles of incorporation or bylaws, the chief administrative officer of each first class city teacher retirement fund association shall prepare and publish an updated compilation of the articles of incorporation and the bylaws of the association.

(b) The chief administrative officer of the first class city teacher retirement fund association must certify the accuracy and the completeness of the compilation.

(c) The compilation of the articles of incorporation and bylaws of a first class city teacher retirement fund association must contain an index.

(d) The compilation must be made available to association members and other interested parties. The association may charge a fee for a copy that reflects the price of printing or otherwise producing the copy. Two copies of the compilation must be filed, without charge, by each retirement fund association with the Legislation Commission on Pensions and Retirement, the Legislative Reference Library, the state auditor, the commissioner of education, the chancellor of the Minnesota State Colleges and Universities system, and the superintendent of the applicable school district.

(e) A first class city teacher retirement fund association may contract with the revisor of statutes for the preparation of the compilation.

(f) If a first class city teacher retirement fund association makes an updated copy of its articles of incorporation and bylaws available on its Web site, the retirement fund association is not obligated to file a hard copy of the documents under paragraph (d) for the applicable filing period.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 2005.

ARTICLE 9

MINNESOTA STATE COLLEGES AND UNIVERSITIES
INDIVIDUAL RETIREMENT ACCOUNT PLAN CHANGES

Section 1. Minnesota Statutes 2004, section 354B.25, subdivision 2, is amended to read:

Subd. 2. [INVESTMENT OPTIONS.] (a) The plan administrator shall arrange for the purchase of investment products.

(b) The investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board.

(c) Various investment accounts offered through the Minnesota supplemental investment fund established under section 11A.17 and administered by the State Board of Investment ~~is one of the~~ may be included as investment products for the individual retirement account plan. Direct access must also be provided to lower expense and no-load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

- (1) savings accounts at federally insured financial institutions;
- (2) life insurance contracts, fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;
- (3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;
- (4) investment options from a firm that is a registered investment advisor under the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and
- (5) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 10

SUPPLEMENTAL RETIREMENT PLANS

Section 1. Minnesota Statutes 2004, section 356.24, subdivision 1, is amended to read:

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

- (1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;
- (2) to a plan that provides solely for group health, hospital, disability, or death benefits;
- (3) to the individual retirement account plan established by chapter 354B;
- (4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;
- (5) for employees other than personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and covered under the Higher Education Supplemental Retirement Plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee;

- (i) to the state of Minnesota deferred compensation plan under section 352.96; or
- (ii) in payment of the applicable portion of the contribution made to any investment eligible under section 403(b) of the Internal Revenue Code, if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year;
- (6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;
- (7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;
- (8) to the laborer's national industrial pension fund or to a laborer's local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~\$2,000~~ \$5,000 per year per employee;
- (9) to the plumbers' and pipefitters' national pension fund or to a plumbers' and pipefitters' local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~\$2,000~~ \$5,000 per year per employee;
- (10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of ~~\$2,000~~ \$5,000 per year per employee; or
- (11) to a supplemental plan organized and operated under the federal Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay at the date of retirement or the termination of active employment.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 11

VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION CHANGES

Section 1. Minnesota Statutes 2004, section 69.051, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL REPORT AND AUDIT.] The board of each salaried firefighters relief association, police relief association, and volunteer firefighters relief association as defined in section 424A.001, subdivision 4, with assets of at least \$200,000 or liabilities of at least \$200,000 in the prior year or in any previous year, according to the ~~most recent~~ applicable actuarial valuation or financial report if no valuation is required, shall:

(1) prepare a financial report covering the special and general funds of the relief association for the preceding fiscal year on a form prescribed by the state auditor. The financial report ~~shall~~ must contain financial statements and disclosures which present the true financial condition of the relief association and the results of relief association operations in conformity with generally accepted accounting principles and in compliance with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report ~~shall~~ must be countersigned by the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters relief association which is directly associated with a municipal fire department or is a police relief association, or countersigned by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation;

(2) file the financial report in its office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report ~~shall~~ must be furnished to the state auditor after the close of the fiscal year; and

(3) submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year. The state auditor may accept this report in lieu of the report required in clause (2).

Sec. 2. Minnesota Statutes 2004, section 69.051, subdivision 1a, is amended to read:

Subd. 1a. [FINANCIAL STATEMENT.] (a) The board of each volunteer firefighters relief association, as defined in section 424A.001, subdivision 4, ~~with assets of less than \$200,000 and liabilities less than \$200,000, according to the most recent financial report, shall~~ that is not required to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show the sources and amounts of all money received; all disbursements, accounts payable and accounts receivable; the amount of money remaining in the treasury; total assets including a listing of all investments; the accrued liabilities; and all items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement required under paragraph (a) must be certified by an independent public accountant or auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The independent accountant or auditor ~~shall~~ must have at least five years of public accounting, auditing, or similar experience, and ~~shall~~ must not be an active, inactive, or retired member of the relief association or the fire or police department.

(c) The detailed statement required under paragraph (a) must be countersigned by the municipal clerk or clerk-treasurer of the municipality, or, where applicable, by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation.

(d) The volunteer firefighters' relief association board must file the detailed statement required under paragraph (a) in the relief association office for public inspection and present it to the city council within 45 days after the close of the fiscal year, and must submit a copy of the detailed statement to the state auditor within 90 days of the close of the fiscal year.

Sec. 3. Minnesota Statutes 2004, section 69.771, is amended to read:

69.771 [VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION FINANCING GUIDELINES ACT; APPLICATION.]

Subdivision 1. [COVERED RELIEF ASSOCIATIONS.] The applicable provisions of sections 69.771 to 69.776 ~~shall~~ apply to any firefighters' relief association other than a relief association enumerated in section 69.77, subdivision 1a, which is organized under any laws of this state, which is composed of volunteer firefighters or is composed partially of volunteer firefighters and partially of salaried firefighters with retirement coverage provided by the public employees police and fire fund and which, in either case, operates subject to the service pension minimum requirements for entitlement and maximums contained in section 424A.02, or subject to a special law modifying those requirements or maximums.

Subd. 2. [AUTHORIZED EMPLOYER SUPPORT FOR A RELIEF ASSOCIATION.] Notwithstanding any law to the contrary, a municipality may lawfully contribute public funds, including the transfer of any applicable fire state aid, or may levy property taxes for the support of a firefighters' relief association specified in subdivision 1, however organized, which provides retirement coverage or pays a service pension to retired firefighter or a retirement benefit to a disabled firefighter or a surviving dependent of either an active or retired firefighter for the operation and maintenance of the relief association only if the municipality and the relief association both comply with the applicable provisions of sections 69.771 to 69.776.

Subd. 3. [REMEDY FOR NONCOMPLIANCE; DETERMINATION.] ~~Any (a) A~~ municipality in which there exists a firefighters' relief association as specified in subdivision 1 which does not comply with the applicable provisions of sections 69.771 to 69.776 or the provisions of any applicable special law relating to the funding or financing of the association ~~shall~~ does not qualify initially to receive, ~~or be and is not~~ is not entitled subsequently to retain, fire state aid ~~pursuant to~~ under sections 69.011 to 69.051 until the reason for the disqualification specified by the state auditor is remedied, whereupon the municipality or relief association, if otherwise qualified, ~~shall be~~ is entitled to again receive fire state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied.

(b) The state auditor shall determine if a municipality to which a firefighters' relief association is directly associated or a firefighters' relief association fails to comply with the provisions of sections 69.771 to 69.776 or the funding or financing provisions of any applicable special law based upon the information contained in the annual financial report of the firefighters' relief association required ~~pursuant to~~ under section 69.051, the actuarial valuation of the relief association, if applicable, the relief association officers' financial requirements of the relief association and minimum municipal obligation determination documentation under section 69.772, subdivisions 3 and 4; 69.773, subdivisions 4 and 5; or 69.774, subdivision 2, if requested to be filed by the state auditor, the applicable municipal or nonprofit firefighting corporation budget, if requested to be filed by the state auditor, and any other relevant documents or reports obtained by the state auditor.

(c) The municipality or nonprofit firefighting corporation and the associated relief association are not eligible to receive or to retain fire state aid if:

(1) the relief association fails to prepare or to file the financial report or financial statement under section 69.051;

(2) the relief association treasurer is not bonded in the manner and in the amount required by section 69.051, subdivision 2;

(3) the relief association officers fail to determine or improperly determine the accrued liability and the annual accruing liability of the relief association under section 69.772, subdivisions 2, 2a, and 3, paragraph (c), clause (2), if applicable;

(4) if applicable, the relief association officers fail to obtain and file a required actuarial valuation or the officers file an actuarial valuation that does not contain the special fund actuarial liability calculated under the entry age normal actuarial cost method, the special fund current assets, the special fund unfunded actuarial accrued liability, the special fund normal cost under the entry age normal actuarial cost method, the amortization requirement for the special fund unfunded actuarial accrued liability by the applicable target date, a summary of the applicable benefit plan, a summary of the membership of the relief association, a summary of the actuarial assumptions used in preparing the valuation, and a signed statement by the actuary attesting to its results and certifying to the qualifications of the actuary as an approved actuary under section 356.215, subdivision 1, paragraph (c);

(5) the municipality failed to provide a municipal contribution, or the nonprofit firefighting corporation failed to provide a corporate contribution, in the amount equal to the minimum municipal obligation if the relief association is governed under section 69.772, or the amount necessary, when added to the fire state aid actually received in the plan year in question, to at least equal in total the calculated annual financial requirements of the special fund of the relief association if the relief association is governed under section 69.773, and, if the municipal or corporate contribution is deficient, the municipality failed to include the minimum municipal obligation certified under section 69.772, subdivision 3, or 69.773, subdivision 5, in its budget and tax levy or the nonprofit firefighting corporation failed to include the minimum corporate obligation certified under section 69.774, subdivision 2, in the corporate budget;

(6) the relief association did not receive municipal ratification for the most recent plan amendment when municipal ratification was required under section 69.772, subdivision 6; 69.773, subdivision 6; or 424A.02, subdivision 10;

(7) the relief association invested special fund assets in an investment security that is not authorized under section 69.775;

(8) the relief association had an administrative expense that is not authorized under section 69.80 or 424A.05, subdivision 3, or the municipality had an expenditure that is not authorized under section 424A.08;

(9) the relief association officers fail to provide a complete and accurate public pension plan investment portfolio and performance disclosure under section 356.219;

(10) the relief association fails to obtain the acknowledgment from a broker of the statement of investment restrictions under section 356A.06, subdivision 8b;

(11) the relief association officers permitted to occur a prohibited transaction under section 356A.06, subdivision 9, or 424A.001, subdivision 7, or failed to undertake correction of a prohibited transaction that did occur; or

(12) the relief association pays a defined benefit service pension in an amount that is in excess of the applicable service pension maximum under section 424A.02, subdivision 3.

Sec. 4. Minnesota Statutes 2004, section 69.772, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL REQUIREMENTS OF RELIEF ASSOCIATION; MINIMUM OBLIGATION OF MUNICIPALITY.] (a) During the month of July, the officers of the relief association shall determine the overall funding balance of the special fund for the current calendar year, the financial requirements of the special fund for the following calendar year and the minimum obligation of the municipality with respect to the special fund for the following calendar year in accordance with the requirements of this subdivision.

~~(b)~~ (b) The overall funding balance of the special fund for the current calendar year ~~shall~~ must be determined in the following manner:

(a) (1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the current year ~~shall~~ must be calculated ~~pursuant to~~ under subdivisions 2 and 2a, if applicable.

(b) (2) The total present assets of the special fund projected to December 31 of the current year, including receipts by and disbursements from the special fund anticipated to occur on or before December 31 ~~shall~~ must be calculated. To the extent possible, for those assets for which a market value is readily ascertainable, the current market value as of the date of the calculation for those assets ~~shall~~ must be utilized in making this calculation. For any asset for which no market value is readily ascertainable, the cost value or the book value, whichever is applicable, ~~shall~~ must be utilized in making this calculation.

(c) (3) The amount of the total present assets of the special fund calculated ~~pursuant to~~ under clause (b) ~~shall~~ (2) must be subtracted from the amount of the total accrued liability of the special fund calculated ~~pursuant to~~ under clause (a) (1). If the amount of total present assets exceeds the amount of the total accrued liability, then the special fund ~~shall be~~ is considered to have a surplus over full funding. If the amount of the total present assets is less than the amount of the total accrued liability, then the special fund ~~shall be~~ is considered to have a deficit from full funding. If the amount of total present assets is equal to the amount of the total accrued liability, then the special fund ~~shall be~~ is considered to be fully funded.

(d) (c) The financial requirements of the special fund for the following calendar year ~~shall~~ must be determined in the following manner:

(a) (1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the calendar year next following the current calendar year ~~shall~~ must be calculated ~~pursuant to~~ under subdivisions 2 and 2a, if applicable.

(b) (2) The increase in the total accrued liability of the special fund for the following calendar year over the total accrued liability of the special fund for the current year ~~shall~~ must be calculated.

(c) (3) The amount of anticipated future administrative expenses of the special fund ~~shall~~ must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

(d) (4) If the special fund is fully funded, the financial ~~requirement~~ requirements of the special fund for the following calendar year ~~shall be~~ are the ~~figure which represents the increase in the total accrued liability of the special fund as~~ amounts calculated ~~pursuant to subclause (b) under clauses (2) and (3).~~

(e) (5) If the special fund has a deficit from full funding, the financial requirements of the special fund for the following calendar year ~~shall be~~ are the financial requirements of the special fund calculated as though the special fund were fully funded ~~pursuant to subclause (d) under clause (4) plus an amount equal to one-tenth of the original amount of the deficit from full funding of the special fund as determined pursuant to this section for the calendar year 1971 until that deficit from full funding is fully retired, and plus an amount equal to one-tenth of the increase in the deficit from full funding of the special fund under clause (2) resulting either from an increase in the amount of the service pension accruing after December 31, 1971 occurring in the last ten years or from a net annual investment loss occurring during the last ten years until each increase in the deficit from full funding is fully retired. The annual amortization contribution under this clause may not exceed the amount of the deficit from full funding.~~

(f) (6) If the special fund has a surplus over full funding, the financial requirements of the special fund for the following calendar year ~~shall be~~ are the financial requirements of the special fund calculated as though the special fund were fully funded ~~pursuant to subclause (d) under clause (4) reduced by an amount equal to one-tenth of the amount of the surplus over full funding of the special fund.~~

~~(3)~~ (d) The minimum obligation of the municipality with respect to the special fund ~~shall be~~ is the financial requirements of the special fund reduced by the amount of any fire state aid payable ~~pursuant to~~ under sections 69.011 to 69.051 reasonably anticipated to be received by the municipality for transmittal to the special fund during the following calendar year, an amount of interest on the assets of the special fund projected to the beginning of the following calendar year calculated at the rate of five percent per annum, and the amount of any ~~anticipated~~ contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

Sec. 5. Minnesota Statutes 2004, section 69.772, subdivision 4, is amended to read:

Subd. 4. [CERTIFICATION OF FINANCIAL REQUIREMENTS AND MINIMUM MUNICIPAL OBLIGATION; LEVY.] (a) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined ~~pursuant to~~ under subdivision 3 to the governing body of the municipality on or before August 1 of each year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 69.051.

(b) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue.

(c) The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied ~~pursuant to~~ under this section ~~shall~~ must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(d) If the municipality does not include the full amount of the minimum municipal obligations in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the certified minimum municipal obligation on the taxable property of the municipality.

(e) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 69.771, subdivision 3, paragraph (c), clause (5), the state auditor may request a copy of the certifications under this subdivision from the relief association or from the city. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

Sec. 6. Minnesota Statutes 2004, section 69.773, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REQUIREMENTS OF SPECIAL FUND.] ~~Prior to~~ (a) On or before August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision.

(b) The financial requirements of the relief association ~~shall~~ must be based on the most recent actuarial valuation of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be determined by adding the figures calculated ~~pursuant to~~ under paragraph (d), clauses ~~(a) (1), (b) (2), and (c) (3).~~ If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be an amount equal to the figure calculated ~~pursuant to~~ under paragraph (d), clauses ~~(a) (1) and (b) (2),~~ reduced by an amount equal to one-tenth of the amount of any assets in excess of the actuarial accrued liability of the relief association.

(c) The determination of whether or not the relief association has an unfunded actuarial accrued liability ~~shall~~ must be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

~~(a)~~ (d) The components of the financial requirements of the relief association are the following:

(1) The normal level cost requirement for the following year, expressed as a dollar amount, ~~shall be~~ is the figure for the normal level cost of the relief association as reported in the actuarial valuation.

~~(b)~~ (2) The amount of anticipated future administrative expenses of the special fund ~~shall~~ must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

~~(c)~~ (3) The amortization contribution requirement to retire the current unfunded actuarial accrued liability by the established date for full funding ~~shall be~~ is the figure for the amortization contribution as reported in the actuarial valuation. If there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both, payable from the special fund, or a change in the actuarial cost method used to value all or a portion of the special fund which change or changes, which by themselves, without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund ~~since December 31, 1970~~, the established date for full funding ~~shall be~~ is the December 31, 1990 occurring ten years later. If there has been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund ~~since December 31, 1970~~, but prior to January 1, 1979 within the past 20 years, the established date for full funding ~~shall be December 31, 1998~~, and if there has been a change since December 31, 1978, the established date for full funding ~~shall~~ must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the special fund attributable to experience losses that have occurred since the most recent prior actuarial valuation must be determined and the level annual dollar contribution needed to amortize the experience loss over a period of ten years ending on the December 31 occurring ten years later must be calculated;

(ii) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with the provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

~~(ii)~~ (iii) the level annual dollar contribution needed to amortize this unfunded actuarial accrued liability amount by the date for full funding in effect ~~prior to~~ before the change ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect before any applicable change;

~~(iii)~~ (iv) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with any new provisions governing service pensions, retirement benefits, and actuarial assumptions and the remaining provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

~~(iv)~~ (v) the level annual dollar contribution needed to amortize the difference between the unfunded actuarial accrued liability amount calculated ~~pursuant to subclause (i)~~ under item (ii) and the unfunded actuarial accrued liability amount calculated ~~pursuant to subclause (iii)~~ under item (iv) over a period of 20 years starting December 31 of the year in which the change is effective ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change;

~~(v)~~ (vi) the annual amortization contribution calculated ~~pursuant to subclause (iv) shall~~ under item (v) must be added to the annual amortization contribution calculated ~~pursuant to subclause (ii)~~ under items (i) and (iii);

~~(vi)~~ (vii) the period in which the unfunded actuarial accrued liability amount determined in ~~subclause (iii)~~ item (iv) will be amortized by the total annual amortization contribution computed ~~pursuant to subclause (v) shall~~ under item (vi) must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change, rounded to the nearest integral number of years, but which ~~shall~~ must not exceed a period of 20 years from the end of the year in which the determination of the date for full funding using this procedure is made and which ~~shall~~ must not be less than the period of years beginning in the year in which the determination of the date for full funding using this procedure is made and ending by the date for full funding in effect before the change;

~~(vii)~~ (viii) the period determined ~~pursuant to subclause (vi) shall~~ under item (vii) must be added to the date as of which the actuarial valuation was prepared and the resulting date ~~shall be~~ is the new date for full funding.

Sec. 7. Minnesota Statutes 2004, section 69.773, subdivision 5, is amended to read:

Subd. 5. [MINIMUM MUNICIPAL OBLIGATION.] (a) The officers of the relief association shall determine the minimum obligation of the municipality with respect to the special fund of the relief association for the following calendar year ~~prior to~~ on or before August 1 of each year in accordance with the requirements of this subdivision.

(b) The minimum obligation of the municipality with respect to the special fund ~~shall be~~ is an amount equal to the financial requirements of the special fund of the relief association determined ~~pursuant to~~ under subdivision 4, reduced by the estimated amount of any fire state aid payable ~~pursuant to~~ under sections 69.011 to 69.051 reasonably anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following year and the amount of any anticipated contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(c) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined ~~pursuant to~~ under subdivision 4 and this subdivision to the governing body of the municipality by August 1 of each year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 69.051.

(d) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue. The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law or charter upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied ~~pursuant to~~ under this section ~~shall~~ must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(e) If the municipality does not include the full amount of the minimum municipal obligation in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the minimum municipal obligation on the taxable property of the municipality.

(f) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 69.771, subdivision 3, paragraph (c), clause (5), the state auditor may request from the relief association or from the city a copy of the certifications under this subdivision. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

Sec. 8. Minnesota Statutes 2004, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

(a) The special fund assets of the a relief associations association governed by sections 69.771 to 69.776 must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7.

(b) Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the special fund, not including any money market mutual funds, may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment under section 356A.06, subdivision 7.

(c) Securities held by the associations before June 2, 1989, that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date.

(d) The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the State Board of Investment under section 11A.17.

(e) The governing board of the association may certify general fund assets of the relief association for investment by the State Board of Investment in fixed income pools or in a separately managed account at the discretion of the State Board of Investment as provided in section 11A.14.

(f) The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 9. Minnesota Statutes 2004, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) [AUTHORITY.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with this subdivision.

(b) [SECURITIES GENERALLY.] The covered pension plan has the authority to purchase, sell, lend, or exchange the securities specified in paragraphs (c) to ~~(g)~~ (h), including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned as units in commingled trusts that own the securities described in paragraphs (c) to ~~(g)~~ (h).

(c) [GOVERNMENT OBLIGATIONS.] The covered pension plan may invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph include guaranteed or insured issues of (1) the United States, its agencies, its instrumentalities, or organizations created and regulated by an act of Congress; (2) Canada and its provinces, provided the principal and interest is payable in United States dollars; (3) the states and their municipalities, political subdivisions, agencies, or instrumentalities; (4) the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, or any other United States government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars.

(d) [CORPORATE OBLIGATIONS.] The covered pension plan may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(1) the principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof must be payable in United States dollars; and

(2) obligations must be rated among the top four quality categories by a nationally recognized rating agency.

(e) [OTHER OBLIGATIONS.] (1) The covered pension plan may invest funds in bankers acceptances, certificates of deposit, deposit notes, commercial paper, mortgage participation certificates and pools, asset backed securities, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(i) bankers acceptances and deposit notes of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit are limited to those issued by (A) United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies; or (B) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;

(iii) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3;

(v) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(vi) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts are limited to those fully insured by federal agencies; and

(viii) asset backed securities must be rated in the top four quality categories by a nationally recognized rating agency.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), the covered pension plan may purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date,

not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(f) [CORPORATE STOCKS.] The covered pension plan may invest funds in stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof, any corporation organized under the laws of the Dominion of Canada or its provinces, or any corporation listed on ~~the New York Stock Exchange or the American Stock Exchange~~ an exchange regulated by an agency of the United States or of the Canadian national government, if they conform to the following provisions:

(1) the aggregate value of corporate stock investments, as adjusted for realized profits and losses, must not exceed 85 percent of the market or book value, whichever is less, of a fund, less the aggregate value of investments according to ~~subdivision 6~~ paragraph (h);

(2) investments must not exceed five percent of the total outstanding shares of any one corporation.

(g) [EXCHANGE TRADED FUNDS.] The covered pension plan may invest funds in exchange traded funds, subject to the maximums, the requirements, and the limitations set forth in paragraph (d), (e), (f), or (h), whichever applies.

(h) [OTHER INVESTMENTS.] (1) In addition to the investments authorized in paragraphs (b) to ~~(g)~~ (g), and subject to the provisions in clause (2), the covered pension plan may invest funds in:

(i) venture capital investment businesses through participation in limited partnerships and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(iv) resource investments through limited partnerships, private placements, and corporations; and

(v) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made according to clause (1) may not exceed 35 percent of the market value of the fund for which the covered pension plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the state board for investments made under clause (1), item (i), (ii), (iii), or (iv);

(iii) covered pension plan participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), (iii), or (iv); and

(iv) covered pension plan participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The covered pension plan may not engage in any activity as a limited partner which creates general liability.

Sec. 10. Minnesota Statutes 2004, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) Annually on or before August 1 as part of the certification of the financial requirements and minimum municipal obligation determined under section 69.772, subdivision 4, or 69.773, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated under section 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
42 <u>41</u>	.50
84 <u>81</u>	1.00
126 <u>122</u>	1.50
168 <u>162</u>	2.00
209 <u>203</u>	2.50
252 <u>243</u>	3.00
294 <u>284</u>	3.50
335 <u>324</u>	4.00
378 <u>365</u>	4.50
420 <u>405</u>	5.00
503 <u>486</u>	6.00
587 <u>567</u>	7.00
672 <u>648</u>	8.00
755 <u>729</u>	9.00
839 <u>810</u>	10.00
923 <u>891</u>	11.00
1007 <u>972</u>	12.00
1090 <u>1053</u>	13.00
1175 <u>1134</u>	14.00

1259 <u>1215</u>	15.00
1342 <u>1296</u>	16.00
1427 <u>1377</u>	17.00
1510 <u>1458</u>	18.00
1594 <u>1539</u>	19.00
1677 <u>1620</u>	20.00
1762 <u>1701</u>	21.00
1845 <u>1782</u>	22.00
1888 <u>1823</u>	22.50
1929 <u>1863</u>	23.00
2014 <u>1944</u>	24.00
2098 <u>2025</u>	25.00
2183 <u>2106</u>	26.00
2267 <u>2187</u>	27.00
2351 <u>2268</u>	28.00
2436 <u>2349</u>	29.00
2520 <u>2430</u>	30.00
2604 <u>2511</u>	31.00
2689 <u>2592</u>	32.00
2773 <u>2673</u>	33.00
2857 <u>2754</u>	34.00
2942 <u>2834</u>	35.00
3026 <u>2916</u>	36.00
3110 <u>2997</u>	37.00
3194 <u>3078</u>	38.00
3278 <u>3159</u>	39.00
3362 <u>3240</u>	40.00
3446 <u>3321</u>	41.00
3530 <u>3402</u>	42.00
3614 <u>3483</u>	43.00
3698 <u>3564</u>	44.00
3782 <u>3645</u>	45.00
3866 <u>3726</u>	46.00
3950 <u>3807</u>	47.00
4034 <u>3888</u>	48.00
4118 <u>3969</u>	49.00
4202 <u>4050</u>	50.00
4286 <u>4131</u>	51.00
4370 <u>4212</u>	52.00

Effective beginning December 31, 2003:

4454 <u>4293</u>	53.00
4538 <u>4374</u>	54.00
4622 <u>4455</u>	55.00
4706 <u>4536</u>	56.00

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, the maximum lump sum service pension amount for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of

the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
\$..	\$10
11	20
16	30
23	40
27	50
32	60
43	80
54	100
65	120
77	140
86	160
97	180
108	200
131	240
151	280
173	320
194	360
216	400
239	440
259	480
281	520
302	560
324	600
347	640
367	680
389	720
410	760
432	800
486	900
540	1000
594	1100
648	1200
702	1300
756	1400
810	1500
864	1600
918	1700
972	1800
1026	1900
1080	2000
1134	2100
1188	2200
1242	2300

1296	2400
1350	2500
1404	2600
1458	2700
1512	2800
1566	2900
1620	3000
1672	3100
1726	3200
1753	3250
1780	3300
1820	3375
1834	3400
1888	3500
1942	3600
1996	3700
2023	3750
2050	3800
2104	3900
2158	4000
2212	4100
2265	4200
2319	4300
2373	4400
2427	4500
2481	4600
2535	4700
2589	4800
2643	4900
2697	5000
2751	5100
2805	5200
2859	5300
2913	5400
2967	5500
3021	5600
3075	5700
3129	5800
3183	5900
3237	6000
3291	6100
3345	6200
3399	6300
3453	6400
3507	6500
3561	6600
3615	6700
3669	6800
3723	6900
3777	7000

~~Effective beginning December 31, 2003:~~

3831	7100
3885	7200
3939	7300
3993	7400
4047	7500

(e) For a relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than the largest applicable flexible service pension maximum amount even if the amount of available financing per firefighter is greater than the financing amount associated with the largest applicable flexible service pension maximum.

Sec. 11. Minnesota Statutes 2004, section 424A.02, subdivision 4, is amended to read:

Subd. 4. [DEFINED CONTRIBUTION LUMP SUM SERVICE PENSIONS.] (a) If the bylaws governing the relief association so provide exclusively, the relief association may pay a defined contribution lump sum service pension in lieu of any defined benefit service pension governed by subdivision 2.

(b) An individual account for each firefighter who is a member of the relief association ~~shall~~ must be established. To each individual active member account ~~shall~~ must be credited ~~a right to~~ an equal share of: ~~(a)~~ (1) any amounts of fire state aid received by the relief association; ~~(b)~~ (2) any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid; and ~~(c)~~ (3) any amounts equal to the share of the assets of the special fund to the credit of: ~~(1)~~ (i) any former member who terminated active service with the fire department to which the relief association is associated ~~prior to~~ before meeting the minimum service requirement provided for in subdivision 1 and has not returned to active service with the fire department for a period no shorter than five years; or ~~(2)~~ (ii) any retired member who retired ~~prior to~~ before obtaining a full nonforfeitable interest in the amounts credited to the individual member account ~~pursuant to~~ under subdivision 2 and any applicable provision of the bylaws of the relief association. In addition, any ~~interest or~~ investment ~~income earned~~ return on the assets of the special fund ~~shall~~ must be credited in proportion to the share of the assets of the special fund to the credit of each individual active member account through the date on which the investment return is recognized by and credited to the special fund.

(c) At the time of retirement ~~pursuant to~~ under subdivision 1 and any applicable provision of the bylaws of the relief association, a retiring member ~~shall be~~ is entitled to that portion of the assets of the special fund to the credit of the member in the individual member account which is nonforfeitable ~~pursuant to~~ under subdivision 2 and any applicable provision of the bylaws of the relief association based on the number of years of service to the credit of the retiring member.

Sec. 12. Minnesota Statutes 2004, section 424A.02, subdivision 7, is amended to read:

Subd. 7. [DEFERRED SERVICE PENSIONS.] (a) A member of a relief association ~~to which this section applies~~ is entitled to a deferred service pension if the member:

(1) has completed the lesser of the minimum period of active service with the fire department specified in the bylaws or 20 years of active service with the fire department;

(2) has completed at least five years of active membership in the relief association; and

(3) separates from active service and membership before reaching age 50 or the minimum age for retirement and commencement of a service pension specified in the bylaws governing the relief association if that age is greater than age 50.

(b) The deferred service pension ~~starts~~ is payable when the former member reaches age 50, or the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and when the former member makes a valid written application.

(c) A relief association that provides a lump sum service pension governed by subdivision 3 may, when its governing bylaws so provide, pay interest on the deferred lump sum service pension during the period of deferral. If provided for in the bylaws, interest must be paid in one of the following manners:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association or if the deferred benefit amount is invested in a separate investment vehicle held by the relief association;

(2) at ~~the~~ an interest rate of up to five percent, compounded annually as set by the board of directors and approved as provided in subdivision 10; or

(3) at a rate equal to the actual time weighted total rate of return investment performance of the special fund as reported by the Office of the State Auditor under section 356.219, up to five percent, compounded annually, and applied consistently for all deferred service pensioners.

~~(d)~~ A relief association may not use the method provided for in ~~paragraph (c)~~, clause (3), until it has modified its bylaws to be consistent with that clause.

(d) Interest under paragraph (c), clause (2) or (3), is payable from the first day of the month next following the date on which the municipality has approved the deferred service pension interest rate established by the board of trustees or from the first day of the month next following the date on which the member separated from active fire department service and relief association membership, whichever is later, to the last day of the month immediately before the month in which the deferred member becomes eligible to begin receipt of the service pension and applies for the deferred service pension.

(e) A relief association that provides a defined contribution service pension may, if its governing bylaws so provide, credit interest or additional investment performance on the deferred lump sum service pension during the period of deferral. If provided for in the bylaws, the interest must be paid in one of the manners specified in paragraph (c) or alternatively the relief association may credit any investment return on the assets of the special fund of the defined contribution volunteer firefighter relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account through the date on which the investment return is recognized by and credited to the special fund.

(f) For a deferred service pension that is transferred to a separate account established and maintained by the relief association or separate investment vehicle held by the relief association, the deferred member bears the full investment risk subsequent to transfer and in calculating the accrued liability of the volunteer firefighters relief association that pays a lump sum service pension, the accrued liability for deferred service pensions is equal to the separate relief association account balance or the fair market value of the separate investment vehicle held by the relief association.

(g) The deferred service pension is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.

Sec. 13. [424A.021] [CREDIT FOR BREAK IN SERVICE TO PROVIDE UNIFORMED SERVICE.]

Subdivision 1. [AUTHORIZATION.] Subject to restrictions stated in this section, a volunteer firefighter who is absent from firefighting service due to service in the uniformed services, as defined in United States Code, title 38, section 4303(13), may obtain service credit if the relief association is a defined benefit plan or an allocation of any fire state aid, any municipal contributions, and any investment return received by the relief association if the relief association is a defined benefit contribution plan for the period of the uniformed service, not to exceed five years, unless a longer period is required under United States Code, title 38, section 4312.

Subd. 2. [LIMITATIONS.] (a) To be eligible for service credit or financial allocation under this section, the volunteer firefighter must return to firefighting service with coverage by the same relief association or by the successor to that relief association upon discharge from service in the uniformed service within the time frame required in United States Code, title 38, section 4312(e).

(b) Service credit or financial allocation is not authorized if the firefighter separates from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(c) Service credit or financial allocation is not authorized if the firefighter fails to provide notice to the fire department that the individual is leaving to provide service in the uniformed service, unless it is not feasible to provide that notice due to the emergency nature of the situation.

Sec. 14. Minnesota Statutes 2004, section 424A.04, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) Every A relief association that is directly associated with a municipal fire department shall must be managed by a board of trustees consisting of nine members. Six trustees shall must be elected from the membership of the relief association and three trustees shall must be drawn from the officials of the municipalities served by the fire department to which the relief association is directly associated. The bylaws of a relief association which provides a monthly benefit service pension may provide that one of the six trustees elected from the relief association membership may be a retired member receiving a monthly pension who is elected by the membership of the relief association. The three ex officio municipal trustees shall be the mayor, the clerk, clerk-treasurer or finance director, must be one elected municipal official and one elected or appointed municipal official who are designated as municipal representatives by the municipal governing board annually and the chief of the municipal fire department.

(b) Every A relief association that is a subsidiary of an independent nonprofit firefighting corporation shall must be managed by a board of trustees consisting of ten nine members. Six trustees shall must be elected from the membership of the relief association, three two trustees shall must be drawn from the officials of the municipalities served by the fire department to which the relief association is directly associated, and one trustee shall be the fire chief serving with the independent nonprofit firefighting corporation. The bylaws of a relief association may

provide that one of the six trustees elected from the relief association membership may be a retired member receiving a monthly pension who is elected by the membership of the relief association. ~~The three ex-officio two municipal trustees who are the elected officials shall~~ must be elected or appointed municipal officials, selected as follows:

(1) if only one municipality contracts with the independent nonprofit firefighting corporation, the ~~ex-officio municipal~~ trustees ~~shall~~ must be ~~three elected~~ two officials of the contracting municipality who are designated annually by the governing body of the municipality;

(2) if two municipalities contract with the independent nonprofit firefighting corporation, the ~~ex-officio trustees shall be two elected officials of the largest municipality in population and one elected official of the next largest municipality in population who are designated by the governing bodies of the applicable municipalities;~~ or

(3) (2) if ~~three~~ two or more municipalities contract with the independent nonprofit corporation, the ~~ex-officio municipal~~ trustees ~~shall~~ must be one ~~elected~~ official ~~of~~ from each of the ~~three~~ two largest municipalities in population who are designated annually by the governing bodies of the applicable municipalities.

(c) The municipal trustees for a relief association that is directly associated with a fire department operated as or by a joint powers entity must be designated annually by the joint powers board. The municipal trustees for a relief association that is directly associated with a fire department service area township must be designated by the township board.

(d) If a relief association lacks the ~~ex-officio municipal~~ board members provided for in paragraph (a), (b), or (b) (c) because the fire department is not located in or associated with an organized municipality, joint powers entity, or township, the ~~ex-officio municipal~~ board members must be appointed from the fire department service area by the board of commissioners of the applicable county.

(e) The term of these appointed ~~ex-officio municipal~~ board members is ~~three years~~ one year or until the person's successor is qualified, whichever is later.

(d) ~~An ex-officio~~ (f) A municipal trustee under paragraph (a), (b), or (c) ~~shall have,~~ or (d) has all the rights and duties accorded to any other trustee, except the right to be an officer of the relief association board of trustees.

(e) (g) A board ~~shall~~ must have at least three officers, ~~which shall be who~~ are a president, a secretary and a treasurer. These officers ~~shall~~ must be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws, ~~and~~. In no event ~~shall~~ may any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board ~~shall~~ must be specified in the bylaws of the relief association, but ~~shall~~ may not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership ~~shall initially and shall thereafter continue to~~ must be staggered on as equal a basis as is practicable.

Sec. 15. Minnesota Statutes 2004, section 424B.10, subdivision 1, is amended to read:

Subdivision 1. [BENEFITS.] (a) Notwithstanding any provision of section 424A.02, subdivision 3, to the contrary, the service pension of the subsequent relief association as of the effective date of consolidation is either the service pension amount specified in clause (1) or the service pension amounts specified in clause (2), as provided for in the consolidated relief association's articles of incorporation or bylaws:

(1) the highest dollar amount service pension amount of any prior volunteer firefighters relief association in effect immediately before the consolidation initiation if the pension amount was implemented consistent with section 424A.02; or

(2) for service rendered by each individual volunteer firefighter under the consolidating volunteer firefighters relief association that the firefighter belonged to immediately before the consolidation if the pension amount was implemented consistent with section 424A.02 and for service rendered after the effective date of the consolidation, the highest dollar amount service pension of any of the consolidating volunteer firefighters relief associations in effect immediately before the consolidation if the pension amount was implemented consistent with section 424A.02.

(b) Any increase in the service pension amount beyond the amount implemented under paragraph (a) must conform with the requirements and limitations of sections 69.771 to 69.775 and 424A.02.

Sec. 16. [STUDY OF STATEWIDE LUMP-SUM VOLUNTEER FIREFIGHTER RETIREMENT PLAN; CREATION OF TASK FORCE.]

Subdivision 1. [TASK FORCE MEMBERSHIP.] (a) A statewide Volunteer Firefighter Retirement Plan Study Task Force is created.

(b) The task force members are:

(1) four members appointed by the president of the Minnesota Area Relief Association coalition;

(2) four members appointed by the president of the Minnesota State Fire Department Association;

(3) four members appointed by the president of the Minnesota State Fire Chiefs Association;

(4) four members appointed by the board of directors of the League of Minnesota Cities;

(5) two members appointed by the board of directors of the Insurance Federation of Minnesota;

(6) two members appointed by the board of directors of the Minnesota Association of Farm Mutual Insurance Companies; and

(7) the Minnesota state auditor or the auditor's designee.

(c) Appointments must be made on or before July 1, 2005. If the appointment is not made in a timely manner, or if there is a vacancy, the state auditor shall appoint the task force member or the replacement member.

(d) The chair of the task force shall be selected by the task force.

(e) Administrative services for the task force must be provided by the Department of Public Safety.

Subd. 2. [TASK FORCE DUTIES.] (a) The task force shall conduct fact finding regarding the creation of a statewide volunteer firefighter retirement plan.

(b) The task force shall recommend whether a statewide volunteer firefighter retirement plan should be created. If the task force concludes a statewide volunteer fire plan has merit, the task force shall recommend the investment vehicle or vehicles to be utilized by the plan, the administration and corporate governance structure of the plan, the incentives needed to formulate the plan, the limitations applicable to the plan, and the state resources needed to be dedicated to the plan. The task force may also consider creation of regional plans.

Subd. 3. [REPORT.] The task force shall prepare a report detailing its findings about a potential statewide or regional volunteer firefighter retirement plan or plans. The report is due January 15, 2006, and must be filed with the Legislative Reference Library; the chair of the Legislative Commission on Pensions and Retirement; the chair of the State and Local Governmental Operations Committee of the senate; the chair of the State Government Budget Division of the senate Finance Committee; the chair of the Governmental Operations and Veterans Affairs Committee of the house of representatives; and the chair of the State Government Finance Committee of the house of representatives.

Sec. 17. [APPROPRIATION.]

\$40,000 is appropriated from the general fund in fiscal year 2006 to the commissioner of public safety to hire a consultant to assist the statewide Volunteer Firefighter Retirement Plan Study Task Force.

Sec. 18. [EFFECTIVE DATE.]

(a) Sections 1 to 12, 14, 15, and 17 are effective July 1, 2005.

(b) Section 13 is effective July 1, 2005, and applies to breaks in service that end on or after that date.

(c) Section 16 is effective the day following final enactment.

ARTICLE 12

VARIOUS CORRECTIONS AND CLARIFICATIONS

Section 1. Minnesota Statutes 2004, section 3A.13, is amended to read:

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

(a) The provisions of section ~~352.15~~ shall 356.401 apply to the legislators retirement plan, ~~chapter 3A.~~

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

Sec. 2. Minnesota Statutes 2004, section 69.011, subdivision 2b, is amended to read:

Subd. 2b. [DEPARTMENTS OF NATURAL RESOURCES AND PUBLIC SAFETY.] (a) ~~On or before July 1, 1997, the commissioner of natural resources shall certify one half of the number of peace officers as defined in subdivision 1, clause (g), employed by the Enforcement Division during calendar year 1996 and the commissioner of public safety shall certify one half of the number of peace officers as defined in subdivision 1, clause (g), employed by the Bureau of Criminal Apprehension, the Gambling Enforcement Division, and the State Patrol Division during calendar year 1996.~~

(b) ~~On or before March 15, 1998, the commissioner of natural resources shall certify seven tenths of the number of peace officers as defined in subdivision 1, clause (g), employed by the Enforcement Division and the commissioner of public safety shall certify seven tenths of the number of peace officers as defined in subdivision 1, clause (g), employed by the Bureau of Criminal Apprehension, the Gambling Enforcement Division, and the State Patrol Division.~~

(e) On or before ~~March 15, 1999, and annually on or before each~~ March 15 ~~thereafter~~, the commissioner of natural resources shall certify the number of peace officers as defined in subdivision 1, clause (g), employed by the Enforcement Division and the commissioner of public safety shall certify the number of peace officers as defined in subdivision 1, clause (g), employed by the Bureau of Criminal Apprehension, the Gambling Enforcement Division, and the State Patrol Division.

~~(d)~~ (b) The certification must be on a form prescribed by the commissioner. Peace officers certified under this paragraph must be included in the total certifications under subdivision 2.

Sec. 3. Minnesota Statutes 2004, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] (a) The amount of fire state aid available for apportionment, before the addition of the minimum fire state aid allocation amount under subdivision 7, is equal to 107 percent of the amount of premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. This amount ~~shall~~ must be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.

The total amount for apportionment in respect to fire state aid must not be less than two percent of the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the following amounts:

(1) the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations; and

(2) one percent of the premiums reported by town and farmers' mutual insurance companies and mutual property and casualty companies with total assets of \$5,000,000 or less.

(b) The total amount for apportionment as police state aid is equal to 104 percent of the amount of premium taxes paid to the state on the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report, reduced by the amount required to pay the costs and expenses of the state auditor for audits or exams of police relief associations. The total amount for apportionment in respect to the police state aid program must not be less than two percent of the amount of premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's cost and expenses of the audits or exams of the police relief associations.

(c) The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

~~(d) The amount for apportionment in respect to peace officer state aid under paragraph (b) must be further reduced by \$1,779,000 in fiscal year 1999, \$2,077,000 in fiscal year 2000, and \$2,404,000 in fiscal year 2001. These reductions in this paragraph cancel to the general fund.~~

(e) In addition to the amount for apportionment of police state aid under paragraph (b), each year \$100,000 ~~shall~~ must be apportioned for police state aid. An amount sufficient to pay this increase is annually appropriated from the general fund.

Sec. 4. Minnesota Statutes 2004, section 69.021, subdivision 11, is amended to read:

Subd. 11. [EXCESS POLICE STATE-AID HOLDING ACCOUNT.] (a) The excess police state-aid holding account is established in the general fund. The excess police state-aid holding account must be administered by the commissioner.

(b) Excess police state aid determined according to subdivision 10, must be deposited in the excess police state-aid holding account.

(c) From the balance in the excess police state-aid holding account, \$900,000 is appropriated to and must be transferred annually to the ambulance service personnel longevity award and incentive suspense account established by section 144E.42, subdivision 2.

(d) If a police officer stress reduction program is created by law and money is appropriated for that program, an amount equal to that appropriation must be transferred to the administrator of that program from the balance in the excess police state-aid holding account.

(e) On October 1, ~~1997, and annually on each subsequent October 1~~ of each year, one-half of the balance of the excess police state-aid holding account remaining after the deductions under paragraphs (c) and (d) is appropriated for additional amortization aid under section 423A.02, subdivision 1b.

(f) Annually, the remaining balance in the excess police state-aid holding account, after the deductions under paragraphs (c), (d), and (e), cancels to the general fund.

Sec. 5. Minnesota Statutes 2004, section 69.33, is amended to read:

69.33 [NAMES OF ASSOCIATIONS REPORTED TO INSURANCE COMPANIES.]

The commissioner shall enclose in the annual statement blank that is sent to all fire insurance companies doing business in this state a blank form containing the names of all firefighters' relief associations in all cities of the first class and the names of the cities and require these companies, at the time of making their annual statements to the commissioner, to state on these blanks the amount of premiums received by them upon properties insured within the corporate limits of the cities named thereon during the year ending December 31st last past. Thereafter, before July first each year, the commissioner shall certify to the commissioner of finance the information thus obtained, together with the amount of the tax for the benefit of the relief association pension plans covering firefighters in cities of the first class paid in such year by these companies upon these insurance premiums.

Sec. 6. Minnesota Statutes 2004, section 69.773, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REQUIREMENTS OF SPECIAL FUND.] ~~Prior to~~ Before August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision. The financial requirements of the relief association ~~shall~~ must be based on the most recent actuarial valuation of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be determined by adding the figures calculated ~~pursuant to~~ under clauses (a), (b), and (c). If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements ~~shall~~ must be an amount equal to the figure calculated ~~pursuant to~~ under clauses (a) and (b), reduced by an amount equal to one-tenth of the amount of any assets in excess of the actuarial accrued liability of the relief association. The determination of whether or not the relief association has an unfunded actuarial accrued liability ~~shall~~ must be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, ~~shall be~~ is the figure for the normal level cost of the relief association as reported in the actuarial valuation.

(b) The amount of anticipated future administrative expenses of the special fund ~~shall~~ must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent year by the factor of 1.035.

(c) The amortization contribution requirement to retire the current unfunded actuarial accrued liability by the established date for full funding ~~shall be~~ is the figure for the amortization contribution as reported in the actuarial valuation. ~~If there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund which change or changes, which by themselves without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund since December 31, 1970, the established date for full funding shall be December 31, 1990. If there has been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund since December 31, 1970, but prior to January 1, 1979, the established date for full funding shall be December 31, 1998, and if there has been a change since December 31, 1978, the established date for full funding shall~~ must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with the provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution needed to amortize this unfunded actuarial accrued liability amount by the date for full funding in effect ~~prior to~~ before the change ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect before any applicable change;

(iii) the unfunded actuarial accrued liability of the special fund ~~shall~~ must be determined in accordance with any new provisions governing service pensions, retirement benefits, and actuarial assumptions and the remaining provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(iv) the level annual dollar contribution needed to amortize the difference between the unfunded actuarial accrued liability amount calculated ~~pursuant to~~ under subclause (i) and the unfunded actuarial accrued liability amount calculated ~~pursuant to~~ under subclause (iii) over a period of 20 years starting December 31 of the year in which the change is effective ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change;

(v) the annual amortization contribution calculated ~~pursuant to~~ under subclause (iv) ~~shall~~ must be added to the annual amortization contribution calculated ~~pursuant to~~ under subclause (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in subclause (iii) will be amortized by the total annual amortization contribution computed ~~pursuant to~~ under subclause (v) ~~shall~~ must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change, rounded to the nearest integral number of years, but which ~~shall~~ does not exceed a period of 20 years from the end of the year in which the determination of the date for full funding using this procedure is made and which ~~shall~~ is not be less than the period of years beginning in the year in which the determination of the date for full funding using this procedure is made and ending by the date for full funding in effect before the change;

(vii) the period determined ~~pursuant to~~ under subclause (vi) ~~shall~~ must be added to the date as of which the actuarial valuation was prepared and the resulting date ~~shall be~~ is the new date for full funding.

Sec. 7. Minnesota Statutes 2004, section 352.01, subdivision 4, is amended to read:

Subd. 4. [ACCUMULATED CONTRIBUTIONS.] "Accumulated contributions" means the total, exclusive of interest, of (1) the sums deducted from the salary of an employee, (2) the amount of payments, including assessments, paid by the employee in lieu of salary deductions and all other payments made under ~~Laws 1929, chapter 191, as amended, this chapter~~ and credited to the employee's individual account in the retirement fund.

Sec. 8. Minnesota Statutes 2004, section 352.01, subdivision 5, is amended to read:

Subd. 5. [RETIREMENT FUND.] (a) "Retirement fund" means the general state employees retirement fund created by section 352.04, subdivision 1, with respect to the general state employees retirement plan or the correctional state employees retirement fund created by section 352.911, subdivision 1, with respect to the correctional state employees retirement plan.

(b) "The retirement fund" includes the aggregate of accumulated contributions of employees covered by the applicable plan, and all other funds paid into the state treasury or received by the director under ~~Laws 1929, chapter 191, as amended this chapter~~, together with all income and profits from the money and interest on it, including contributions on the part of the federal government, the state, and state departments.

Sec. 9. Minnesota Statutes 2004, section 352.01, subdivision 21, is amended to read:

Subd. 21. [ACCRUED ANNUITIES.] (a) In this chapter and chapters 3A, 352B, 352C, and 490, "accrued annuity" means an annuity that had become payable to a retired employee in the lifetime of the employee.

(b) An annuity or benefit authorized as provided in this chapter and chapters 3A, 352B, 352C, and 490 becomes payable on the first day of each calendar month for that calendar month and ~~is to~~ must be paid on the first day of each calendar month ~~beginning with benefits payable on and after December 1, 1977.~~

(c) Notwithstanding any provision to the contrary in this chapter and chapters 3A, 352B, 352C, and 490, benefit payment authorized as "payable for life" is payable for the entire month in which death occurs, and the benefit payment for the month of death is payable to the surviving spouse or other beneficiary only if the annuitant dies before negotiating the benefit check.

Sec. 10. Minnesota Statutes 2004, section 352.01, subdivision 23, is amended to read:

Subd. 23. [COVERAGE OR COVERED BY THE SYSTEM.] "Coverage" or "covered by the system" means that a state employee who serves the state of Minnesota and ~~make~~ makes the required employee contributions to the retirement fund ~~will~~ is, by reason of these contributions ~~become~~, entitled to either (1) a retirement annuity, or (2) a disability benefit, or (3) a refund of accumulated contributions, as provided in this chapter.

Sec. 11. Minnesota Statutes 2004, section 352.021, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) There is established the general state employees retirement plan of the Minnesota State Retirement System for state employees.

(b) The ~~system~~ general state employees retirement plan is a continuation of the State Employees Retirement Association.

(c) Any person who was a member of the State Employees Retirement Association on June 30, 1967, is covered by the ~~system~~ general state employees retirement plan and is entitled to all benefits provided by the ~~system~~ plan upon fulfilling the age, service, contribution, and other requirements of this chapter.

Sec. 12. Minnesota Statutes 2004, section 352.021, subdivision 2, is amended to read:

Subd. 2. [STATE EMPLOYEES COVERED.] Every person who ~~is a state employee, as defined in section 352.01, on July 1, 1967, or~~ becomes a state employee ~~after that date~~ as defined in section 352.01 is covered by the ~~system~~ general state employees retirement plan. Acceptance of state employment or continuance in state service is deemed to be consent to have deductions made from salary for deposit to the credit of the account of the state employee in the retirement fund.

Sec. 13. Minnesota Statutes 2004, section 352.021, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL EXEMPTIONS.] Any person who is appointed by the governor or lieutenant governor may request exemption from coverage by the general state employees retirement plan under this chapter if the appointee is not ~~so~~ covered ~~at~~ by the plan on the date of appointment. To qualify for this exemption, a written request must be made within 90 days from the date of entering upon the duties of the position to which the person is appointed. After making the request, a person requesting the exemption is not entitled to coverage by the general state employees retirement plan while employed in the position that entitled that person to an exemption from coverage.

Sec. 14. Minnesota Statutes 2004, section 352.021, subdivision 4, is amended to read:

Subd. 4. [REENTERING SERVICE AFTER REFUND.] When a former employee who has withdrawn accumulated contributions reenters employment in a position entitled to coverage under the ~~system~~ general state employees retirement plan, the employee ~~shall~~ must be covered by the ~~system~~ plan on the same basis as a new employee and is not entitled to credit for any former service. The annuity rights forfeited when taking a refund can only be restored as provided in this chapter.

Sec. 15. Minnesota Statutes 2004, section 352.04, subdivision 1, is amended to read:

Subdivision 1. [FUND CREATED.] (a) There is created a special fund to be known as the general state employees retirement fund. In that fund ~~there shall be deposited employees, employee~~ contributions, ~~employers~~ employer contributions, and other amounts authorized by law must be deposited.

(b) ~~Effective July 1, 1969, The~~ general state employees retirement plan of the Minnesota State Retirement System ~~shall~~ must participate in the Minnesota postretirement investment fund. ~~In that fund there shall be deposited~~ The amounts provided in section 352.119 must be deposited in the Minnesota postretirement investment fund.

Sec. 16. Minnesota Statutes 2004, section 352.04, subdivision 12, is amended to read:

Subd. 12. [FUND DISBURSEMENT RESTRICTED.] The general state employees retirement fund and the participation in the Minnesota postretirement investment fund must be disbursed only for the purposes provided by law. The expenses of the system and any benefits provided by law, other than benefits payable from the Minnesota postretirement investment fund, must be paid from the general state employees retirement fund. The retirement allowances, retirement annuities, and disability benefits, as well as refunds of any sum remaining to the credit of a deceased retired employee or a disabled employee must be paid only from the general state employees retirement fund after the needs have been certified and the amounts withdrawn from the participation in the Minnesota postretirement investment fund under section 11A.18. The amounts necessary to make the payments from the general state employees retirement fund and the participation in the Minnesota postretirement investment fund are annually appropriated from these funds for those purposes.

Sec. 17. Minnesota Statutes 2004, section 352.041, subdivision 1, is amended to read:

Subdivision 1. [ALLOWABLE SERVICE CREDIT.] ~~Any~~ (a) An employee covered by the ~~system~~ general state employees retirement plan who is given a leave of absence for employment by a political subdivision of the state ~~shall remain a member of the plan and must~~ continue to pay member contributions into the general state employees retirement fund for the period of leave.

(b) Upon payment of member contributions, the employee must be given allowable service credit as a state employee on the records of the ~~system~~ retirement plan as though the employee had received salary from the state during the leave. Payments into the retirement fund ~~shall~~ must be at the rate required in section 352.04, subdivision 2, and must be based upon the salary received from the political subdivision ~~subject to the maximum amount, if any.~~

Sec. 18. Minnesota Statutes 2004, section 352.041, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS, PROCEDURE.] The officer or employee who is authorized by law to pay salaries to employees of the political subdivision which is employing a state employee ~~shall have~~ must deduct employee contributions ~~deducted for the general state employees retirement plan under section 352.04, subdivision 2,~~ from the salary of each employee who is on leave of absence from state service on each payroll abstract and ~~shall~~ must pay the sum to the director following the conclusion of each pay period.

Sec. 19. Minnesota Statutes 2004, section 352.041, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS, PROCEDURE.] The officer or employee who is authorized by law to pay salaries to employees of the political subdivision which is employing a state employee covered by the ~~system~~ general state employees retirement plan also must have employer contributions made to the general state employees retirement fund ~~on~~ following the conclusion of each payroll abstract in the amount required by section 352.04, subdivision 3. These contributions ~~are to~~ must be charged to the political subdivision as an administrative cost.

Sec. 20. Minnesota Statutes 2004, section 352.041, subdivision 5, is amended to read:

Subd. 5. [EMPLOYER CONTRIBUTIONS, LEAVES OF ABSENCE; TAX LEVIES.] (a) Every political subdivision which is employing a state employee covered by the system on leave of absence from state service for employment by a political subdivision of the state ~~shall~~ must pay into the general state employees retirement fund the amount of the employer contribution required by law for state employees covered by the system under section 352.04, subdivision 3.

(b) Employing political subdivisions, ~~except other than~~ school districts, may levy taxes necessary for the payment of employer contributions without limitation as to rate or amount. The levy of the taxes does not reduce the amount of other taxes ~~to~~ that may be levied by political subdivisions, ~~except other than~~ school districts, which are subject to any limitation.

Sec. 21. Minnesota Statutes 2004, section 352.15, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; EXCEPTIONS.] ~~None of the money, annuities, or other benefits mentioned in this chapter is assignable either in law or in equity or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in subdivision 1a or section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the general state employees retirement plan and to the correctional state employees retirement plan.~~

Sec. 22. Minnesota Statutes 2004, section 352.15, subdivision 3, is amended to read:

Subd. 3. [DEDUCTING HEALTH OR DENTAL INSURANCE PREMIUMS.] The board may ~~direct~~ authorize, at its discretion, the deduction of a retiree's health or dental insurance premiums and transfer of the amounts to a health or dental insurance carrier covering state employees. The insurance carrier must certify that the retired employee has signed an authorization for the deduction and provide a computer readable roster of covered retirees and amounts. The health or dental insurance carrier must refund deductions withheld from a retiree's check in error directly to the retiree. The board shall require that the insurance carrier ~~to~~ reimburse the fund for the administrative expense of withholding the premium amounts. The insurance carrier shall assume liability for any failure of the system to properly withhold the premium amounts.

Sec. 23. Minnesota Statutes 2004, section 352.15, subdivision 4, is amended to read:

Subd. 4. [DIRECT TRANSFER OF REFUNDS.] A direct transfer of ~~account~~ refunds under this chapter may be made to an individual retirement savings ~~accounts~~ account or a qualified retirement ~~plans~~ plan of the person upon the receipt of an application for transfer by a former employee, on forms acceptable to the executive director.

Sec. 24. Minnesota Statutes 2004, section 352.22, subdivision 10, is amended to read:

Subd. 10. [OTHER REFUNDS.] Former employees covered by the system are entitled to apply for refunds if they are or become members of the State Patrol retirement fund, the state Teachers Retirement Association, or employees of the University of Minnesota excluded from coverage under the system by action of the Board of Regents; ~~or labor service employees, excluded from coverage under section 352.01, subdivision 2b, clause (25);~~ or employees of the adjutant general who under federal law effectually elect membership in a federal retirement system; or officers or employees of the senate or house of representatives, excluded from coverage under section 352.01, subdivision 2b, clause ~~(8)~~ (7). The refunds must include accumulated contributions plus interest as provided in subdivision 2. These employees may apply for a refund once 30 days or more have elapsed after their coverage ceases, even if they continue in state service but in positions not covered by this chapter.

Sec. 25. Minnesota Statutes 2004, section 352B.01, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] In this chapter, each of the terms defined in this section ~~have~~ has the ~~meanings~~ meaning given them to it.

Sec. 26. Minnesota Statutes 2004, section 352B.01, subdivision 2, is amended to read:

Subd. 2. [MEMBER.] "Member" means:

(1) a State Patrol member currently employed ~~after June 30, 1943,~~ under section 299D.03 by the state, who is a peace officer under section 626.84, and whose salary or compensation is paid out of state funds;

(2) a conservation officer employed under section 97A.201, currently employed by the state, whose salary or compensation is paid out of state funds;

(3) a crime bureau officer who was employed by the crime bureau and was a member of the Highway Patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds;

(4) a person who is employed by the state in the Department of Public Safety in a data processing management position with salary or compensation paid from state funds, who was a crime bureau officer covered by the State Patrol retirement plan on August 15, 1987, and who was initially hired in the data processing management position within the department during September 1987, or January 1988, with membership continuing for the duration of the person's employment in that position, whether or not the person has the power of arrest by warrant after August 15, 1987;

(5) a public safety employee ~~defined as~~ who is a peace officer ~~in~~ under section 626.84, subdivision 1, paragraph (c), and who is employed ~~with~~ by the Division of Alcohol and Gambling Enforcement under section 299L.01; and

(6) a Fugitive Apprehension Unit officer after October 31, 2000, who is employed by the Office of Special Investigations of the Department of Corrections and who is a peace officer under section 626.84.

Sec. 27. Minnesota Statutes 2004, section 352B.01, subdivision 3, is amended to read:

Subd. 3. [ALLOWABLE SERVICE.] (a) "Allowable service" means:

(1) for members defined in subdivision 2, clause ~~(a)~~ (1), ~~monthly service is granted for~~ in any month for which payments have been made to the State Patrol retirement fund, and

(2) for members defined in subdivision 2, clauses ~~(b)~~ (2) and ~~(c)~~ (3), service for which payments have been made to the State Patrol retirement fund, service for which payments were made to the State Police officers retirement fund after June 30, 1961, and all prior service which was credited to a member for service on or before June 30, 1961.

(b) Allowable service also includes any period of absence from duty by a member who, by reason of injury incurred in the performance of duty, is temporarily disabled and for which disability the state is liable under the workers' compensation law, until the date authorized by the executive director for commencement of payment of a disability benefit or return to employment.

(c) MS 2002 (Expired)

(d) Allowable service means service in a month during which a member is paid a salary from which a member contribution is deducted, deposited, and credited in the State Patrol retirement plan.

Sec. 28. Minnesota Statutes 2004, section 352B.02, subdivision 1e, is amended to read:

Subd. 1e. [AUDIT; ACTUARIAL VALUATION.] The legislative auditor shall audit the fund. Any actuarial valuation of the fund required under section 356.215 must be prepared by the actuary retained under section 356.214. Any approved actuary retained by the executive director under section 352.03, subdivision 6, may perform actuarial valuations and experience studies to supplement those performed by the ~~commission retained~~ actuary retained under section 356.214. Any supplemental actuarial valuation or experience studies ~~shall~~ must be filed with the executive director of the Legislative Commission on Pensions and Retirement.

Sec. 29. Minnesota Statutes 2004, section 352B.071, is amended to read:

352B.071 [EXEMPTION FROM PROCESS.]

~~None of the money, annuities, or other benefits provided for in this chapter is assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the State Patrol retirement plan.~~

Sec. 30. Minnesota Statutes 2004, section 352D.01, is amended to read:

352D.01 [ESTABLISHMENT.]

There is hereby established within the Minnesota State Retirement System a retirement program for certain public employees to be known as the Minnesota unclassified employees retirement program, ~~which shall be.~~ The program must be administered by the Minnesota State Retirement System.

Sec. 31. Minnesota Statutes 2004, section 352D.015, subdivision 3, is amended to read:

Subd. 3. [SUPPLEMENTAL INVESTMENT FUND.] "Supplemental investment fund" means the fund established and governed by section 11A.17.

Sec. 32. Minnesota Statutes 2004, section 352D.015, subdivision 4, is amended to read:

Subd. 4. [GENERAL FUND.] "General fund" means the general state employees retirement fund except the moneys for the unclassified program.

Sec. 33. Minnesota Statutes 2004, section 352D.03, is amended to read:

352D.03 [TRANSFER OF ASSETS.]

Unless an eligible employee enumerated in section 352D.02, subdivision 1 ~~or 1a~~, has elected coverage under the individual retirement account plan under chapter 354B, a sum of money representing the assets credited to each employee exercising the option contained in section 352D.02, plus an equal employer contribution together with interest for the employment period at the ~~actuarially assumed rates~~ applicable preretirement interest actuarial assumption rate during this period, compounded annually, ~~shall~~ must be used for the purchase of shares on behalf of each employee in the accounts of the supplemental retirement fund established by section 11A.17. ~~Any employer's contribution to amortize the deficit in the state employee's retirement fund shall not, however, be used for the purchase of shares.~~

Sec. 34. Minnesota Statutes 2004, section 352D.05, subdivision 4, is amended to read:

Subd. 4. [REPAYMENT OF REFUND.] (a) A participant in the unclassified program may repay regular refunds taken ~~pursuant to~~ under section 352.22, as provided in section 352.23.

(b) A participant in the unclassified program or an employee covered by the general plan who has withdrawn the value of the total shares may repay the refund taken and thereupon restore the service credit, rights and benefits forfeited by paying into the fund the amount refunded plus interest at an annual rate of 8.5 percent compounded annually from the date that the refund was taken until the date that the refund is repaid. If the participant had withdrawn only the employee shares as permitted under prior laws, repayment ~~shall~~ must be pro rata. ~~Payment shall~~

(c) Except as provided in section 356.441, the repayment of a refund under this section must be made in a lump sum.

Sec. 35. Minnesota Statutes 2004, section 352D.085, subdivision 1, is amended to read:

Subdivision 1. [COMBINED SERVICE.] Except as provided in section 356.30, 356.302, or 356.303, service under the unclassified program for which the employee has been credited with employee shares may be used for the limited purpose of qualifying for benefits under sections 352.115, 352.72, subdivision 1, 352.113, 354.44, 354.45, 354.48, and 354.60; ~~provided such.~~ The service also may not be used to qualify for a disability benefit under section

352.113 or 354.48 if a participant was under the unclassified program at the time of the disability, ~~and provided further that.~~ Also, the years of service and salary paid while the participant was in the unclassified program ~~shall~~ may not be used in determining the amount of benefits.

Sec. 36. Minnesota Statutes 2004, section 352D.09, subdivision 5, is amended to read:

Subd. 5. [UNCLAIMED BENEFITS.] If the beneficiary, surviving spouse or estate has not made application for benefits within ten years after the date of the death of a participant, the value of the shares ~~shall be~~ is appropriated to the ~~regular general state employees retirement~~ fund and the provisions of section 352.12, subdivision 12 ~~shall~~, govern. If a former participant fails to make a claim for benefits within five years after the termination of covered service or by age 70, whichever is later, the value of the shares ~~shall be~~ is appropriated to the general state employees retirement fund and the provisions of section 352.22, subdivision 8, ~~shall~~ apply.

Sec. 37. Minnesota Statutes 2004, section 352D.12, is amended to read:

352D.12 [TRANSFER OF PRIOR SERVICE CONTRIBUTIONS.]

(a) An employee who is a participant in the unclassified program and who has prior service credit in a covered plan under ~~chapters 3A, chapter 352, 352C, 353, 354, 354A, and or 422A~~ may, within the time limits specified in this section, elect to transfer to the unclassified program prior service contributions to one or more of those plans. ~~Participants with six or more years of prior service credit in a plan governed by chapter 3A or 352C on July 1, 1998, may not transfer prior service contributions. Participants with less than six years of prior service credit in a plan governed by chapter 3A or 352C on July 1, 1998, must be contributing to the unclassified plan on or after January 5, 1999, in order to transfer prior contributions.~~

(b) For participants with prior service credit in a plan governed by chapter 352, 353, 354, 354A, or 422A, "prior service contributions" means the accumulated employee and equal employer contributions with interest at an annual rate of 8.5 percent compounded annually, based on fiscal year balances. ~~For participants with less than six years of service credit as of July 1, 1998, and with prior service credit in a plan governed by chapter 3A or 352C, "prior service contributions" means an amount equal to twice the amount of the accumulated member contributions plus annual compound interest at the rate of 8.5 percent, computed on fiscal year balances.~~

(c) If a participant has taken a refund from a retirement plan listed in this section, the participant may repay the refund to that plan, notwithstanding any restrictions on repayment to that plan, plus 8.5 percent interest compounded annually and have the accumulated employee and equal employer contributions transferred to the unclassified program with interest at an annual rate of 8.5 percent compounded annually based on fiscal year balances. If a person repays a refund and subsequently elects to have the money transferred to the unclassified program, the repayment amount, including interest, is added to the fiscal year balance in the year which the repayment was made.

(d) A participant electing to transfer prior service contributions credited to a retirement plan governed by chapter 352, 353, 354, 354A, or 422A as provided under this section must complete the a written application for the transfer and repay any refund within one year of the commencement of the employee's participation in the unclassified program. ~~A participant electing to transfer prior service contributions credited to a retirement plan governed by chapter 3A or 352C as provided under this section must complete the application for the transfer and repay any refund between January 5, 1999, and June 1, 1999, if the employee commenced participation in the unclassified program before January 5, 1999, or within one year of the commencement of the employee's participation in the unclassified program if the employee commenced participation in the unclassified program after January 4, 1999.~~

Sec. 38. Minnesota Statutes 2004, section 353.01, subdivision 32, is amended to read:

Subd. 32. [COORDINATED MEMBER.] "Coordinated member" means ~~any~~ a public employee, including ~~any~~ a public hospital employee, who is covered by ~~any an~~ agreement or modification made between the state and the Secretary of Health, ~~Education and Welfare~~ Human Services, making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to the member if the membership eligibility criteria are met under this chapter. A coordinated member also is a former basic member who has a complete and continuous separation for at least 30 days from employment as a public employee meeting the requirements specified in subdivision 28, paragraphs (a) and (b), and who reenters public service as a public employee and meets the membership eligibility criteria under this chapter.

Sec. 39. Minnesota Statutes 2004, section 353.01, subdivision 33, is amended to read:

Subd. 33. [BASIC MEMBER.] "Basic member" means ~~any~~ a public employee, including ~~any~~ a public hospital employee, who is not covered by any agreement or modification made between the state and the Secretary of Health, ~~Education and Welfare~~ Human Services.

Sec. 40. Minnesota Statutes 2004, section 353.025, is amended to read:

353.025 [RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS.]

~~From and after January 1, 1982, Employees of the Range Association of Municipalities and Schools hereinafter referred to as the association, shall become~~ are coordinated members of the general employees retirement plan of the Public Employees Retirement Association unless specifically exempt under section 353.01, subdivision 2b, ~~and, The Range Association shall be deemed to be of Municipalities and Schools is~~ a governmental subdivision for the purposes of this chapter.

Sec. 41. Minnesota Statutes 2004, section 353.026, is amended to read:

353.026 [COVERAGE FOR CERTAIN MUNICIPAL AND SCHOOL DISTRICT EMPLOYEES.]

Any person who was employed by the city of Minneapolis, Special School District No. 1, or public corporation as defined in section 422A.01, subdivision 9, on or after July 1, 1978, ~~and prior to before~~ July 1, 1979, and who was excluded from retirement coverage by the coordinated program of the Minneapolis municipal employees retirement fund ~~pursuant to under~~ section 422A.09, subdivision 3, ~~shall be is~~ entitled to retirement coverage by the general employees retirement plan of the Public Employees Retirement Association unless specifically excluded ~~pursuant to under~~ section 353.01, subdivision 2b, from and after May 19, 1981.

Sec. 42. Minnesota Statutes 2004, section 353.027, is amended to read:

353.027 [RETENTION OF COVERAGE FOR CERTAIN MUNICIPAL COURT EMPLOYEES.]

Any person employed on January 1, 1975, by a municipal court established ~~pursuant to under~~ Minnesota Statutes 1957, section 488.03, and located in the cities of New Brighton, Roseville, Maplewood, North Saint Paul, White Bear Lake, or St. Paul ~~shall be is~~ eligible for membership in the general employees retirement plan of the Public Employees Retirement Association and ~~shall retain~~ retains any rights or benefits the person had attained as a member of the general employees retirement plan of the association on January 1, 1975, so long as the person remains an employee of the municipal court of Ramsey County.

Sec. 43. Minnesota Statutes 2004, section 353.028, is amended to read:

353.028 [CITY MANAGERS; ELECTION; DEFERRED COMPENSATION.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, each of the terms in this subdivision has the meaning indicated.

(b) "City manager" means (1) a person who is duly appointed to and is holding the position of city manager in a Plan B statutory city or in a home rule city operating under the "council-manager" form of government, or (2) a person who is appointed to and is holding the position of chief administrative officer of a home rule charter city or a statutory city ~~pursuant to~~ under a charter provision, ordinance, or resolution establishing such a position and prescribing its duties and responsibilities.

(c) "Governing body" means the city council of the city employing the city manager.

(d) "Election" means the election described in subdivision 2.

Subd. 2. [ELECTION.] (a) A city manager may elect to be excluded from membership in the general employees retirement plan of the Public Employees Retirement Association. The election of exclusion must be made within six months following the commencement of employment, must be made in writing on a form prescribed by the executive director, and must be approved by a resolution ~~of~~ adopted by the governing body of the city. The election of exclusion is not effective until it is filed with the executive director. Membership of a city manager in the ~~association~~ general employees retirement plan ceases on the date the written election is received by the executive director or upon a later date specified. Employee and employer contributions made on behalf of a person exercising the option to be excluded from membership under this section must be refunded in accordance with section 353.27, subdivision 7.

(b) A city manager who has elected exclusion under this subdivision may elect to revoke that action by filing a written notice with the executive director. The notice must be on a form prescribed by the executive director and must be approved by a resolution of the governing body of the city. Membership of the city manager in the association resumes prospectively from the date of the first day of the pay period for which contributions were deducted or, if pay period coverage dates are not provided, the date on which the notice of revocation or contributions are received in the office of the association, provided that the notice of revocation is received by the association within 60 days of the receipt of contributions.

(c) An election under paragraph (b) is irrevocable. Any election under paragraph (a) or (b) must include a statement that the individual will not seek authorization to purchase service credit for any period of excluded service.

Subd. 3. [DEFERRED COMPENSATION; CITY CONTRIBUTION.] If an election of exclusion is made, and if the city manager and the governing body of the city additionally agree in writing that the additional compensation is to be deferred and ~~shall is to~~ be contributed on behalf of the city manager to a deferred compensation program which meets the requirements of section 457 of the Internal Revenue Code of ~~1954~~ 1986, as amended ~~through December 31, 1980~~, the governing body may compensate the city manager, in addition to the salary allowed under any limitation imposed on salaries by law or charter, in an amount equal to the employer contribution which would be required by section 353.27, subdivision 3, if the city manager were a member of the ~~association~~ general employees retirement plan.

Subd. 4. [REFUNDS; DEFERRED ANNUITY.] A city manager who makes an election to be excluded from membership is entitled to a refund of accumulated deductions or, if otherwise qualified, a deferred annuity ~~in the manner provided by~~ under section 353.34, at the option of the manager.

Subd. 5. [ELECTION; OTHER EMPLOYMENT.] If a city manager who has made an election to be excluded subsequently accepts employment in another governmental subdivision or subsequently accepts employment other than as a city manager in the same city, the election ~~shall be deemed to have been~~ is rescinded on the effective date of employment.

Sec. 44. Minnesota Statutes 2004, section 353.14, is amended to read:

353.14 [BENEFITS FROM OTHER FUNDS.]

No annuity or benefit provided by this chapter ~~shall~~ may be affected, diminished, or impaired by any pension, benefit, or annuity which any member or survivor is entitled to receive from a tax supported public retirement plan or system authorized by any other law, ~~for based on service that is~~ different service than the service for which the member or survivor is entitled to receive benefit or annuity from a retirement plan administered by the Public Employees Retirement Association.

Sec. 45. Minnesota Statutes 2004, section 353.15, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; EXCEPTIONS.] ~~No money, annuity, or benefit provided for in this chapter is assignable or subject to execution, levy, attachment, garnishment, or legal process, except as provided in subdivision 2 or section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the general employees retirement plan, to the public employees police and fire retirement plan, and to the local government correctional service retirement plan.~~

Sec. 46. Minnesota Statutes 2004, section 353.15, subdivision 3, is amended to read:

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If, in the judgment of the executive director, conditions so warrant, payment of an annuity, a retirement benefit, or a refund may be made to a public body in behalf of an annuitant, disabiltant, or survivor upon such terms as the executive director may prescribe.

Sec. 47. Minnesota Statutes 2004, section 353.27, subdivision 11, is amended to read:

Subd. 11. [EMPLOYERS; REQUIRED TO FURNISH REQUESTED INFORMATION.] (a) All governmental subdivisions shall furnish promptly such other information relative to the employment status of all employees or former employees, including, but not limited to, payroll abstracts pertaining to all past and present employees, as may be requested by the ~~association or its~~ executive director, including schedules of salaries applicable to various categories of employment.

(b) In the event payroll abstract records have been lost or destroyed, for whatever reason or in whatever manner, so that such schedules of salaries cannot be furnished therefrom, the employing governmental subdivision, in lieu thereof, shall furnish to the association an estimate of the earnings of any employee or former employee for any period as may be requested by the ~~association or its~~ executive director. ~~Should~~ If the association ~~receive such schedules~~ is provided a schedule of estimated earnings, the executive director is ~~hereby~~ authorized to use the same as a basis for making whatever computations might be necessary for determining obligations of the employee and employer to the retirement fund. If estimates are not furnished by the employer ~~pursuant to~~ at the request of the ~~association or its~~ executive director, the ~~association~~ executive director may estimate the obligations of the employee and employer to the retirement fund based upon ~~such those~~ those records as that are in its possession. ~~Where payroll abstracts have been lost or destroyed, the governmental agency need not furnish any information pertaining to employment prior to July 1, 1963. The association shall make no estimate of any obligation of any employee, former employee, or employer covering employment prior to July 1, 1963.~~

Sec. 48. Minnesota Statutes 2004, section 353.271, is amended to read:

353.271 [PARTICIPATION IN MINNESOTA POSTRETIREMENT INVESTMENT FUND.]

Subdivision 1. [AUTHORIZATION.] The general employees retirement plan of the Public Employees Retirement Association, including the public employees police and fire fund but excluding the various local relief association consolidation accounts, is retirement plan, and the local government correctional service retirement plan are authorized to participate in the Minnesota postretirement investment fund. There ~~shall be~~ is one general participation in the Minnesota postretirement investment fund for ~~all purposes by each plan of the Public Employees Retirement fund and one general participation in the Minnesota postretirement investment fund for all purposes by the public employees police and fire fund Association.~~

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] ~~(1)~~ (a) The required reserves for retirement annuities payable as provided in this chapter other than those payable from the various local relief association consolidation accounts, as determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained ~~by the Legislative Commission on Pensions and Retirement under section 356.214, and approved under section 356.215, subdivision 18,~~ and using the postretirement interest assumption specified in section 356.215, subdivision 8, ~~shall~~ must be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity begins.

~~(2)~~ (b) Annuity payments ~~other than those payable from the various local relief association consolidation accounts shall~~ must be adjusted in accordance with the provisions of section 11A.18.

~~(3)~~ (c) Increases in payments ~~pursuant to under this section or from the various local relief association consolidation accounts, if applicable, will~~ must be made automatically unless the intended recipient files written notice with the executive director of the Public Employees Retirement Association requesting that the increase ~~shall~~ not be made.

Sec. 49. Minnesota Statutes 2004, section 353.31, subdivision 1c, is amended to read:

Subd. 1c. [COORDINATED MEMBERS.] Except for benefits provided under section 353.32, ~~subdivisions 1 and 1a,~~ no survivor benefits are payable to the surviving spouse or dependent children of a deceased coordinated member.

Sec. 50. Minnesota Statutes 2004, section 353.32, subdivision 9, is amended to read:

Subd. 9. [PAYMENT TO A MINOR.] If a member or former member dies having named as beneficiary a person who is a minor at the time of the application for refund, the board may make the payment ~~(a)~~ (1) directly to the minor, ~~(b)~~ (2) to ~~any~~ a person who has legally qualified and is acting as guardian of the minor's person or property in any jurisdiction, or ~~(c)~~ (3) to either parent of the minor or to ~~any~~ an adult person with whom the minor may at the time be living, ~~provided only that.~~ The parent or other person to whom any amount is to be paid ~~shall have advised~~ must advise the board in writing that the amount will be held or used in trust for the benefit of such minor. Any annuity or disability benefit payable at the time of death of an annuitant or recipient of a disability benefit, which is payable to a beneficiary who is a minor, may be paid in the same manner. ~~Such~~ The payment ~~shall be~~ is a bar to recovery by any other person or persons.

Sec. 51. Minnesota Statutes 2004, section 353.33, subdivision 12, is amended to read:

Subd. 12. [BASIC DISABILITY SURVIVOR BENEFITS.] If a basic member who is receiving a disability benefit under subdivision 3:

(a) ~~(1)~~ dies before attaining age 65 or within five years of the effective date of the disability, whichever is later, the surviving spouse ~~shall~~ is entitled to receive a survivor benefit under section 353.31, unless the surviving spouse elected to receive a refund under section 353.32, subdivision 1;

(b) ~~(2)~~ is living at age 65 or five years after the effective date of the disability, whichever is later, the basic member may continue to receive a normal disability benefit, or elect a joint and survivor optional annuity under section 353.31, subdivision 1b. The election of the joint and survivor optional annuity must occur within 90 days of attaining age 65 or of reaching the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity takes effect on the first day of the month following the month in which the person attains age 65 or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later; or

(c) ~~(3)~~ if there is a dependent child or children under ~~paragraph (a) or (b) clause (1) or (2)~~, the ~~association shall grant~~ dependent child is entitled to a dependent child benefit under section 353.31, subdivision 1b, paragraph (b).

Sec. 52. Minnesota Statutes 2004, section 354.091, is amended to read:

354.091 [SERVICE CREDIT.]

(a) In computing service credit, no teacher ~~shall~~ may receive credit for more than one year of teaching service for any fiscal year. ~~Commencing July 1, 1961~~ Additionally, in crediting allowable service:

(1) if a teacher teaches less than five hours in a day, service credit must be given for the fractional part of the day as the term of service performed bears to five hours;

(2) if a teacher teaches five or more hours in a day, service credit must be given for only one day;

(3) if a teacher teaches at least 170 full days in any fiscal year, service credit must be given for a full year of teaching service; and

(4) if a teacher teaches for only a fractional part of the year, service credit must be given for such fractional part of the year in the same relationship as the period of service performed bears to 170 days.

(b) A teacher ~~shall~~ must receive a full year of service credit based on the number of days in the employer's full school year if ~~it~~ that school year is less than 170 days. Teaching service performed before July 1, 1961, must be computed under the law in effect at the time it was performed.

(c) A teacher must not lose or gain retirement service credit as a result of the employer converting to a flexible or alternate work schedule. If the employer converts to a flexible or alternate work schedule, the forms for reporting teaching service and the procedures for determining service credit must be determined by the executive director with the approval of the board of trustees.

(d) For all services rendered on or after July 1, 2003, service credit for all members employed by the Minnesota State Colleges and Universities system must be determined:

(1) for full-time employees, by the definition of full-time employment contained in the collective bargaining agreement for those units listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary plan for those positions designated in section 179A.10, subdivision 1;

(2) for part-time employees, by the appropriate proration of full-time equivalency based on the provisions contained in the collective bargaining agreement for those units listed in section 179A.10, subdivision 2, or contained in the applicable personnel or salary plan for those positions designated in section 179A.10, subdivision 1, and the applicable procedures of the Minnesota State Colleges and Universities system; and

(3) in no case may a member receive more than one year of service credit for any fiscal year.

Sec. 53. Minnesota Statutes 2004, section 354.10, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; EXCEPTIONS.] (a) The provisions of section 356.401 apply to the teachers retirement plan.

(b) The right of a teacher to take advantage of the benefits provided by this chapter, is a personal right only and is not assignable. All money to the credit of a teacher's account in the fund or any money payable to the teacher from the fund belongs to the state of Minnesota until actually paid to the teacher or a beneficiary under this chapter.

(c) The association may acknowledge a properly completed power of attorney form. ~~An assignment or attempted assignment of a teacher's interest in the fund, or of the beneficiary's interest in the fund, by a teacher or a beneficiary is void and exempt from garnishment or levy under attachment or execution, except as provided in subdivision 2 or 3, or section 518.58, 518.581, or 518.6111.~~

Sec. 54. Minnesota Statutes 2004, section 354.10, subdivision 3, is amended to read:

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If, in the judgment of the executive director, conditions so warrant, payment of an annuity, a retirement benefit, or a refund may be made to a public body in behalf of an annuitant, disablitant, or survivor upon such terms as the executive director may prescribe.

Sec. 55. Minnesota Statutes 2004, section 354.10, subdivision 4, is amended to read:

Subd. 4. [CHANGES IN DESIGNATED BENEFICIARIES.] ~~Any~~ (a) A beneficiary designated by a retiree or member under section 354.05, subdivision 22, may be changed or revoked by the retiree or member on a form provided by the executive director.

(b) A change or revocation made under this subdivision is valid only if the properly completed form is received by the association on or before the date of death of the retiree or the member.

(c) If a designated beneficiary dies before the retiree or member designating the beneficiary, and a new beneficiary is not designated, the retiree's or member's estate is the beneficiary.

Sec. 56. Minnesota Statutes 2004, section 354.33, subdivision 5, is amended to read:

Subd. 5. [RETIREEES NOT ELIGIBLE FOR FEDERAL BENEFITS.] Notwithstanding the provisions of section 354.55, subdivision 3, when any person retires after July 1, 1973, who ~~(a)~~ (1) has ten or more years of allowable service, and ~~(b)~~ (2) does not have any retroactive Social Security coverage by reason of the person's position in the retirement system, and ~~(c)~~ (3) does not qualify for federal old age and survivor primary benefits at the time of retirement, the annuity ~~shall~~ must be computed under section 354.44, subdivision 2, of the law in effect on June 30, 1969, except that accumulations after June 30, 1957, ~~shall~~ must be calculated using the same mortality table and interest assumption as are used to transfer the required reserves to the Minnesota postretirement investment fund.

Sec. 57. Minnesota Statutes 2004, section 354.39, is amended to read:

354.39 [EFFECTIVE DATE; APPLICATION.]

~~After July 1, 1971, any~~ A member of the Teachers Retirement Association who is employed in a new state university ~~and or any other new institutions~~ institution of higher learning not included in any agreement or modification made between the state and the federal Secretary of Health, ~~Education and Welfare~~ Human Services, making the provisions of the federal Old Age ~~and~~ Survivors ~~and~~ Disability Insurance Act applicable to such members, ~~shall~~ must be covered under the provisions of this chapter applicable to coordinated members.

Sec. 58. Minnesota Statutes 2004, section 354.41, subdivision 2, is amended to read:

Subd. 2. [TEACHERS.] Every teacher ~~after June 30, 1957, in the service or entering~~ the service of the state or one of its governmental subdivisions as a teacher, except persons ~~specifically~~ specifically excluded, ~~shall~~ must become a member of the association by the acceptance of such employment.

Sec. 59. Minnesota Statutes 2004, section 354.42, is amended by adding a subdivision to read:

Subd. 1a. [TEACHERS RETIREMENT FUND.] (a) Within the Teachers Retirement Association and the state treasury is created a special retirement fund, which must include all the assets of the Teachers Retirement Association and all revenue of the association. The fund is the continuation of the fund established under Laws 1931, chapter 406, section 2, notwithstanding the repeal of Minnesota Statutes 1973, section 354.42, subdivision 1, by Laws 1974, chapter 289, section 59.

(b) The teachers retirement fund must be credited with all employee and employer contributions, all investment revenue and gains, and all other income authorized by law.

(c) From the teachers retirement fund is appropriated the payments of annuities and benefits authorized by this chapter, the transfers to the Minnesota postretirement investment fund, and the reasonable and necessary expenses of administering the fund and the association.

Sec. 60. Minnesota Statutes 2004, section 354.44, subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF MONEY PURCHASE ANNUITY.] (a) The amount of retirement annuity is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest thereon. The annuity ~~shall~~ must be determined by the member's age, sex, double the amount of accumulated deductions, double the amount of interest earned on the accumulated deductions, and the appropriate mortality tables and interest rates. To determine the amount of the annuity for a basic member, the accumulated deductions ~~prior to before~~ before July 1, 1957, and the accumulated deductions ~~subsequent to after~~ after July 1, 1957, ~~shall~~ must be considered separately.

~~(b)~~ (b) For service rendered ~~prior to before~~ before July 1, 1957, the accumulated deductions for ~~any a~~ member ~~shall~~ must be carried forward at a fixed amount which is shown credited to the member's account as of that date. That fixed amount ~~shall~~ must also include any payments in lieu of salary deductions which ~~are to be made in the future and are~~ were actually so made ~~pursuant to under~~ an agreement executed between the member and the board as authorized by section 354.50 or any other authorized payments made by the member to the fund. The annuity granted with respect to the period ~~shall~~ must be determined as follows:

~~(a)~~ (1) the fixed amount of the accumulated deductions for the period including the interest credited on the amount as earned up to July 1, 1957; and

~~(b)~~ (2) annuity purchase rates based on the applicable mortality table established by the board and the interest rate assumption in effect ~~prior to~~ before July 1, 1957, in the case of basic members and an annuity purchase rate based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 8, in the case of coordinated members.

~~(2)~~ (c) For service rendered ~~subsequent to~~ after July 1, 1957, the accumulated deductions for ~~any a~~ a member ~~shall~~ must consist of the amounts actually credited to the member's account by reason of salary deductions. The annuity granted with respect to the period ~~shall~~ must be determined by the following:

~~(a)~~ (1) accumulated deductions for the period;

~~(b)~~ (2) interest credited on these accumulated deductions from July 1, 1957, to the date of retirement;

~~(c)~~ (3) interest credited on accumulated deductions including prior credited interest provided in paragraph ~~(4)~~ (b) from July 1, 1957, to the date of retirement;

~~(d)~~ (4) after the amount available for an annuity granted with respect to the person is determined in accordance with the provisions of this subdivision, an additional amount equal to 20 percent of the sum of clause ~~(2)~~~~(a)~~ (1) plus interest credited to ~~members a~~ a member's account from July 1, 1957, to date of retirement is to be added. This added amount is not to be doubled as provided for other amounts determined in this subdivision; and

~~(e)~~ (5) the annuity purchase rate based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 8.

Sec. 61. Minnesota Statutes 2004, section 354A.021, subdivision 5, is amended to read:

Subd. 5. [TAX SHELTERED ANNUITY PROGRAM AND FUND.] ~~Any~~ A teachers retirement fund association may establish a tax sheltered annuity program and fund meeting the requirements of section 403(b) of the Internal Revenue Code of 1986, as amended ~~through December 31, 1992~~, which ~~shall~~ must include all assets which were acquired for the specific purpose of being credited to the program and fund and to which ~~shall~~ must be credited all employee contributions; and employer contributions, if negotiated under a collective bargaining agreement, designated for this purpose and all interest income attributable to the assets of the program and fund.

Sec. 62. Minnesota Statutes 2004, section 354A.097, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT PURCHASE AUTHORIZED.] A teacher who has at least three years of allowable service credit with the teachers retirement fund association and who performed service in the United States armed forces before becoming a teacher as defined in section 354A.011, subdivision 27, or who failed to obtain service credit for a military leave of absence period under section 354A.093, is entitled to purchase allowable service credit for the initial period of enlistment, induction, or call to active duty without any voluntary extension by making payment under section ~~356.55 provided~~ 356.551 if the teacher has not purchased service credit from another Minnesota defined benefit public employee pension plan for the same period of service.

Sec. 63. Minnesota Statutes 2004, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at normal retirement age with at least three years of service credit, a coordinated member ~~shall be~~ is entitled to a normal retirement annuity calculated ~~pursuant to~~ under subdivision 4 or 4a, whichever applies.

Sec. 64. [356.401] [EXEMPTION FROM PROCESS.]

Subdivision 1. [EXEMPTION; EXCEPTIONS.] None of the money, annuities, or other benefits provided for in the governing law of a covered retirement plan is assignable either in law or in equity or subject to state estate tax, or to execution, levy, attachment, garnishment, or other legal process, except as provided in subdivision 2 or section 518.58, 518.581, or 518.6111.

Subd. 2. [AUTOMATIC DEPOSITS.] (a) The chief administrative officer of a covered retirement plan may remit, through an automatic deposit system, annuity, benefit, or refund payments only to a financial institution associated with the National Automated Clearinghouse Association or a comparable successor organization that is trustee for a person who is eligible to receive the annuity, benefit, or refund.

(b) Upon the request of a retiree, disabilitant, survivor, or former member, the chief administrative officer of a covered retirement plan may remit the annuity, benefit, or refund check to the applicable financial institution for deposit in the person's individual account or the person's joint account. An overpayment to a joint account after the death of the annuitant or benefit recipient must be repaid to the fund of the applicable covered retirement plan by the joint tenant if the overpayment is not repaid to that fund by the financial institution associated with the National Automated Clearinghouse Association or its successor. The governing board of the covered retirement plan may prescribe the conditions under which these payments may be made.

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

- (1) the legislators retirement plan, established by chapter 3A;
- (2) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;
- (3) the correctional state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;
- (4) the State Patrol retirement plan, established by chapter 352B;
- (5) the elective state officers retirement plan, established by chapter 352C;
- (6) the unclassified state employees retirement program, established by chapter 352D;
- (7) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353;
- (8) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;
- (9) the public employees defined contribution plan, established by chapter 353D;
- (10) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;
- (11) the Teachers Retirement Association, established by chapter 354;
- (12) the Duluth Teachers Retirement Fund Association, established by chapter 354A;

(13) the Minneapolis Teachers Retirement Fund Association, established by chapter 354A;

(14) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

(15) the individual retirement account plan, established by chapter 354B;

(16) the higher education supplemental retirement plan, established by chapter 354C;

(17) the Minneapolis employees retirement fund, established by chapter 422A;

(18) the Minneapolis Police Relief Association, established by chapter 423B;

(19) the Minneapolis Firefighters Relief Association, established by chapter 423C; and

(20) the judges retirement fund, established by sections 490.121 to 490.132.

Sec. 65. Minnesota Statutes 2004, section 356.551, is amended to read:

356.551 [POST JULY 1, ~~2003~~ 2004, PRIOR SERVICE CREDIT PURCHASE PAYMENT AMOUNT DETERMINATION PROCEDURE.]

Subdivision 1. [APPLICATION.] (a) Unless the prior service credit purchase authorization special law or general statute provision explicitly specifies a different purchase payment amount determination procedure, ~~and if section 356.55 has expired,~~ this section governs the determination of the prior service credit purchase payment amount of any prior service credit purchase.

(b) The purchase payment amount determination procedure must recognize any service credit accrued to the purchaser in a pension plan enumerated in section 356.30, subdivision 3.

(c) Any service credit in a Minnesota defined benefit public employee pension plan available to be reinstated by the purchaser through the repayment of a refund of member or employee contributions previously received must be repaid in full before any purchase of prior service credit payment is made under this section.

Subd. 2. [DETERMINATION.] (a) Unless the minimum purchase amount set forth in paragraph (c) applies, the prior service credit purchase amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the chief administrative officer of the pension plan and reviewed by the actuary retained ~~by the Legislative Commission on Pensions and Retirement~~ under section 356.214, of the amount of the additional retirement annuity obtained by the acquisition of the additional service credit in this section.

(b) Calculation of this amount must be made using the preretirement interest rate applicable to the public pension plan specified in section 356.215, subdivision 4d 8, and the mortality table adopted for the public pension plan. The calculation must assume continuous future service in the public pension plan until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in section 356.215, subdivision 4d.

(c) The prior service credit purchase amount may not be less than the amount determined by applying the current employee or member contribution rate, the employer contribution rate, and the additional employer contribution rate, if any, to the person's current annual salary and multiplying that result by the number of whole and fraction years of service to be purchased.

(d) Payment must be made in one lump sum within one year of the prior service credit authorization. Payment of the amount calculated under this section must be made by the applicable eligible person.

(e) However, the current employer or the prior employer may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of 8.5 percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this subdivision, the purchaser must make the employee payments required under this subdivision within ~~290~~ 90 days of the prior service credit authorization. If that employee payment is made, the employer payment under this subdivision must be remitted to the chief administrative officer of the public pension plan within 60 days of receipt by the chief administrative officer of the employee payments specified under this subdivision.

Subd. 3. [DOCUMENTATION.] The prospective prior service credit purchaser must provide any relevant documentation required by the chief administrative officer of the applicable public pension plan to determine eligibility for the prior service credit under this section.

Subd. 4. [PAYMENT PRECONDITION FOR CREDIT GRANT.] Service credit for the purchase period must be granted by the public pension plan to the purchaser upon receipt of the full purchase payment amount specified in subdivision 2.

Sec. 66. Minnesota Statutes 2004, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) [AUTHORITY.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with this subdivision.

(b) [SECURITIES GENERALLY.] The covered pension plan has the authority to purchase, sell, lend, or exchange the securities specified in paragraphs (c) to (g), including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned as units in commingled trusts that own the securities described in paragraphs (c) to (g).

(c) [GOVERNMENT OBLIGATIONS.] The covered pension plan may invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph include guaranteed or insured issues of (1) the United States, its agencies, its instrumentalities, or organizations created and regulated by an act of Congress; (2) Canada and its provinces, provided the principal and interest is payable in United States dollars; (3) the states and their municipalities, political subdivisions, agencies, or instrumentalities; (4) the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, or any other United States government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars.

(d) [CORPORATE OBLIGATIONS.] The covered pension plan may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(1) the principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof must be payable in United States dollars; and

(2) obligations must be rated among the top four quality categories by a nationally recognized rating agency.

(e) [OTHER OBLIGATIONS.] (1) The covered pension plan may invest funds in bankers acceptances, certificates of deposit, deposit notes, commercial paper, mortgage participation certificates and pools, asset backed securities, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(i) bankers acceptances and deposit notes of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit are limited to those issued by (A) United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies; or (B) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;

(iii) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3;

(v) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(vi) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts are limited to those fully insured by federal agencies; and

(viii) asset backed securities must be rated in the top four quality categories by a nationally recognized rating agency.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), the covered pension plan may purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date,

not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(f) [CORPORATE STOCKS.] The covered pension plan may invest funds in stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof, the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange, if they conform to the following provisions:

(1) the aggregate value of corporate stock investments, as adjusted for realized profits and losses, must not exceed 85 percent of the market or book value, whichever is less, of a fund, less the aggregate value of investments according to ~~subdivision 6~~ paragraph (g);

(2) investments must not exceed five percent of the total outstanding shares of any one corporation.

(g) [OTHER INVESTMENTS.] (1) In addition to the investments authorized in paragraphs (b) to (f), and subject to the provisions in clause (2), the covered pension plan may invest funds in:

(i) venture capital investment businesses through participation in limited partnerships and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(iv) resource investments through limited partnerships, private placements, and corporations; and

(v) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made according to clause (1) may not exceed 35 percent of the market value of the fund for which the covered pension plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the state board for investments made under clause (1), item (i), (ii), (iii), or (iv);

(iii) covered pension plan participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), (iii), or (iv); and

(iv) covered pension plan participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The covered pension plan may not engage in any activity as a limited partner which creates general liability.

Sec. 67. Minnesota Statutes 2004, section 422A.01, subdivision 11, is amended to read:

Subd. 11. [EMPLOYEE.] "Employee" means ~~any a person who is~~ not exempted from the contributing class ~~pursuant to under~~ section 422A.09, subdivision 3, who ~~is was~~ employed ~~before July 1, 1979,~~ by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of city government or independently if financed in whole or in part by city funds, including ~~any a person who was~~ employed by a public corporation as herein defined, ~~and including any a person who was~~ employed ~~before July 1, 1979,~~ by Special School District No. 1, ~~and~~ who is not a member of any other retirement system, and ~~also including any a person who is was~~ employed ~~before July 1, 1973,~~ by the county of Hennepin, who was entitled by law to elect and has elected to retain membership in the ~~municipal Minneapolis~~ Employees Retirement Fund and who makes any required member contributions to the fund ~~and who remains so employed.~~

Sec. 68. Minnesota Statutes 2004, section 422A.06, subdivision 7, is amended to read:

Subd. 7. [DISABILITY BENEFIT FUND.] (a) ~~The required reserves for disability allowances which become effective after December 31, 1973, shall be transferred from the deposit accumulation fund to the A~~ disability benefit fund ~~is established, containing the required reserves for disability allowances under this chapter.~~ A proportionate share of income from investments ~~shall must~~ be allocated to this fund. There ~~shall must~~ be paid from this fund the disability allowances ~~which become effective after December 31, 1973 payable under this chapter.~~

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

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

Sec. 69. Minnesota Statutes 2004, section 422A.10, subdivision 1, is amended to read:

Subdivision 1. [MEMBER CONTRIBUTION RATE; DEDUCTIONS.] (a) There ~~shall must~~ be deducted and withheld from the basic salary, pay or compensation of each employee in the contributing class, ~~prior to January 1, 1980 an amount equal to 7 1/4 percent, after December 31, 1979 but prior to January 1, 1981 an amount equal to 8 1/4 percent and after December 31, 1980 an amount equal to 9-1/4 percent of such salary, pay or compensation, except as hereinafter provided.~~

(b) The retirement board may increase the percentage rate of contribution to the retirement fund of any employee or employees for the purpose of establishing and maintaining on an actuarial basis a plan of insurance, survivors' benefits, or other type of benefit or benefits, the cost of which ~~shall must~~ be paid out of such extra percentage so authorized and deducted from the employee's compensation, except as hereinafter provided. Any plan or plans so established and placed in operation may be amended from time to time, or may be abandoned, but if abandoned, any surplus remaining from the operation of a plan ~~shall must~~ be the property of the fund, and ~~shall must~~ be credited to the reserve for loss in investment account.

Sec. 70. Minnesota Statutes 2004, section 422A.10, subdivision 2, is amended to read:

Subd. 2. [~~CONSENT TO DEDUCTIONS~~ MANDATORY MEMBER CONTRIBUTIONS.] Every employee to whom sections 422A.01 to 422A.25 ~~this chapter~~ applies ~~who shall continue in the service after the passage of Laws 1919, chapter 522, as well as every person to whom sections 422A.01 to 422A.25 applies who may hereafter be~~

~~appointed to a position or place, shall be~~ is deemed to consent and agree to the deductions made and provided for herein, and payment with such reductions, for service, ~~shall be~~ are a full and complete discharge and acquittance of all claims and demands for all services rendered by such person during the period covered by such payment; except the person's claim to the benefits to which the person may be entitled under the provisions of ~~sections 422A.01 to 422A.25~~ this chapter.

Sec. 71. Minnesota Statutes 2004, section 422A.22, subdivision 1, is amended to read:

Subdivision 1. [RETENTION; TRANSFER.] (a) If an employee to whom ~~sections 422A.01 to 422A.25~~ this chapter applies becomes absolutely separated from ~~the active~~ service ~~prior to~~ before attaining the minimum retirement age established in section 422A.13, the employee is entitled to a refund of the net accumulated amount of deduction from salary, pay, or compensation, made for the purpose of accumulating a fund from which to pay retirement allowances, ~~shall be returned to such employee,~~ with interest at the annual compound rate of six percent.

(b) Any contributing employee who separates from a department, board or commission of the city whose employees are covered by a fund organized under ~~sections 422A.01 to 422A.25~~ this chapter, and becomes an employee of a department or board of the same city, whose employees are covered by a retirement fund or relief association by whatever name known, organized under any other law and supported in whole or in part by taxes on the same city, ~~shall have~~ has the option of:

(1) retaining their membership in the fund organized under ~~sections 422A.01 to 422A.25~~ this chapter, regardless of the provisions of any law, rule, bylaw or other action requiring membership in any other retirement fund or relief association however organized; or

(2) transferring to the fund or association covering the employees of the department or board to which they are transferring, providing they are eligible for membership therein.

(c) Any contributing employee who elects to transfer to another fund or association as ~~herein~~ provided in paragraph (b), clause (2), shall must make such election within one year from the date of separation from the city service covered by this fund. If the contributing employee elects to transfer to another fund ~~as herein provided,~~ the employee is entitled to a refund of the net accumulated contributions made by such employee to the fund organized under ~~sections 422A.01 to 422A.25,~~ shall be returned to the employee this chapter with interest at the annual compound rate of six percent.

Sec. 72. Minnesota Statutes 2004, section 422A.22, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON ELIGIBILITY.] No employee of the city ~~shall be~~ is eligible to be a member of, or receive benefits from, more than one retirement plan or fund of the city for the same period of service.

Sec. 73. Minnesota Statutes 2004, section 422A.22, subdivision 4, is amended to read:

Subd. 4. [DEATH-WHILE-ACTIVE REFUND.] (a) Upon the death of an active member ~~prior to~~ before the employee's termination of active service, ~~there shall be paid to~~ the beneficiary or beneficiaries designated by the member on a form specified by the executive director and filed with the retirement board, are entitled to receive the net accumulated employee deductions from salary, pay, or compensation, including interest under subdivision 1, paragraph (a), compounded annually to the date of the member's death. The amount must not include any contributions made by the employee or on the employee's behalf, or any interest or investment earnings on those contributions, which were allocated to the survivor benefit fund under section 422A.06, subdivision 6.

(b) If the employee fails to make a designation, or if the beneficiary or beneficiaries designated by the employee predeceases the employee, ~~the benefit specified in paragraph (a) must be paid to the deceased employee's estate is entitled to the benefit specified in paragraph (a).~~

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

Sec. 74. Minnesota Statutes 2004, section 422A.22, subdivision 6, is amended to read:

Subd. 6. [REFUND; MUNICIPAL EMPLOYEES RETIREMENT FUND.] ~~Any~~ A person who has received a refund from the ~~municipal~~ Minneapolis Employees Retirement Fund, and who is a member of a public retirement system included in section 422A.16, subdivision 8, may repay such refund with interest at a compound annual rate of 8.5 percent to the ~~municipal~~ Minneapolis Employees Retirement Fund. If a refund is repaid to the fund and if more than one refund has been received from the fund, all refunds must be repaid. Repayment ~~shall~~ must be made as provided in ~~sections 422A.01 to 422A.25~~ this chapter.

Sec. 75. Minnesota Statutes 2004, section 422A.231, is amended to read:

422A.231 [COST ALLOCATION.]

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

(b) In each actuarial valuation of the retirement fund, the actuary retained ~~by the Legislative Commission on Pensions and Retirement under section 356.214~~ shall include an exhibit on the impact of the benefit increases contained in this article on the survivor benefit fund. The actuary shall calculate the expected change in the present value of the future benefits payable from the survivor benefit fund attributable to this article, using the actuarial method and assumptions applicable to the Minneapolis Employees Retirement Fund, from the prior actuarial valuation and shall compare that result with the actual change in the present value of future benefits payable from the survivor benefit fund attributable to this article from the prior actuarial valuation.

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

Sec. 76. Minnesota Statutes 2004, section 422A.24, is amended to read:

422A.24 [ALLOWANCES NOT ASSIGNABLE OR SUBJECT TO PROCESS.]

~~No money payable pursuant to this chapter shall be assignable either in law or equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111, nor shall any of the proceeds of payments due pursuant to this chapter be subject to the inheritance tax provisions of this state upon transfer to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit. The provisions of section 356.401 apply to the Minneapolis employees retirement plan.~~

Sec. 77. Minnesota Statutes 2004, section 423B.17, is amended to read:

423B.17 [PAYMENTS EXEMPT FROM PROCESS.]

~~A payment made by the association under a provision of sections 423B.01 to 423B.18, as amended, is exempt from legal process except as provided in section 518.58, 518.581, or 518.6111. No person entitled to a payment may assign the same. The association may not recognize an assignment or pay a sum on account of an assignment. The provisions of section 356.401 apply to the Minneapolis Police Relief Association.~~

Sec. 78. Minnesota Statutes 2004, section 423C.09, is amended to read:

423C.09 [PAYMENTS EXEMPT FROM PROCESS.]

~~All payments made, or to be made, by the association under this chapter shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. No person entitled to a payment shall have the right to assign the name, nor shall the association have authority to recognize any assignment or to pay any sum on account thereof. Any attempt to transfer any right or claim, or any part thereof, shall be void. The provisions of section 356.401 apply to the Minneapolis Firefighters Relief Association.~~

Sec. 79. Minnesota Statutes 2004, section 490.126, subdivision 5, is amended to read:

Subd. 5. [EXEMPTION FROM PROCESS; NO ASSIGNMENT.] ~~None of the money, annuities, or other benefits provided in this chapter is assignable either in law or equity or is subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. The provisions of section 356.401 apply to the judges retirement plan.~~

Sec. 80. [REVISOR'S INSTRUCTION.]

In the next edition and subsequent editions of Minnesota Statutes, the revisor of statutes shall replace the reference to "sections 422A.01 to 422A.25" with the reference to "this chapter" wherever the reference appears in Minnesota Statutes, chapter 422A.

Sec. 81. [REPEALER.]

(a) Minnesota Statutes 2004, section 352.119, subdivision 1, is repealed.

(b) Minnesota Statutes 2004, sections 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, and 2c; 353.46, subdivision 4; 353.663; 353.74; and 353.75, are repealed.

(c) Minnesota Statutes 2004, section 354.59, is repealed.

(d) Minnesota Statutes 2004, sections 422A.22, subdivisions 2 and 5; and 422A.221, are repealed.

(e) Minnesota Statutes 2004, sections 352.15, subdivision 1a; 353.15, subdivision 2; and 354.10, subdivision 2, are repealed.

Sec. 82. [EFFECTIVE DATE.]

(a) Sections 1 to 73 and 75 to 81 are effective July 1, 2005.

(b) Section 74 is effective January 1, 2006.

(c) Sections 1, 21, 22, 23, 29, 45, 46, 53, 64, 76, 77, 78, 79, and 81, paragraph (e), do not apply to any cause of action that is proceeding on the date of enactment or to any cause of action for which the applicable statute of limitations has not expired as of the date of enactment.

ARTICLE 13

LOCAL RETIREMENT PLANS

Section 1. Minnesota Statutes 2004, section 356.215, subdivision 8, is amended to read:

Subd. 8. [INTEREST AND SALARY ASSUMPTIONS.] (a) The actuarial valuation must use the applicable following preretirement interest assumption and the applicable following postretirement interest assumption:

plan	preretirement interest rate assumption	postretirement interest rate assumption
general state employees retirement plan	8.5%	6.0%
correctional state employees retirement plan	8.5	6.0
State Patrol retirement plan	8.5	6.0
legislators retirement plan	8.5	6.0
elective state officers retirement plan	8.5	6.0
judges retirement plan	8.5	6.0
general public employees retirement plan	8.5	6.0
public employees police and fire retirement plan	8.5	6.0
local government correctional service retirement plan	8.5	6.0
teachers retirement plan	8.5	6.0
Minneapolis employees retirement plan	6.0	5.0
Duluth teachers retirement plan	8.5	8.5
Minneapolis teachers retirement plan	8.5	8.5
St. Paul teachers retirement plan	8.5	8.5
Minneapolis Police Relief Association	6.0	6.0
Fairmont Police Relief Association	5.0	5.0
Minneapolis Fire Department Relief Association	6.0	6.0
Virginia Fire Department Relief Association	5.0	5.0
<u>Bloomington Fire Department Relief Association</u>	<u>6.0</u>	<u>6.0</u>
local monthly benefit volunteer firefighters relief associations	5.0	5.0

(b) The actuarial valuation must use the applicable following single rate future salary increase assumption, the applicable following modified single rate future salary increase assumption, or the applicable following graded rate future salary increase assumption:

(1) single rate future salary increase assumption

plan	future salary increase assumption
legislators retirement plan	5.0%
elective state officers retirement plan	5.0

judges retirement plan	5.0
Minneapolis Police Relief Association	4.0
Fairmont Police Relief Association	3.5
Minneapolis Fire Department Relief Association	4.0
Virginia Fire Department Relief Association	3.5
<u>Bloomington Fire Department Relief Association</u>	<u>4.0</u>

(2) modified single rate future salary increase assumption

plan	future salary increase assumption
Minneapolis employees retirement plan	the prior calendar year amount increased first by 1.0198 percent to prior fiscal year date and then increased by 4.0 percent annually for each future year

(3) select and ultimate future salary increase assumption or graded rate future salary increase assumption

plan	future salary increase assumption
general state employees retirement plan	select calculation and assumption A
correctional state employees retirement plan	assumption H
State Patrol retirement plan	assumption H
general public employees retirement plan	select calculation and assumption B
public employees police and fire fund retirement plan	assumption C
local government correctional service retirement plan	assumption H
teachers retirement plan	assumption D
Duluth teachers retirement plan	assumption E
Minneapolis teachers retirement plan	assumption F
St. Paul teachers retirement plan	assumption G

The select calculation is:

during the ten-year select period, a designated percent is multiplied by the result of ten minus T, where T is the number of completed years of service, and is added to the applicable future salary increase assumption. The designated percent is 0.2 percent for the correctional state employees retirement plan, the State Patrol retirement plan, the public employees police and fire plan, and the local government correctional service plan; 0.3 percent for the general state employees retirement plan, the general public employees retirement plan, the teachers retirement plan, the Duluth Teachers Retirement Fund Association, and the St. Paul Teachers Retirement Fund Association; and 0.4 percent for the Minneapolis Teachers Retirement Fund Association.

The ultimate future salary increase assumption is:

Age	A	B	C	D	E	F	G	H
16	6.95%	6.95%	11.50%	8.20%	8.00%	6.50%	6.90%	7.7500
17	6.90	6.90	11.50	8.15	8.00	6.50	6.90	7.7500
18	6.85	6.85	11.50	8.10	8.00	6.50	6.90	7.7500
19	6.80	6.80	11.50	8.05	8.00	6.50	6.90	7.7500
20	6.75	6.40	11.50	6.00	6.90	6.50	6.90	7.7500
21	6.75	6.40	11.50	6.00	6.90	6.50	6.90	7.1454
22	6.75	6.40	11.00	6.00	6.90	6.50	6.90	7.0725
23	6.75	6.40	10.50	6.00	6.85	6.50	6.85	7.0544
24	6.75	6.40	10.00	6.00	6.80	6.50	6.80	7.0363
25	6.75	6.40	9.50	6.00	6.75	6.50	6.75	7.0000
26	6.75	6.36	9.20	6.00	6.70	6.50	6.70	7.0000
27	6.75	6.32	8.90	6.00	6.65	6.50	6.65	7.0000
28	6.75	6.28	8.60	6.00	6.60	6.50	6.60	7.0000
29	6.75	6.24	8.30	6.00	6.55	6.50	6.55	7.0000
30	6.75	6.20	8.00	6.00	6.50	6.50	6.50	7.0000
31	6.75	6.16	7.80	6.00	6.45	6.50	6.45	7.0000
32	6.75	6.12	7.60	6.00	6.40	6.50	6.40	7.0000
33	6.75	6.08	7.40	6.00	6.35	6.50	6.35	7.0000
34	6.75	6.04	7.20	6.00	6.30	6.50	6.30	7.0000
35	6.75	6.00	7.00	6.00	6.25	6.50	6.25	7.0000
36	6.75	5.96	6.80	6.00	6.20	6.50	6.20	6.9019
37	6.75	5.92	6.60	6.00	6.15	6.50	6.15	6.8074
38	6.75	5.88	6.40	5.90	6.10	6.50	6.10	6.7125
39	6.75	5.84	6.20	5.80	6.05	6.50	6.05	6.6054
40	6.75	5.80	6.00	5.70	6.00	6.50	6.00	6.5000
41	6.75	5.76	5.90	5.60	5.90	6.50	5.95	6.3540
42	6.75	5.72	5.80	5.50	5.80	6.50	5.90	6.2087
43	6.65	5.68	5.70	5.40	5.70	6.50	5.85	6.0622
44	6.55	5.64	5.60	5.30	5.60	6.50	5.80	5.9048
45	6.45	5.60	5.50	5.20	5.50	6.50	5.75	5.7500
46	6.35	5.56	5.45	5.10	5.40	6.40	5.70	5.6940
47	6.25	5.52	5.40	5.00	5.30	6.30	5.65	5.6375
48	6.15	5.48	5.35	5.00	5.20	6.20	5.60	5.5822
49	6.05	5.44	5.30	5.00	5.10	6.10	5.55	5.5404
50	5.95	5.40	5.25	5.00	5.00	6.00	5.50	5.5000
51	5.85	5.36	5.25	5.00	5.00	5.90	5.45	5.4384
52	5.75	5.32	5.25	5.00	5.00	5.80	5.40	5.3776
53	5.65	5.28	5.25	5.00	5.00	5.70	5.35	5.3167
54	5.55	5.24	5.25	5.00	5.00	5.60	5.30	5.2826
55	5.45	5.20	5.25	5.00	5.00	5.50	5.25	5.2500
56	5.35	5.16	5.25	5.00	5.00	5.40	5.20	5.2500
57	5.25	5.12	5.25	5.00	5.00	5.30	5.15	5.2500
58	5.25	5.08	5.25	5.10	5.00	5.20	5.10	5.2500
59	5.25	5.04	5.25	5.20	5.00	5.10	5.05	5.2500
60	5.25	5.00	5.25	5.30	5.00	5.00	5.00	5.2500
61	5.25	5.00	5.25	5.40	5.00	5.00	5.00	5.2500
62	5.25	5.00	5.25	5.50	5.00	5.00	5.00	5.2500

63	5.25	5.00	5.25	5.60	5.00	5.00	5.00	5.2500
64	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
65	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
66	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
67	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
68	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
69	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
70	5.25	5.00	5.25	5.70	5.00	5.00	5.00	5.2500
71	5.25	5.00		5.70				

(c) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

plan	payroll growth assumption
general state employees retirement plan	5.00%
correctional state employees retirement plan	5.00
State Patrol retirement plan	5.00
legislators retirement plan	5.00
elective state officers retirement plan	5.00
judges retirement plan	5.00
general public employees retirement plan	6.00
public employees police and fire retirement plan	6.00
local government correctional service retirement plan	6.00
teachers retirement plan	5.00
Duluth teachers retirement plan	5.00
Minneapolis teachers retirement plan	5.00
St. Paul teachers retirement plan	5.00

Sec. 2. Minnesota Statutes 2004, section 356.216, is amended to read:

356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE AND FIRE FUNDS.]

(a) The provisions of section 356.215 that govern the contents of actuarial valuations must apply to any local police or fire pension fund or relief association required to make an actuarial report under this section, except as follows:

(1) in calculating normal cost and other requirements, if required to be expressed as a level percentage of covered payroll, the salaries used in computing covered payroll must be the maximum rate of salary on which retirement and survivorship credits and amounts of benefits are determined and from which any member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 11, the appropriate amortization target date specified in section 69.77, subdivision 4, or 69.773, subdivision 4, clause (c), must be used in calculating any required amortization contribution, except that if the actuarial report for the Bloomington Fire Department Relief Association indicates an unfunded actuarial accrued liability, the unfunded obligation is to be amortized on a level dollar basis by December 31 of the year occurring 20 years later, and if subsequent actuarial valuations for the Bloomington Fire Department Relief Association determine a net actuarial experience loss incurred during the year which ended as of the day before the most recent actuarial valuation date, any unfunded liability due to that loss is to be amortized on a level dollar basis by December 31 of the year occurring 20 years later;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 13, the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members must be reported;

(4) actuarial valuations required under section 69.773, subdivision 2, must be made at least every four years and actuarial valuations required under section 69.77 shall be made annually;

(5) the actuarial balance sheet showing accrued assets valued at market value if the actuarial valuation is required to be prepared at least every four years or valued as current assets under section 356.215, subdivision 1, clause (6), or paragraph (b), whichever applies, if the actuarial valuation is required to be prepared annually, actuarial accrued liabilities, and the unfunded actuarial accrued liability must include the following required reserves:

(i) For active members

1. Retirement benefits
2. Disability benefits
3. Refund liability due to death or withdrawal
4. Survivors' benefits

(ii) For deferred annuitants' benefits

(iii) For former members without vested rights

(iv) For annuitants

1. Retirement annuities
2. Disability annuities
3. Surviving spouses' annuities
4. Surviving children's annuities

In addition to those required reserves, separate items must be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above; and

(6) actuarial valuations are due by the first day of the seventh month after the end of the fiscal year which the actuarial valuation covers.

(b) For the Minneapolis Firefighters Relief Association or the Minneapolis Police Relief Association, the following provisions additionally apply:

(1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability, and amortization contribution of the relief association, "current assets" means the value of all assets at cost, including realized capital gains and losses, plus or minus, whichever applies, the average value of total unrealized capital gains or losses for the most recent three-year period ending with the end of the plan year immediately preceding the actuarial valuation report transmission date; and

(2) in calculating the applicable portions of the actuarial valuation, an annual preretirement interest assumption of six percent, an annual postretirement interest assumption of six percent, and an annual salary increase assumption of four percent must be used.

Sec. 3. [AURORA, BIWABIK CITY, HOYT LAKES, AND PALO VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS; CONSOLIDATION.]

(a) This section applies to consolidation of any combination of two or more of the following volunteer firefighter relief associations: Aurora, Biwabik City, Hoyt Lakes, and Palo.

(b) Notwithstanding Minnesota Statutes, section 424B.10, subdivision 1, paragraph (a), the service pension to be paid by the relief association existing after the consolidation is as follows:

(1) for the service rendered by each individual volunteer firefighter before the effective date of the consolidation, the service pension amount is the amount payable to that volunteer firefighter under the articles of incorporation or bylaws of the consolidating volunteer firefighters relief association that the firefighter was a member of immediately before the consolidation;

(2) for the service rendered after the effective date of the consolidation, the service pension amount is the highest dollar amount service pension of any of the consolidating volunteer firefighters relief associations under the articles of incorporation or bylaws in effect immediately before the consolidation; and

(3) after consolidation, increases in the amounts established in clauses (1) and (2) may be implemented if consistent with applicable requirements of Minnesota Statutes, chapters 69 and 424A.

Sec. 4. [EVELETH RETIRED POLICE AND FIRE TRUST FUND; AD HOC POSTRETIREMENT ADJUSTMENT.]

(a) In addition to the current pensions and other retirement benefits payable, the pensions and retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund are increased by \$100 per month. Increases are retroactive from January 1, 2005.

(b) Following the January 1, 2005, effective date of the benefit increase provided under paragraph (a), every two years thereafter, to be effective no earlier than the applicable January 1, the city council of the city of Eveleth is authorized to provide permanent, uniform benefit increases, not less than \$10 per month nor to exceed \$100 per month, to any remaining retirees and survivors receiving benefits from the Eveleth police and fire trust fund. Any given benefit improvement under this paragraph is not effective unless the city council passes a resolution approving the increase.

(c) Within 30 days following the approval of a resolution under paragraph (b), the chief administrative officer of the city of Eveleth shall file a copy of the resolution with the executive director of the Legislative Commission on Pensions and Retirement, with the chair of the house Governmental Operations and Veterans Affairs Committee, and with the chair of the senate State and Local Government Operations Committee. Along with a copy of the resolution, the city's chief administrative officer must send a statement indicating the age of each benefit recipient and the retirement benefit or survivor benefit being received before and after the benefit increase.

Sec. 5. [MAPLEWOOD AND OAKDALE VOLUNTEER FIREFIGHTER RELIEF ASSOCIATIONS; TRANSFER OF ASSETS.]

Notwithstanding any limitations in Minnesota Statutes, section 424A.02, subdivision 13, or any other provision of law to the contrary, if an agreement between the affected relief associations and cities is reached as provided in this section, the Maplewood Firefighters Relief Association may transfer assets from its special fund to the Oakdale Fire Department Relief Association representing the value of the accumulated service credit for the current members

of the Oakdale Fire Department Relief Association who are currently eligible to receive a combined service pension for firefighter service in both associations. The transfer of the assets from the Maplewood Firefighters Relief Association to the Oakdale Fire Department Relief Association must be in an amount representing the cumulative value of the service credit earned by the members of the Oakdale Fire Department Relief Association who are currently eligible to receive a combined service pension for firefighting service in both associations for the service credit that they accrued while working for the Maplewood Fire Department. The amount of the assets, liabilities, and service credit to be transferred must be specified in a joint agreement negotiated by the secretaries of the two relief associations and ratified by the boards of trustees of both relief associations and of the cities of Maplewood and Oakdale. The agreement must specify by name or other appropriate means the firefighters affected by the liability, asset, and service credit transfer. The ratification must be expressed in the form of resolutions adopted by each entity. The agreements must specify the amount of assets to be transferred, the amount of liabilities to be transferred, and the amount of service credit each of the applicable individuals will receive in the Oakdale Fire Department Relief Association. Upon the ratification of the agreement by both relief associations and both cities, the assets, liabilities, and service credit of the applicable individuals must be transferred to the Oakdale Fire Department Relief Association, and the Maplewood Firefighters Relief Association is relieved of any obligation to the individuals. A certified copy of the ratified agreement must be filed with the state auditor and with the secretary of state.

Sec. 6. [EFFECTIVE DATE; LOCAL APPROVAL.]

(a) Sections 1 and 2 are effective the day after the date on which the city council of the city of Bloomington and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(b) Section 3 is effective the day after the date on which the city council of the city of Eveleth and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(c) Section 4 is effective with respect to a volunteer firefighters relief association listed in column A the day after the governing body of the municipality listed in column B and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

<u>A</u>	<u>B</u>
<u>Aurora</u>	<u>city of Aurora</u>
<u>Biwabik</u>	<u>city of Biwabik</u>
<u>Hoyt Lakes</u>	<u>city of Hoyt Lakes</u>
<u>Palo</u>	<u>town of White</u>

(d) Section 5 is effective the day after the governing body of the city of Maplewood, the governing body of the city of Oakdale, the Maplewood chief clerical officer, and the Oakdale chief clerical officer complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; clarifying and revising various plan provisions; eliminating obsolete provisions; defining final average salary; modifying the definition of allowable service to include time on strike; permitting judges to purchase service credit for an authorized leave; requiring specified payments; clarifying references to actuarial services in determining actuarial equivalence; defining covered salary to include certain employer contributions to supplemental retirement plans; specifying itemized detail of plan administrative expenses in annual financial reporting; excluding police officers of the University of Minnesota from the public employees police and fire fund; clarifying collection procedures relating to charter schools; adding a uniform nonassignment and legal process exemption provision; adding employees of Bridges Medical Services,

Hutchinson Area Health Care, and Northfield Hospital to privatization coverage; extending date for filing special law approval with the secretary of state for the RenVilla Nursing Home; requiring the privatization periodic filing of updated copies of articles of incorporation and bylaws; modifying a higher education individual retirement account plan investment option provision; implementing the recommendations of the Volunteer Firefighter Relief Association working group of the state auditor; modifying the trigger date for filing financial reports; revising the per firefighter financing requirements for monthly benefit service pensions; modifying the options for crediting interest on deferred service pensions; clarifying the deferred service pension options available to defined contribution plans; providing for the crediting of service during military service leaves; requiring the amortization of experience losses; clarifying the compliance requirements for the qualification for fire state aid; modifying a limit on mutual fund investments; clarifying corporate stock and exchange traded funds investment authority; modifying the municipal representation requirements on relief association governing boards; clarifying exemptions from process and taxation; providing that certain laws do not apply to the consolidation of specified volunteer firefighter relief associations; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; authorizing the Maplewood Firefighters Relief Association to transfer assets to the Oakdale Firefighters Relief Association to cover service credits earned by certain individuals; appropriating money; amending Minnesota Statutes 2004, sections 3A.01, subdivisions 1, 2, 6, 8, by adding subdivisions; 3A.011; 3A.02, subdivisions 1, 1b, 3, 4, 5; 3A.03, subdivisions 1, 2; 3A.04, subdivisions 1, 2, 3, 4, by adding a subdivision; 3A.05; 3A.07; 3A.10, subdivision 1; 3A.12; 3A.13; 69.011, subdivision 2b, by adding a subdivision; 69.021, subdivisions 5, 11; 69.051, subdivisions 1, 1a; 69.33; 69.771; 69.772, subdivisions 3, 4; 69.773, subdivisions 4, 5; 69.775; 352.01, subdivisions 2a, 4, 5, 12, 21, 23, by adding a subdivision; 352.021, subdivisions 1, 2, 3, 4; 352.04, subdivisions 1, 12; 352.041, subdivisions 1, 2, 3, 5; 352.115, subdivisions 2, 3; 352.15, subdivisions 1, 3, 4; 352.22, subdivision 10; 352.87, subdivision 3; 352.91, by adding a subdivision; 352.93, subdivision 1; 352B.01, subdivisions 1, 2, 3; 352B.02, subdivision 1e; 352B.071; 352C.021, by adding a subdivision; 352C.091, subdivision 1; 352D.01; 352D.015, subdivisions 3, 4; 352D.03; 352D.05, subdivision 4; 352D.085, subdivision 1; 352D.09, subdivision 5; 352D.12; 353.01, subdivisions 6, 10, 14, 32, 33, by adding a subdivision; 353.025; 353.026; 353.027; 353.028; 353.14; 353.15, subdivisions 1, 3; 353.27, subdivision 11; 353.271; 353.28, subdivisions 5, 6; 353.29, subdivision 3; 353.31, subdivision 1c; 353.32, subdivision 9; 353.33, subdivisions 3, 12; 353.64, by adding a subdivision; 353.651, subdivision 3; 353.656, subdivision 1; 353F.02, subdivision 4; 354.05, subdivision 7, by adding a subdivision; 354.091; 354.10, subdivisions 1, 3, 4; 354.33, subdivision 5; 354.39; 354.41, subdivision 2; 354.42, by adding a subdivision; 354.44, subdivisions 2, 6; 354A.011, subdivision 3a, by adding a subdivision; 354A.021, subdivision 5, by adding a subdivision; 354A.097, subdivision 1; 354A.31, subdivisions 4, 4a, 5; 354B.25, subdivision 2; 356.20, subdivision 4; 356.215, subdivision 8; 356.216; 356.24, subdivision 1; 356.551; 356A.06, subdivision 7; 422A.01, subdivisions 6, 11, by adding a subdivision; 422A.06, subdivision 7; 422A.10, subdivisions 1, 2; 422A.15, subdivision 1; 422A.16, subdivision 9; 422A.22, subdivisions 1, 3, 4, 6; 422A.231; 422A.24; 423B.17; 423C.09; 424A.02, subdivisions 3, 4, 7; 424A.04, subdivision 1; 424B.10, subdivision 1; 490.121, subdivisions 1, 4, 6, 7, 13, 14, 15, 20, 21, 22, by adding subdivisions; 490.122; 490.123, subdivisions 1, 1a, 1b, 1c, 2, 3; 490.124, subdivisions 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13; 490.125, subdivision 1; 490.126; 490.133; Laws 1999, chapter 222, article 16, section 16, as amended; Laws 2000, chapter 461, article 4, section 4, as amended; Laws 2004, chapter 267, article 12, section 4; proposing coding for new law in Minnesota Statutes, chapters 352C; 356; 424A; proposing coding for new law as Minnesota Statutes, chapter 490A; repealing Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, 7; 3A.02, subdivision 2; 3A.04, subdivision 1; 3A.09; 352.119, subdivision 1; 352.15, subdivision 1a; 352C.01; 352C.011; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352C.091, subdivisions 2, 3; 353.15, subdivision 2; 353.29, subdivision 2; 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, 2c; 353.46, subdivision 4; 353.651, subdivision 2; 353.663; 353.74; 353.75; 354.10, subdivision 2; 354.59; 422A.22, subdivisions 2, 5; 422A.221; 490.021; 490.025, subdivisions 1, 2, 3, 4, 6; 490.101; 490.102; 490.103; 490.105; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12; 490.121, subdivisions 2, 3, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19, 20."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety Policy and Finance.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 2092 was re-referred to the Committee on Rules and Legislative Administration.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 2118, A bill for an act relating to elections; changing requirements for precinct summary statements; amending Minnesota Statutes 2004, section 204C.24, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"ARTICLE 1
PRECINCT STATEMENTS"

Page 2, after line 9, insert:

"ARTICLE 2
ELECTION ADMINISTRATION

Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 5, is amended to read:

Subd. 5. [ASSOCIATED BUSINESS.] "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$50, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or whose securities the individual holds worth \$2,500 or more at fair market value.

Sec. 2. Minnesota Statutes 2004, section 10A.01, subdivision 9, is amended to read:

Subd. 9. [CAMPAIGN EXPENDITURE.] "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

"Campaign expenditure" includes payments for attending a state or national convention and payments for funeral gifts or memorials.

An expenditure is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (1), "expenditure" includes the dollar value of a donation in kind.

"Expenditure" does not include:

(1) noncampaign disbursements as defined in subdivision 26;

(2) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, political fund, principal campaign committee, or party unit; or

(3) the publishing or broadcasting of news items or editorial comments by the news media.

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

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

Subd. 17c. [IMMEDIATE FAMILY.] "Immediate family" means an individual and the individual's spouse, children, parents, and siblings.

Sec. 4. Minnesota Statutes 2004, section 10A.025, is amended by adding a subdivision to read:

Subd. 1a. [ELECTRONIC FILING.] A report or statement required to be filed under this chapter may be filed electronically. The board shall adopt rules to regulate electronic filing and to ensure that the electronic filing process is secure.

Sec. 5. Minnesota Statutes 2004, section 10A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 11;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento ~~of insignificant~~ with an actual market value of \$15 or less;

(6) informational material of unexceptional value; ~~or~~

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program; or

(8) food or a beverage given at a reception held within the seven-county metropolitan area while the legislature is in session and to which all members of the legislature have been invited, and the cost does not exceed \$5 for each legislator.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or

(2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

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

Sec. 6. Minnesota Statutes 2004, section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.]

A public official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the appearance. The board must send a notice by certified mail to any public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within ten business days after the notice was sent, the board may impose a late filing fee of \$5 per day, not to exceed \$100, starting on the 11th day after the notice was sent. The board must send an additional notice by certified mail to a public official who fails to disclose the participation within 14 days after the first notice was sent by the board that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 7. Minnesota Statutes 2004, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In a statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report before an election and the election must be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; ~~or~~
- (3) by certified mail sent within 48 hours after its receipt; or
- (4) by electronic means sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary in which the statewide or legislative candidate is unopposed.

Sec. 8. Minnesota Statutes 2004, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

- (1) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;
- (2) to a candidate for attorney general, \$1,000 in an election year for the office sought and \$200 in other years;
- (3) to a candidate for the office of secretary of state or state auditor, \$500 in an election year for the office sought and \$100 in other years;
- (4) to a candidate for state senator, \$500 in an election year for the office sought and \$100 in other years; and

(5) to a candidate for state representative, \$500 in an election year for the office sought and \$100 in the other year.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund-raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

(c) A lobbyist, political committee, political party unit, or political fund must not make a contribution a candidate is prohibited from accepting.

Sec. 9. Minnesota Statutes 2004, section 10A.28, subdivision 2, is amended to read:

Subd. 2. [EXCEEDING CONTRIBUTION LIMITS.] A lobbyist, political committee, political fund, political party unit, or principal campaign committee that makes a contribution, or a candidate who permits the candidate's principal campaign committee to accept contributions, in excess of the limits imposed by section 10A.27 is subject to a civil penalty of up to four times the amount by which the contribution exceeded the limits.

Sec. 10. Minnesota Statutes 2004, section 10A.31, subdivision 4, is amended to read:

Subd. 4. [APPROPRIATION.] (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign fund, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Of this appropriation, \$65,000 each fiscal year must be set aside to pay assessments made by the Office of Administrative Hearings under section 211B.37 for nonfrivolous complaints. Amounts remaining after all assessments have been paid must be canceled to the general account.

Sec. 11. Minnesota Statutes 2004, section 203B.04, is amended by adding a subdivision to read:

Subd. 6. [ONGOING ABSENTEE STATUS; TERMINATION.] (a) An eligible voter may apply to a county auditor or municipal clerk for status as an ongoing absentee voter who reasonably expects to meet the requirements of section 203B.02, subdivision 1. Each applicant must automatically be provided with an absentee ballot application for each ensuing election other than an election by mail conducted under section 204B.45, and must have the status of ongoing absentee voter indicated on the voter's registration record.

(b) Ongoing absentee voter status ends on:

(1) the voter's written request;

(2) the voter's death;

(3) return of an ongoing absentee ballot as undeliverable;

(4) a change in the voter's status so that the voter is not eligible to vote under section 201.15 or 201.155; or

(5) placement of the voter's registration on inactive status under section 201.171.

Sec. 12. Minnesota Statutes 2004, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION REQUIREMENTS.] Precinct summary statements shall be submitted by the election judges in every precinct. For ~~state~~ all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(a) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes or partially blank ballots, and the number of overvotes or partially defective ballots with respect to each office or question;

(b) the number of totally blank ballots, the number of totally defective ballots, the number of spoiled ballots, and the number of unused ballots;

(c) the number of individuals who voted at the election in the precinct;

(d) the number of voters registering on election day in that precinct; and

(e) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 13. Minnesota Statutes 2004, section 204C.50, subdivision 1, is amended to read:

Subdivision 1. [SELECTION FOR REVIEW; NOTICE.] (a) Postelection review under this section must be conducted only on the election for president, senator or representative in Congress, constitutional offices, and legislative offices.

(b) The Office of the Secretary of State shall, within three days after each state general election beginning in 2006, randomly select 80 precincts for postelection review as defined in this section. The precincts must be selected so that an equal number of precincts are selected in each congressional district of the state. Of the precincts in each congressional district, at least five must have had more than 500 votes cast, and at least two must have had fewer than 500 votes cast. The secretary of state must promptly provide notices of which precincts are chosen to the election administration officials who are responsible for the conduct of elections in those precincts.

~~(b)~~ (c) One week before the state general election beginning in 2006, the secretary of state must post on the office Web site the date, time, and location at which precincts will be randomly chosen for review under this section. The chair of each major political party may appoint a designee to observe the random selection process.

Sec. 14. Minnesota Statutes 2004, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] (a) The state primary shall be held on the first Tuesday after the second Monday in September in each even-numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors.

(b) If in any municipality or county there are no partisan or nonpartisan offices for which nominees must be selected at the state primary, no state primary shall be held in the municipality or county. However, no later than 15 days after the close of filings, the municipal clerk or county auditor in such a municipality or county must post a notice in the office and send a copy of the notice to the secretary of state, stating that no primary will be held in the municipality or county because there are no partisan or nonpartisan offices for which nominees must be selected in the municipality or county.

Sec. 15. Minnesota Statutes 2004, section 206.57, subdivision 5, is amended to read:

Subd. 5. [VOTING SYSTEM FOR DISABLED VOTERS.] In federal and state elections held after December 31, 2005, and in county, municipal, and school district elections held after December 31, 2007, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 16. Minnesota Statutes 2004, section 208.03, is amended to read:

208.03 [NOMINATION OF PRESIDENTIAL ELECTORS.]

Presidential electors for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. On or before primary election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of eight alternate presidential electors, and the names of the party candidates for president and vice-president.

Sec. 17. Minnesota Statutes 2004, section 208.04, subdivision 1, is amended to read:

Subdivision 1. [FORM OF PRESIDENTIAL BALLOTS.] When presidential electors and alternates are to be voted for, a vote cast for the party candidates for president and vice-president shall be deemed a vote for that party's electors and alternates as filed with the secretary of state. The secretary of state shall certify the names of all duly nominated presidential and vice-presidential candidates to the county auditors of the counties of the state. Each county auditor, subject to the rules of the secretary of state, shall cause the names of the candidates of each major political party and the candidates nominated by petition to be printed in capital letters, set in type of the same size and style as for candidates on the state white ballot, before the party designation. To the left of, and on the same line with the names of the candidates for president and vice-president, near the margin, shall be placed a square or box, in which the voters may indicate their choice by marking an "X."

The form for the presidential ballot and the relative position of the several candidates shall be determined by the rules applicable to other state officers. The state ballot, with the required heading, shall be printed on the same piece of paper and shall be below the presidential ballot with a blank space between one inch in width.

Sec. 18. Minnesota Statutes 2004, section 208.05, is amended to read:

208.05 [STATE CANVASSING BOARD.]

The State Canvassing Board at its meeting on the second Tuesday after each state general election shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices, and declare the person or persons receiving the highest number of votes for each office duly elected. When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 19. Minnesota Statutes 2004, section 208.06, is amended to read:

208.06 [ELECTORS TO MEET AT CAPITOL; FILLING OF VACANCIES.]

The presidential electors and alternate presidential electors, before 12:00 M. on the day before that fixed by Congress for the electors to vote for president and vice-president of the United States, shall notify the governor that they are at the State Capitol and ready at the proper time to fulfill their duties as electors. The governor shall deliver to the electors present a certificate of the names of all the electors. If any elector named therein fails to appear before 9:00 a.m. on the day, and at the place, fixed for voting for president and vice-president of the United States, an alternate, chosen from among the alternates by lot, shall be appointed to act for that elector. If more than eight alternates are necessary, the electors present shall, in the presence of the governor, immediately elect by ballot a person to fill the vacancy. If more than the number of persons required have the highest and an equal number of votes, the governor, in the presence of the electors attending, shall decide by lot which of those persons shall be elected.

Sec. 20. Minnesota Statutes 2004, section 208.07, is amended to read:

208.07 [CERTIFICATE OF ELECTORS.]

Immediately after the vacancies have been filled, the original electors and alternates present shall certify to the governor the names of the persons elected to complete their number, and the governor shall at once cause written notice to be given to each person elected to fill a vacancy. The persons so chosen shall be presidential electors and shall meet and act with the other electors.

Sec. 21. Minnesota Statutes 2004, section 208.08, is amended to read:

208.08 [ELECTORS TO MEET AT STATE CAPITOL.]

The original, alternate, and substituted presidential electors, at 12:00 M., shall meet in the executive chamber at the State Capitol and shall perform all the duties imposed upon them as electors by the Constitution and laws of the United States and this state.

Each elector, as a condition of having been chosen under the name of the party of a presidential and a vice-presidential candidate, is obligated to vote for those candidates. The elector shall speak aloud or affirm in a nonverbal manner the name of the candidate for president and for vice-president for whom the elector is voting and then confirm that vote by written public ballot.

If an elector fails to cast a ballot for the presidential or vice-presidential candidate of the party under whose name the elector was chosen, the elector's vote or abstention is invalidated and an alternate presidential elector, chosen by lot from among the alternates, shall cast a ballot in the name of the elector for the presidential and vice-presidential candidate of the party under whose name the elector was chosen. The invalidation of an elector's vote or abstention on the ballot for president or vice-president does not apply if the presidential candidate under whose party's name the elector was chosen has without condition released the elector or has died or become mentally disabled. The invalidation of an elector's vote or abstention on the ballot for vice-president does not apply if the vice-presidential candidate under whose party's name the elector was chosen has released without condition the elector or has died or become mentally disabled.

Sec. 22. Minnesota Statutes 2004, section 211B.13, subdivision 1, is amended to read:

Subdivision 1. [BRIBERY, ADVANCING MONEY, AND TREATING PROHIBITED.] A person who willfully, directly or indirectly, advances, pays, gives, promises, or lends any money, food, liquor, clothing, entertainment, or other thing of monetary value, or who offers, promises, or endeavors to obtain any money, position, appointment, employment, or other valuable consideration, to or for a person, in order to induce a voter to refrain from voting, or to vote in a particular way, at an election, is guilty of a felony. This section does not prevent a candidate from stating publicly preference for or support of another candidate to be voted for at the same primary or election. Refreshments of food ~~or~~ and nonalcoholic beverages of nominal value consumed on the premises at a private gathering or public meeting or distributed at a public parade are not prohibited under this section.

Sec. 23. Minnesota Statutes 2004, section 471.895, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

- (1) a contribution as defined in section 211A.01, subdivision 5;
- (2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;
- (3) services of insignificant monetary value;
- (4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;
- (5) a trinket or memento ~~of insignificant~~ with an actual market value of \$5 or less;
- (6) informational material of unexceptional value; or
- (7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

- (1) because of the recipient's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given or offered to the other members of the group;
- (2) by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family; or
- (3) by a national or multistate organization of governmental organizations or public officials, if a majority of the dues to the organization are paid from public funds, to attendees at a conference sponsored by that organization, if the gift is food or a beverage given at a reception or meal and an equivalent gift is given or offered to all other attendees.

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

Sec. 24. [REPEALER.]

Minnesota Statutes 2004, section 204C.50, subdivision 7, is repealed.

Minnesota Rules, parts 4501.0300, subparts 1 and 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; and 4503.0800, subpart 1, are repealed.

ARTICLE 3

ELECTION PROCEDURES

Section 1. Minnesota Statutes 2004, section 3.02, is amended to read:

3.02 [EVIDENCE OF MEMBERSHIP.]

For all purposes of organization of either house of the legislature, a certificate of election to it, duly executed by the secretary of state, is prima facie evidence of the right to membership of the person named in it. The secretary of state shall issue the certificate of election in duplicate and shall file and retain one copy for the official records of the state and present one copy to each legislator.

Sec. 2. Minnesota Statutes 2004, section 200.02, subdivision 7, is amended to read:

Subd. 7. [MAJOR POLITICAL PARTY.] (a) "Major political party" means a political party that maintains a party organization in the state, political division or precinct in question and that has presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election.

(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election.

(c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (a) becomes a major political party as of January 1 following that election and retains its major party status ~~notwithstanding that~~ for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (a) ~~at the following subsequent state general election elections.~~

(d) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (a) ~~at either each of two consecutive state general election elections~~ described by paragraph (a) loses major party status as of December 31 following the most recent later of the two consecutive state general election elections.

Sec. 3. Minnesota Statutes 2004, section 200.02, subdivision 23, is amended to read:

Subd. 23. [MINOR POLITICAL PARTY.] (a) "Minor political party" means a political party that is not a major political party as defined by subdivision 7 and that has adopted a state constitution, designated a state party chair, held a state convention in the last two years, filed with the secretary of state no later than December 31 following the most recent state general election a certification that the party has met the foregoing requirements, and met the requirements of paragraph (b) or (e), as applicable.

(b) To be considered a minor party in all elections statewide, the political party must have presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general, at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the preceding state general election for presidential electors; and

who received votes in each county that in the aggregate equal at least one percent of the total number of individuals who voted in the election, or its members must have presented to the secretary of state at any time before the close of filing for the state partisan primary ballot a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least one percent of the total number of individuals who voted in the preceding state general election.

(c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (b) becomes a minor political party as of January 1 following that election and retains its minor party status ~~notwithstanding that for at least two state general elections even if~~ the party fails to present a candidate who receives the number and percentage of votes required under paragraph (b) at ~~the following subsequent~~ election elections.

(d) A minor political party whose candidates fail to receive the number and percentage of votes required under paragraph (b) at ~~either each of two consecutive~~ either each of two consecutive state general ~~election elections~~ described by paragraph (b) loses minor party status as of December 31 following the ~~most recent later of the two consecutive~~ most recent later of the two consecutive state general ~~election elections~~.

(e) To be considered a minor party in an election in a legislative district, the political party must have presented at least one candidate for a legislative office in that district who received votes from at least ten percent of the total number of individuals who voted for that office, or its members must have presented to the secretary of state a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least ten percent of the total number of individuals who voted in the preceding state general election for that legislative office.

Sec. 4. Minnesota Statutes 2004, section 200.02, is amended by adding a subdivision to read:

Subd. 24. [METROPOLITAN AREA.] "Metropolitan area" means the counties of Ramsey, Hennepin, Anoka, Washington, Dakota, Scott, Carver, Wright, Sherburne, Isanti, and Chisago.

Sec. 5. Minnesota Statutes 2004, section 201.061, subdivision 3, is amended to read:

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

- (1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;
- (2) presenting any document approved by the secretary of state as proper identification;
- (3) presenting one of the following:

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

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

(4) having a voter who is registered to vote in the precinct sign an oath in the presence of the election judge vouching that the voter personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

For tribal band members ~~living on an Indian reservation~~, an individual may prove residence for purposes of registering by presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, ~~street~~ address, signature, and picture of the individual. ~~The county auditor of each county having territory within the reservation shall maintain a record of the number of election day registrations accepted under this section.~~

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

Sec. 6. Minnesota Statutes 2004, section 201.071, subdivision 1, is amended to read:

Subdivision 1. [FORM.] A voter registration application must be of suitable size and weight for mailing and contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have resided in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship of the person where I have not retained the right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) have not been convicted of a felony without having my civil rights restored; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act ~~may~~ must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

Sec. 7. Minnesota Statutes 2004, section 201.091, subdivision 5, is amended to read:

Subd. 5. [COPY OF LIST TO REGISTERED VOTER.] The county auditors and the secretary of state shall provide copies of the public information lists in electronic or other media to any voter registered in Minnesota within ten days of receiving a written or electronic request accompanied by payment of the cost of reproduction. The county auditors and the secretary of state shall make a copy of the list available for public inspection without cost. An individual who inspects or acquires a copy of a public information list may not use any information contained in it for purposes unrelated to elections, political activities, or law enforcement.

Sec. 8. Minnesota Statutes 2004, section 203B.01, subdivision 3, is amended to read:

Subd. 3. [MILITARY.] "Military" means the Army, Navy, Air Force, Marine Corps, Coast Guard or Merchant Marine of the United States, and all other uniformed services as defined in United States Code, title 42, section 1973ff-6.

Sec. 9. Minnesota Statutes 2004, section 203B.02, subdivision 1, is amended to read:

Subdivision 1. [~~UNABLE TO GO TO ABSENCE FROM POLLING PLACE.~~] (a) Any eligible voter who ~~reasonably~~ expects to be ~~unable to go to absent from~~ absent from the polling place on election day in the precinct where the individual maintains residence ~~because of absence from the precinct, illness, disability, religious discipline, observance of a religious holiday, or service as an election judge in another precinct~~ may vote ~~by absentee ballot in person at any location where absentee ballots may be cast pursuant to sections 203B.081 and 203B.085, during the 18 days preceding any election. This subdivision does not apply to a special election to fill a vacancy in office pursuant to sections 204D.17 to 204D.27 not held concurrently with a state primary or general election~~ as provided in sections 203B.04 to 203B.15.

(b) Any eligible voter who reasonably expects to be unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct, illness, disability, religious discipline, observance of a religious holiday, or service as an election judge in another precinct may vote by absentee ballot as provided in sections 203B.04 to 203B.15.

Sec. 10. Minnesota Statutes 2004, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided ~~in the rules of~~ by the secretary of state, notwithstanding rules on absentee ballot forms, and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

Sec. 11. Minnesota Statutes 2004, section 203B.04, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION AT TIME OF APPLICATION.] An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by including a completed voter registration card with the absentee ballot. The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

Sec. 12. Minnesota Statutes 2004, section 203B.07, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF ENVELOPES.] The return envelope shall be of sufficient size to conveniently enclose and contain the ballot envelope and a voter registration card folded along its perforations. The return envelope shall be designed to open on the left-hand end and, notwithstanding any rule to the contrary, the design must provide an additional flap that when sealed, conceals the signature, identification, and other information. Election officials may open the flap at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information. A certificate of eligibility to vote by absentee ballot shall be printed on the ~~right hand~~ right hand ~~three-fourths of the~~ back of the envelope. The certificate shall contain a statement to be signed and sworn by the

voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot. The certificate shall also contain a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(a) the ballots were displayed to that individual unmarked;

(b) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(c) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

The county auditor or municipal clerk shall affix first class postage to the return envelopes.

Sec. 13. Minnesota Statutes 2004, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws shall designate election judges to deliver absentee ballots in accordance with this section. The county auditor ~~may~~ must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in a health care facility or hospital located in the municipality in which the voter maintains residence. The ballots shall be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they shall travel together in the same vehicle. Both election judges shall be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges shall deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

Sec. 14. Minnesota Statutes 2004, section 203B.12, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2004, section 203B.20, is amended to read:

203B.20 [CHALLENGES.]

Except as provided in this section, the eligibility or residence of a voter whose application for absentee ballots is recorded under section 203B.19 may be challenged in the manner set forth by section 201.195. The county auditor or municipal clerk shall not be required to serve a copy of the petition and notice of hearing on the challenged voter, unless the absentee ballot application was submitted on behalf of a voter by an individual authorized under section 203B.17, subdivision 1, paragraph (a), in which case the county auditor must attempt to notify the individual who submitted the application of the challenge. The county auditor may contact other registered voters to request information that may resolve any discrepancies appearing in the application. All reasonable doubt shall be resolved in favor of the validity of the application. If the voter's challenge is affirmed, the county auditor shall provide the challenged voter with a copy of the petition and the decision and shall inform the voter of the right to appeal as provided in section 201.195.

Sec. 16. Minnesota Statutes 2004, section 203B.21, subdivision 1, is amended to read:

Subdivision 1. [FORM.] Absentee ballots under sections 203B.16 to 203B.27 shall conform to the requirements of the Minnesota Election Law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States Postal Service, and the design must provide an additional flap that when sealed, conceals the signature, identification, and other information. The flap must be perforated to permit election officials to inspect the returned certificate for completeness or to ascertain other information at any time after receiving the returned ballot without opening the return envelope.

Sec. 17. Minnesota Statutes 2004, section 203B.21, subdivision 3, is amended to read:

Subd. 3. [BACK OF RETURN ENVELOPE.] On the back of the return envelope an affidavit form shall appear with space for:

(a) The voter's address of present or former residence in Minnesota;

(b) A statement indicating the category described in section 203B.16 to which the voter belongs;

(c) A statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;

(d) A statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and

(e) The voter's military identification card number, passport number, or, if the voter does not have a valid passport or identification card, the signature and certification of an individual authorized to administer oaths under federal law or the law of the place where the oath was administered or a commissioned or noncommissioned ~~officer~~ personnel of the military not below the rank of sergeant or its equivalent.

The affidavit shall also contain a signed and dated oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

My signature and date below indicate when I completed this document.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

Sec. 18. Minnesota Statutes 2004, section 203B.24, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

Sec. 19. Minnesota Statutes 2004, section 204B.10, subdivision 6, is amended to read:

Subd. 6. [INELIGIBLE VOTER.] Upon receipt of a certified copy of a final judgment or order of a court of competent jurisdiction that a person who has filed an affidavit of candidacy or who has been nominated by petition:

- (1) has been convicted of treason or a felony and the person's civil rights have not been restored;
- (2) is under guardianship of the person; or
- (3) has been found by a court of law to be legally incompetent;

the filing officer shall notify the person by certified mail at the address shown on the affidavit or petition, and, for offices other than president of the United States, vice-president of the United States, and United States senator or representative in Congress, shall not certify the person's name to be placed on the ballot. The actions of a filing officer under this subdivision are subject to judicial review under section 204B.44.

Sec. 20. Minnesota Statutes 2004, section 204B.14, subdivision 2, is amended to read:

Subd. 2. [SEPARATE PRECINCTS; COMBINED POLLING PLACE.] (a) The following shall constitute at least one election precinct:

- (1) each city ward; and
 - (2) each town and each statutory city.
- (b) A single, accessible, combined polling place may be established no later than June 1 of any year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for two contiguous precincts in the same municipality that have a combined total of fewer than 500 registered voters; or

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section ~~473.421, subdivision 2~~ 200.02, subdivision 24, that are contained in the same county.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than May 1 of any year.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

Sec. 21. Minnesota Statutes 2004, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; LOCATION.] (a) The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section ~~473.121~~ 200.02, subdivision 24, shall be located within the boundaries of the precinct or within 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section ~~473.121~~ 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

(b) Each polling place serving precincts in which, in aggregate, there were more than 100 voters in the most recent similar election, must be to the extent the governing body determines practicable, at least 750 square feet, with an additional 60 square feet for each 150 voters in excess of 400 that voted in the most recent similar election.

Sec. 22. Minnesota Statutes 2004, section 204B.16, subdivision 5, is amended to read:

Subd. 5. [ACCESS BY ELDERLY AND ~~HANDICAPPED~~ PERSONS WITH DISABILITIES.] Each polling place shall be accessible to and usable by elderly individuals and ~~physically handicapped~~ individuals with disabilities. A polling place is deemed to be accessible and usable if it complies with the standards in paragraphs (a) to (f).

(a) At least one set of doors must have a minimum width of ~~34~~ 32 inches if the doors must be used to enter or leave the polling place.

(b) Any curb adjacent to the main entrance to a polling place must have curb cuts or temporary ramps. Where the main entrance is not the accessible entrance, any curb adjacent to the accessible entrance must also have curb cuts or temporary ramps.

(c) Where the main entrance is not the accessible entrance, a sign shall be posted at the main entrance giving directions to the accessible entrance.

(d) At least one set of stairs must have a temporary handrail and ramp if stairs must be used to enter or leave the polling place.

(e) No barrier in the polling place may impede the path of ~~the physically handicapped~~ persons with disabilities to the voting booth.

(f) At least one ~~handicapped~~ parking space for persons with disabilities, which may be temporarily so designated by the municipality for the day of the election, must be available near the accessible entrance.

The doorway, handrails, ramps, and handicapped parking provided pursuant to this subdivision must conform to the standards specified in the State Building Code for accessibility by ~~handicapped~~ persons with disabilities.

A governing body shall designate as polling places only those places which meet the standards prescribed in this subdivision unless no available place within a precinct is accessible or can be made accessible.

Sec. 23. Minnesota Statutes 2004, section 204B.18, subdivision 1, is amended to read:

Subdivision 1. [~~BOOTHES; VOTING STATIONS.~~] Each polling place must contain ~~a number of~~ at least two voting booths ~~in proportion to the number of individuals eligible to vote in the precinct or self-contained voting stations plus one additional voting booth or self-contained voting station for each 150 voters in excess of 200 registered in the precinct.~~ Each booth or station must be at least six feet high, three feet deep and two feet wide with a shelf at least two feet long and one foot wide placed at a convenient height for writing. The booth or station shall ~~be provided with a door or curtains~~ permit the voter to vote privately and independently. Each ~~accessible~~ polling place must have at least one accessible voting booth or other accessible voting station and beginning with federal and state elections held after December 31, 2005, and county, municipal, and school district elections held after December 31, 2007, one voting system that conforms to section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252. All booths or stations must be constructed so that a voter is free from observation while marking ballots. ~~In all other polling places every effort must be made to provide at least one accessible voting booth or other accessible voting station.~~ During the hours of voting, the booths or stations must have instructions, a pencil, and other supplies needed to mark the ballots. ~~If needed,~~ A chair must be provided for elderly ~~and handicapped~~ voters and voters with disabilities to use while voting or waiting to vote. Stable flat writing surfaces must also be made available to voters who are completing election-related forms. All ballot boxes, voting booths, voting stations, and election judges must be in open public view in the polling place.

Sec. 24. Minnesota Statutes 2004, section 204B.22, subdivision 3, is amended to read:

Subd. 3. [~~MINIMUM NUMBER REQUIRED IN CERTAIN PRECINCTS OF ELECTION JUDGES.~~] At each ~~state primary or state general~~ election in precincts ~~using an electronic voting system with marking devices and in which more than 400 votes were cast at the last similar election,~~ the minimum number of election judges is three plus one judge to demonstrate the use of the voting machine or device, and the number of additional election judges to be appointed is one for every 200 votes cast in that precinct in the most recent similar general election.

Sec. 25. Minnesota Statutes 2004, section 204B.27, subdivision 1, is amended to read:

Subdivision 1. [~~BLANK FORMS.~~] At least ~~25~~ 14 days before every state election the secretary of state shall transmit to each county auditor ~~a sufficient number of blank county abstract forms and other examples of any blank forms to be used as the secretary of state deems necessary for the conduct of the election.~~ County abstract forms may be provided to auditors electronically via the Minnesota State Election Reporting System maintained by the secretary of state, and must be available at least one week prior to the election.

Sec. 26. Minnesota Statutes 2004, section 204B.27, subdivision 3, is amended to read:

Subd. 3. [~~INSTRUCTION POSTERS.~~] At least 25 days before every state election, the secretary of state shall prepare and furnish to the county auditor of each county ~~in which paper ballots are used,~~ voter instruction posters printed in large type upon cards or heavy paper. The instruction posters must contain the information needed to enable the voters to cast their ~~paper~~ ballots quickly and correctly and indicate the types of assistance available for elderly and handicapped voters. Two instruction posters shall be furnished for each precinct ~~in which paper ballots~~

are used. The secretary of state shall also provide posters informing voters of eligibility requirements to vote and of identification and proofs accepted for election day registration. Posters furnished by the secretary of state must also include all information required to be posted by the Help America Vote Act, including: instructions on how to vote, including how to cast a vote; instructions for mail-in registrants and first-time voters; general information on voting rights under applicable federal and state laws, and instructions on how to contact the appropriate officials if these rights are alleged to have been violated; and general information on federal and state laws regarding prohibitions on acts of fraud and misrepresentation.

Sec. 27. Minnesota Statutes 2004, section 204B.33, is amended to read:

204B.33 [NOTICE OF FILING.]

(a) Between June 1 and July 1 in each even numbered year, the secretary of state shall notify each county auditor of the offices to be voted for in that county at the next state general election for which candidates file with the secretary of state. The notice shall include the time and place of filing for those offices and for judicial offices shall list the name of the incumbent, if any, currently holding the seat to be voted for. Within ten days after notification by the secretary of state, each county auditor shall notify each municipal clerk in the county of all the offices to be voted for in the county at that election and the time and place for filing for those offices. The county auditors and municipal clerks shall promptly post a copy of that notice in their offices.

(b) At least two weeks before the first day to file an affidavit of candidacy, the county auditor shall publish a notice stating the first and last dates on which affidavits of candidacy may be filed in the county auditor's office and the closing time for filing on the last day for filing. The county auditor shall post a similar notice at least ten days before the first day to file affidavits of candidacy.

Sec. 28. Minnesota Statutes 2004, section 204C.05, subdivision 1a, is amended to read:

Subd. 1a. [ELECTIONS; ORGANIZED TOWN.] The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section ~~473.124~~ 200.02, subdivision ~~2~~ 24, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.

Sec. 29. Minnesota Statutes 2004, section 204C.08, subdivision 1, is amended to read:

Subdivision 1. [DISPLAY OF FLAG; "VOTE HERE" SIGN.] (a) Upon their arrival at the polling place on the day of election, the election judges shall cause the national flag to be displayed on a suitable staff at the entrance to the polling place. The flag shall be displayed continuously during the hours of voting and the election judges shall attest to that fact by signing the flag certification statement on the precinct summary statement. The election judges shall receive no compensation for any time during which they intentionally fail to display the flag as required by this subdivision.

(b) The election judges shall, immediately after displaying the flag pursuant to paragraph (a), post the following:

(1) a "Vote Here" sign conspicuously near the flag, which must be of a size not less than two feet high by four feet wide, with letters printed in red in a font size of no less than 576-point type, against a white background; and

(2) within the building, if the polling place has more than one room, signs indicating by arrows the direction in which to proceed in order to reach the room containing the polling place.

Sec. 30. Minnesota Statutes 2004, section 204C.28, subdivision 1, is amended to read:

Subdivision 1. [COUNTY AUDITOR.] Every county auditor shall remain at the auditor's office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes until all have been tabulated and the results made known, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first. Every county auditor shall keep a book in which, in the presence of the municipal clerk or the election judges who deliver the returns, the auditor shall make a record of all materials delivered, the time of delivery, and the names of the municipal clerk or election judges who made delivery. The county auditor shall file the book and all envelopes containing ballots in a safe and secure place with envelope seals unbroken. Access to the book and ballots shall be strictly controlled. Accountability and a record of access shall be maintained by the county auditor during the period for contesting elections or, if a contest is filed, until the contest has been finally determined. Thereafter, the book shall be retained in the auditor's office for the same period as the ballots as provided in section 204B.40.

The county auditor shall file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes were previously opened by proper authority for examination or recount, the county auditor shall have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county canvassing board if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots. In that case, the envelopes shall be sealed again and signed in the same manner as otherwise provided in this subdivision.

Sec. 31. Minnesota Statutes 2004, section 204D.14, subdivision 3, is amended to read:

Subd. 3. [UNCONTESTED JUDICIAL OFFICES.] Judicial offices for a specific court for which there is only one candidate filed must appear after all other judicial offices for that same court on the canary ballot.

Sec. 32. Minnesota Statutes 2004, section 204D.27, subdivision 5, is amended to read:

Subd. 5. [CANVASS; SPECIAL PRIMARY; STATE CANVASSING BOARD.] Not later than four days after the returns of the county canvassing boards are certified to the secretary of state, the State Canvassing Board shall complete its canvass of the special primary. The secretary of state shall then promptly certify to the county auditors the names of the nominated individuals, prepare notices of nomination, and notify each nominee of the nomination.

Sec. 33. [205.135] [ELECTION REPORTING SYSTEM; CANDIDATE FILING.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled municipal elections held in an even-numbered year, the municipal clerk must provide the offices and questions to be voted on in the municipality and the list of candidates for each office to the county auditor for entry into the election reporting system provided by the secretary of state no later than 46 days prior to the election. The county auditor must delegate, at the request of the municipality, the duty to enter the information into the system to the municipal clerk.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled municipal elections held in an odd-numbered year, the municipal clerk or county auditor must enter the offices and questions to be voted on in the municipality and the list of candidates for each office into the election reporting system no later than 46 days prior to the election.

Sec. 34. Minnesota Statutes 2004, section 205.175, subdivision 2, is amended to read:

Subd. 2. [METROPOLITAN AREA MUNICIPALITIES.] The governing body of a municipality which is located within a metropolitan county ~~as defined by section 473.121~~ included in the definition of metropolitan area in section 200.02, subdivision 24, may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the municipal governing body.

Sec. 35. [205.187] [ELECTION REPORTING SYSTEM; PRECINCT VOTES.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled municipal elections held in an even-numbered year, the county auditor must enter the votes in each precinct for the questions and offices voted on in the municipal election into the election reporting system provided by the secretary of state.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled municipal elections held in an odd-numbered year, the municipal clerk or county auditor must enter the votes in each precinct for the offices and questions voted on in the municipality into the election reporting system provided by the secretary of state.

Sec. 36. [205A.075] [ELECTION REPORTING SYSTEM; CANDIDATE FILING.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled school district elections held in an even-numbered year, the school district clerk must provide the offices and questions to be voted on in the school district and the list of candidates for each office to the county auditor for entry into the election reporting system provided by the secretary of state no later than days prior to the election.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled school district elections held in an odd-numbered year, the school district clerk or county auditor must enter the offices and questions to be voted on in the school district and the list of candidates for each office into the election reporting system provided by the secretary of state no later than days prior to the election.

Sec. 37. [205A.076] [ELECTION REPORTING SYSTEM; PRECINCT VOTES.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled school district elections held in an even-numbered year, the county auditor must enter the votes in each precinct for the questions and offices voted on in the school district election into the election reporting system provided by the secretary of state.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled school district elections held in an odd-numbered year, the school district clerk or county auditor must enter the votes in each precinct for the offices and questions voted on in the school district into the election reporting system provided by the secretary of state.

Sec. 38. Minnesota Statutes 2004, section 205A.09, subdivision 1, is amended to read:

Subdivision 1. [METROPOLITAN AREA SCHOOL DISTRICTS.] At a school district election in a school district located in whole or in part within a metropolitan county ~~as defined by section 473.121~~ included in the definition of metropolitan area in section 200.02, subdivision 24, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. The polling places must open no later than 10:00 a.m. and close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the school board.

Sec. 39. Minnesota Statutes 2004, section 206.56, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC TABULATING EQUIPMENT.] "Automatic tabulating equipment" includes ~~apparatus machines, resident firmware, and programmable memory units~~ necessary to optically scan, automatically examine, and count votes designated on ballot cards, ~~and data processing machines which can be used for counting ballots and tabulating results.~~

Sec. 40. Minnesota Statutes 2004, section 206.56, subdivision 3, is amended to read:

Subd. 3. [BALLOT.] "Ballot" includes ~~ballot cards and~~ paper ballots, ballot cards, and the paper ballot marked by an electronic marking device.

Sec. 41. Minnesota Statutes 2004, section 206.56, subdivision 7, is amended to read:

Subd. 7. [COUNTING CENTER.] "Counting center" means a place selected by the governing body of a municipality where ~~an~~ a central count electronic voting system is used for the automatic processing and counting of ballots.

Sec. 42. Minnesota Statutes 2004, section 206.56, subdivision 8, is amended to read:

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

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

Sec. 43. Minnesota Statutes 2004, section 206.56, subdivision 9, is amended to read:

Subd. 9. [MANUAL MARKING DEVICE.] "Manual marking device" means any approved device for directly marking a ballot by hand with ink, pencil, or other substance which will enable the ballot to be tabulated by means of automatic tabulating equipment.

Sec. 44. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9a. [ELECTRONIC BALLOT MARKER.] "Electronic ballot marker" means equipment that is part of an electronic voting system that marks a nonelectronic ballot with votes selected by a voter using an electronic ballot display or audio ballot reader.

Sec. 45. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9b. [ASSISTIVE VOTING TECHNOLOGY.] "Assistive voting technology" means touch-activated screen, buttons, keypad, sip-and-puff input device, keyboard, earphones, or any other device used with an electronic ballot marker that assists voters to use an audio or electronic ballot display in order to select votes.

Sec. 46. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9c. [ELECTRONIC BALLOT DISPLAY.] "Electronic ballot display" means a graphic representation of a ballot on a computer monitor or screen on which a voter may make vote choices for candidates and questions for the purpose of marking a nonelectronic ballot.

Sec. 47. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9d. [AUDIO BALLOT READER.] "Audio ballot reader" means an audio representation of a ballot that can be used with other assistive voting technology to permit a voter to mark votes on a nonelectronic ballot using an electronic ballot marker.

Sec. 48. Minnesota Statutes 2004, section 206.57, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION AND REPORT BY SECRETARY OF STATE; APPROVAL.] A vendor of an electronic voting system may apply to the secretary of state to examine the system and to report as to its compliance with the requirements of law and as to its accuracy, durability, efficiency, and capacity to register the will of voters. The secretary of state or a designee shall examine the system submitted and file a report on it in the Office of the Secretary of State. Examination is not required of every individual machine or counting device, but only of each type of electronic voting system before its adoption, use, or purchase and before its continued use after significant changes have been made in an approved system. The examination must include the ballot programming; electronic ballot marking, including all assistive technologies intended to be used with the system; vote counting; and vote accumulation functions of each voting system.

If the report of the secretary of state or the secretary's designee concludes that the kind of system examined complies with the requirements of sections 206.55 to 206.90 and can be used safely, the system shall be deemed approved by the secretary of state, and may be adopted and purchased for use at elections in this state. A voting system not approved by the secretary of state may not be used at an election in this state. The secretary of state may adopt permanent rules consistent with sections 206.55 to 206.90 relating to the examination and use of electronic voting systems.

Sec. 49. Minnesota Statutes 2004, section 206.57, is amended by adding a subdivision to read:

Subd. 7. [ELECTION ASSISTANCE COMMISSION STANDARDS.] If, prior to January 1, 2006, the federal Election Assistance Commission has not established standards for an electronic ballot marker or other voting system component that is required to enable a voting system to meet the requirements of subdivision 5, the secretary of state may certify the voting system on an experimental basis pending the completion of federal standards, notwithstanding subdivision 6. Within two years after the Election Assistance Commission issues standards for a voting system component used in a voting system authorized under this subdivision, the secretary of state must review or reexamine the voting system to determine whether the system conforms to federal standards.

Sec. 50. Minnesota Statutes 2004, section 206.58, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITIES.] (a) The governing body of a municipality, at a regular meeting or at a special meeting called for the purpose, ~~may~~ must provide for the use of ~~an~~ at least one electronic voting system that conforms to the requirements of section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252, in one or more precincts each polling place and at all elections ~~in the precincts~~, subject to approval by the county auditor. This paragraph applies to federal and state elections held after December 31, 2005, and to county, municipal, and school district elections held after December 31, 2007.

(b) The governing body shall disseminate information to the public about the use of a new voting system at least 60 days prior to the election and shall provide for instruction of voters with a demonstration voting system in a public place for the six weeks immediately prior to the first election at which the new voting system will be used.

(c) No system may be adopted or used unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 51. Minnesota Statutes 2004, section 206.61, subdivision 4, is amended to read:

Subd. 4. [ORDER OF CANDIDATES.] On the "State Partisan Primary Ballot" prepared for primary elections, and on the white ballot prepared for the general election, the order of the names of nominees or names of candidates for election shall be the same as required for paper ballots. More than one column or row may be used for the same office or party. Electronic ballot display and audio ballot readers must conform to the candidate order on the optical scan ballot used in the precinct.

Sec. 52. Minnesota Statutes 2004, section 206.61, subdivision 5, is amended to read:

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

If an electronic ballot marker is used with a paper ballot that is not an optical scan ballot card, the manner of alternation of candidate names on the paper ballot must be as prescribed for optical scan ballots in this subdivision.

Sec. 53. Minnesota Statutes 2004, section 206.64, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROVISIONS FOR ELECTRONIC SYSTEM VOTING.] Each electronic voting system booth must be placed and protected so that it is accessible to only one voter at a time and is in full view of all the election judges and challengers at the polling place. The election judges shall admit one individual at a time to each booth after determining that the individual is eligible to vote. Voting by electronic voting system must be secret, except for voters who ~~need request~~ assistance. A voter may remain inside the voting booth for ~~three minutes~~ the time reasonably required for the voter to complete the ballot. A voter who refuses to leave the voting booth after a reasonable amount of time, but not less than three minutes, must be removed by the election judges.

Sec. 54. Minnesota Statutes 2004, section 206.80, is amended to read:

206.80 [ELECTRONIC VOTING SYSTEMS.]

An electronic voting system may not be employed unless it:

- (1) permits every voter to vote in secret;
- (2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;
- (3) provides for write-in voting when authorized;

(4) rejects by means of the ~~automatic tabulating equipment~~ electronic voting system, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;

(5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote; and

(6) rejects, by means of the ~~automatic tabulating equipment~~ electronic voting system, all votes cast in a primary election ~~by a voter for offices serving with political party designation~~ when the voter votes for candidates of more than one party.

Sec. 55. Minnesota Statutes 2004, section 206.81, is amended to read:

206.81 [ELECTRONIC VOTING SYSTEMS; EXPERIMENTAL USE.]

(a) The secretary of state may ~~approve~~ certify an electronic voting system for experimental use at an election prior to its approval for general use.

~~(b) The secretary of state must approve one or more direct recording electronic voting systems for experimental use at an election before their approval for general use and may impose restrictions on their use. At least one voting system approved under this paragraph must permit sighted persons to vote and at least one system must permit a blind or visually impaired voter to cast a ballot independently and privately.~~

~~(c) Experimental use must be observed by the secretary of state or the secretary's designee and the results observed must be considered at any subsequent proceedings for approval for general use.~~

~~(d)~~ (c) The secretary of state may adopt rules consistent with sections 206.55 to 206.90 relating to experimental use. The extent of experimental use must be determined by the secretary of state.

Sec. 56. Minnesota Statutes 2004, section 206.82, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM.] A program or programs for use in an election conducted by means of an electronic voting system or using an electronic ballot marker shall be prepared at the direction of the county auditor or municipal clerk who is responsible for the conduct of the election and shall be independently verified by a competent person designated by that official. The term "competent person" as used in this section means a person who can demonstrate knowledge as a computer programmer and who is other than and wholly independent of any person operating or employed by the counting center or the corporation or other preparer of the program. A test deck prepared by a competent person shall be used for independent verification of the program; it shall test the maximum digits used in totaling the returns and shall be usable by insertion during the tabulation process as well as prior to tabulation. A test deck must also be prepared using the electronic ballot marker program and must also be used to verify that all valid votes counted by the vote tabulator may be selected using the electronic ballot marker. The secretary of state shall adopt rules further specifying test procedures.

Sec. 57. Minnesota Statutes 2004, section 206.82, subdivision 2, is amended to read:

Subd. 2. [PLAN.] The municipal clerk in a municipality where an electronic voting system is used and the county auditor of a county in which an electronic voting system is used in more than one municipality and the county auditor of a county in which a counting center serving more than one municipality is located shall prepare a plan which indicates acquisition of sufficient facilities, computer time, and professional services and which describes the proposed manner of complying with section 206.80. The plan must be signed, notarized, and submitted to the secretary of state more than 60 days before the first election at which the municipality uses an electronic voting system. Prior to July 1 of each subsequent general election year, the clerk or auditor shall submit

to the secretary of state notification of any changes to the plan on file with the secretary of state. The secretary of state shall review each plan for its sufficiency and may request technical assistance from the Department of Administration or other agency which may be operating as the central computer authority. The secretary of state shall notify each reporting authority of the sufficiency or insufficiency of its plan within 20 days of receipt of the plan. The attorney general, upon request of the secretary of state, may seek a district court order requiring an election official to fulfill duties imposed by this subdivision or by rules promulgated pursuant to this section.

Sec. 58. Minnesota Statutes 2004, section 206.83, is amended to read:

206.83 [TESTING OF VOTING SYSTEMS.]

The official in charge of elections shall within 14 days prior to election day have the voting system tested to ascertain that the system will correctly mark ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions ~~within 14 days prior to election day~~. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes, and (2) processing an additional test deck of ballots marked using the electronic ballot marker to be employed in the precinct, including ballots marked using the electronic ballot display, audio ballot reader, and each of the assistive voting peripheral devices used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

Sec. 59. Minnesota Statutes 2004, section 206.84, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION OF JUDGES, VOTERS.] The officials in charge of elections shall determine procedures to instruct election judges and voters in the use of electronic voting system manual marking devices and the electronic ballot marker, including assistive peripheral devices.

Sec. 60. Minnesota Statutes 2004, section 206.84, subdivision 3, is amended to read:

Subd. 3. [BALLOTS.] The ballot information must be in the same order provided for paper ballots, except that the information may be in vertical or horizontal rows, or on a number of separate pages. The secretary of state shall provide by rule for standard ballot formats for electronic voting systems. Electronic ballot displays and audio ballot readers shall be in the order provided for on the optical scan ballot. Electronic ballot displays may employ zooms or other devices as assistive voting technology. Audio ballot readers may employ rewinds or audio cues as assistive voting technology.

Ballot cards may contain special printed marks ~~and holes~~ as required for proper positioning and reading of the ballots by electronic vote counting equipment. Ballot cards must contain an identification of the precinct for which they have been prepared which can be read visually and which can be tabulated by the automatic tabulating equipment.

Sec. 61. Minnesota Statutes 2004, section 206.84, subdivision 6, is amended to read:

Subd. 6. [DUTIES OF OFFICIAL IN CHARGE.] The official in charge of elections in each municipality where an electronic voting system is used shall have the voting systems put in order, set, adjusted, and made ready for voting when delivered to the election precincts. The official shall also provide each precinct with a container for transporting ballot cards to the counting location after the polls close. The container shall be of sturdy material to

protect the ballots from all reasonably foreseeable hazards including auto collisions. The election judges shall meet at the polling place at least one hour before the time for opening the polls. Before the polls open the election judges shall compare the ballot cards used with the sample ballots, electronic ballot displays, and audio ballot reader furnished to see that the names, numbers, and letters on both agree and shall certify to that fact on forms provided for the purpose. The certification must be filed with the election returns.

Sec. 62. Minnesota Statutes 2004, section 206.85, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF RESPONSIBLE OFFICIAL.] The official in charge of elections in a municipality where an electronic voting system is used at a counting center must:

- (a) be present or personally represented throughout the counting center proceedings;
- (b) be responsible for acquiring sufficient facilities and personnel to ensure timely and lawful processing of votes;
- (c) be responsible for the proper training of all personnel participating in counting center proceedings and deputize all personnel who are not otherwise election judges;
- (d) maintain actual control over all proceedings and be responsible for the lawful execution of all proceedings in the counting center whether or not by experts;
- (e) be responsible for assuring the lawful retention and storage of ballots and read-outs; and
- (f) arrange for observation by the public and by candidates' representatives of counting center procedures by publishing the exact location of the counting center in a legal newspaper at least once during the week preceding the week of election and in the newspaper of widest circulation once on the day preceding the election, or once the week preceding the election if the newspaper is a weekly.

The official may make arrangements with news reporters which permit prompt reporting of election results but which do not interfere with the timely and lawful completion of counting procedures.

Sec. 63. Minnesota Statutes 2004, section 206.90, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purposes of this section, "optical scan voting system" means an electronic voting system approved for use under sections 206.80 to 206.81 in which the voter records votes by marking with a pencil or other ~~writing instrument~~ device, including an electronic ballot marker, a ballot on which the names of candidates, office titles, party designation in a partisan primary or election, and a statement of any question accompanied by the words "Yes" and "No" are printed.

Sec. 64. Minnesota Statutes 2004, section 206.90, subdivision 4, is amended to read:

Subd. 4. [ABSENTEE VOTING.] An optical scan voting system may be used for absentee voting. ~~The county auditor may supply an appropriate marking instrument to the voter along with the ballot.~~

Sec. 65. Minnesota Statutes 2004, section 206.90, subdivision 5, is amended to read:

Subd. 5. [INSTRUCTION OF JUDGES, VOTERS.] In instructing judges and voters under section 206.84, subdivision 1, officials in charge of election precincts using optical scan voting systems shall include instruction on the proper mark for recording votes on ballot cards marked with a pencil or other writing instrument and the insertion by the voter of the ballot card into automatic tabulating equipment that examines and counts votes as the ballot card is deposited into the ballot box.

Officials shall include instruction on the insertion by the voter of the ballot card into an electronic ballot marker that can examine votes before the ballot card is deposited into the ballot box.

Sec. 66. Minnesota Statutes 2004, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink.

On the front of the ballot must be printed the words "Official Ballot" and the date of the election and lines for the initials of at least two election judges.

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

On optical scan ballots, the names of candidates and the words "yes" and "no" for ballot questions must be printed as close to their corresponding vote targets as possible.

The line on an optical scan ballot for write-in votes must contain the words "write-in, if any."

If a primary ballot contains both a partisan ballot and a nonpartisan ballot, the instructions to voters must include a statement that reads substantially as follows: "THIS BALLOT CARD CONTAINS A PARTISAN BALLOT AND A NONPARTISAN BALLOT. ON THE PARTISAN BALLOT YOU ARE PERMITTED TO VOTE FOR CANDIDATES OF ONE POLITICAL PARTY ONLY." If a primary ballot contains political party columns on both sides of the ballot, the instructions to voters must include a statement that reads substantially as follows: "ADDITIONAL POLITICAL PARTIES ARE PRINTED ON THE OTHER SIDE OF THIS BALLOT. VOTE FOR ONE POLITICAL PARTY ONLY." At the bottom of each political party column on the primary ballot, the ballot must contain a statement that reads substantially as follows: "CONTINUE VOTING ON THE NONPARTISAN BALLOT." The instructions in section 204D.08, subdivision 4, do not apply to optical scan partisan primary ballots. Electronic ballot displays and audio ballot readers must follow the order of offices and questions on the optical scan or paper ballot used in the same precinct.

Sec. 67. Minnesota Statutes 2004, section 206.90, subdivision 8, is amended to read:

Subd. 8. [DUTIES OF ELECTION OFFICIALS.] The official in charge of elections in each municipality where an optical scan voting system is used shall have the electronic ballot that examines and marks votes on ballot cards and the automatic tabulating equipment that examines and counts votes as ballot cards are deposited into ballot boxes put in order, set, adjusted, and made ready for voting when delivered to the election precincts.

Sec. 68. Minnesota Statutes 2004, section 206.90, subdivision 9, is amended to read:

Subd. 9. [SPOILED BALLOT CARDS.] Automatic tabulating equipment and electronic ballot markers must be capable of examining a ballot card for defects and returning it to the voter before it is counted and deposited into the ballot box and must be programmed to return as a spoiled ballot a ballot card with votes for an office or question which exceed the number which the voter is entitled to cast and at a primary a ballot card with votes for candidates of more than one party.

Sec. 69. Minnesota Statutes 2004, section 211B.01, subdivision 3, is amended to read:

Subd. 3. [CANDIDATE.] "Candidate" means an individual who seeks nomination or election to a ~~federal, statewide, legislative, judicial, or local office including special districts, school districts, towns, home rule charter and statutory cities, and counties, except candidates for president and vice president of the United States.~~

Sec. 70. Minnesota Statutes 2004, section 358.11, is amended to read:

358.11 [OATHS, WHERE FILED.]

Except as otherwise provided by law, the oath required to be taken and subscribed by any person shall be filed as follows:

(1) if that of an officer of the state, whether elective or appointive, executive, legislative, or judicial, with the secretary of state;

(2) if of a county officer, or an officer chosen within or for any county, with the county auditor;

(3) if of a city officer, with the clerk or recorder of the municipality;

(4) if of a town officer, with the town clerk;

(5) if of a school district officer, with the clerk of the district;

(6) if of a person appointed by, or made responsible to, a court in any action or proceeding therein, with the court administrator of such court;

(7) if that of a person appointed by any state, county, or other officer for a special service in connection with official duties, with such officer.

If the person taking such oath be also required to give bond, the oath shall be attached to or endorsed upon such bond and filed therewith, in lieu of other filing.

Sec. 71. Minnesota Statutes 2004, section 414.01, is amended by adding a subdivision to read:

Subd. 18. [ANNEXATIONS NOT PERMITTED AT CERTAIN TIMES.] Notwithstanding the provisions of this chapter, no annexation shall become effective between the opening of filing for a previously scheduled municipal election of the municipality which is annexing the unincorporated land and the issuance of the certificates of election to the candidates elected at that election.

Sec. 72. [414.0305] [MUNICIPAL ANNEXATION.]

Notwithstanding the provisions of this chapter, no annexation by a municipality shall be effective during the period from the opening of filing for any previously scheduled municipal election until after the end of the contest period for that election.

Sec. 73. Minnesota Statutes 2004, section 447.32, subdivision 4, is amended to read:

Subd. 4. [CANDIDATES; BALLOTS; CERTIFYING ELECTION.] A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or

town clerk not more than ~~ten weeks~~ 70 days nor less than ~~eight weeks~~ 56 days before the first Tuesday after the ~~second~~ first Monday in ~~September~~ November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be printed on tan paper and prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 74. [REPEALER.]

Minnesota Statutes 2004, section 204B.22, subdivision 2, is repealed.

ARTICLE 4

PERIODIC STATE AND LOCAL ELECTION DATES

Section 1. [204D.035] [PERIODIC ELECTION DAY.]

Subdivision 1. [SHORT TITLE.] This section may be referred to as the "Periodic Election Day Act of 2005."

Subd. 2. [ELECTIONS COVERED.] This section applies to all state, county, municipal, school district, and any other political subdivision elections held in the state of Minnesota, and elections on ballot questions, except for (1) elections held to fill a vacancy in office and required by statute to be held sooner than the next day designated in subdivision 3, or (2) elections conducted by mail.

Subd. 3. [ELECTIONS ON DESIGNATED DAYS.] (a) Notwithstanding other law to the contrary, elections subject to subdivision 2 may be held only on the following days:

- (1) the fourth Tuesday in January;
- (2) the second Tuesday in March;
- (3) the third Tuesday in May;
- (4) the first Tuesday after the second Monday in September; and
- (5) the first Tuesday after the first Monday in November.

(b) The time period in which a special election must be conducted under any other law or charter provision must be extended to conform to the requirements of this subdivision.

Subd. 4. [PRIMARY DATE IF NOT SPECIFIED.] If other law provides for a primary to take place for a particular office but does not specify the date of the primary, the primary may be held on one of the days specified in subdivision 3, paragraph (a), clauses (1) to (4). The general election for the office must be held on the date listed in subdivision 3 that immediately follows the date chosen for the primary.

Subd. 5. [ELECTION TIMES AND POLLING PLACES.] An election held in a jurisdiction on one of the days specified in subdivision 3 must be held during the hours determined under section 204C.05. The governing body of the municipality must set the polling place locations to be used for each precinct in all elections in any calendar year before the start of that calendar year.

Subd. 6. [APPLICABLE LAWS.] Except as otherwise provided by this section, Minnesota election law remains applicable to elections held on any of the days listed in subdivision 3.

Sec. 2. [EFFECTIVE DATE.]

This article is effective January 1, 2006.

ARTICLE 5

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2004, section 123B.63, subdivision 3, is amended to read:

Subd. 3. [CAPITAL PROJECT LEVY REFERENDUM.] A district may levy the local tax rate approved by a majority of the electors voting on the question to provide funds for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date ~~set by the board~~ specified in section 204D.035, subdivision 3. A referendum for a project not receiving a positive review and comment by the commissioner under section 123B.71 must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the capital project levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner, state the maximum amount of the capital project levy as a percentage of net tax capacity, state the amount that will be raised by that local tax rate in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the capital project levy proposed by the board of School District No. be approved?"

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified may be certified for the number of years approved.

In the event a conjunctive question proposes to authorize both the capital project levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question.

The district must notify the commissioner of the results of the referendum.

Sec. 2. Minnesota Statutes 2004, section 126C.17, subdivision 11, is amended to read:

Subd. 11. [REFERENDUM DATE.] (a) Except for a referendum held under paragraph (b), any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b), must be prepared and delivered by first-class mail at least 20 days before the referendum.

(b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt. A referendum must be held on a date specified in section 204D.035, subdivision 3.

(c) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 3. Minnesota Statutes 2004, section 204C.05, is amended by adding a subdivision to read:

Subd. 1c. [ELECTIONS; MUNICIPALITIES AND SCHOOL DISTRICTS.] The governing body of a municipality or school district may, by resolution, designate the hours during which the polling places will remain open for voting at the next succeeding and all later municipal or school district elections that are not held at the same time as the state primary or state general election. All polling places must be open at least between the hours of 10:00 a.m. and 8:00 p.m. The resolution remains in effect until revoked by the governing board or until a petition from voters is filed under this subdivision. If a petition requesting longer voting hours for any election is signed by a number of voters equal to ten percent of the votes cast in the last municipal or school district general election, whichever applies, and filed with the appropriate municipal or school district clerk no later than 30 days before an election, the polling places for that election must open at 7:00 a.m. and close at 8:00 p.m. The municipal or school district clerk must give ten days' published and posted notice of the change in hours and notify the appropriate county auditors of the change.

Sec. 4. Minnesota Statutes 2004, section 205.10, subdivision 3, is amended to read:

Subd. 3. [PROHIBITION.] ~~No~~ A special election authorized under subdivision 1 may be held ~~within 40 days after the state general election~~ only on a date specified in section 204D.035, subdivision 3.

Sec. 5. [205.176] [VOTING HOURS.]

In all municipal elections, the hours for voting must be determined as provided in section 204C.05.

Sec. 6. Minnesota Statutes 2004, section 205A.05, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion call a special election to vote on any matter requiring approval of the voters of a district. Upon petition of 50 or more voters of the school district or five percent of the number of voters voting at the preceding regular school district election, the school board shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. ~~A special election may not be held during the 30 days before and the 30 days after the state primary, during the 30 days before and the 40 days after the state general election. In addition, a special election may not be held during the 20 days before and the 20 days after any regularly scheduled election of a municipality wholly or partially within the school district.~~ A special election under this subdivision must be held only on a date specified in section 204D.035, subdivision 3. Notwithstanding any other law to the contrary, the time period in which a special election must be conducted under any other law may be extended by the school board to conform with the requirements of this subdivision.

Sec. 7. [205A.095] [HOURS FOR VOTING.]

The hours for voting in school district elections must be determined as provided in section 204C.05.

Sec. 8. Minnesota Statutes 2004, section 373.40, subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF ELECTION REQUIREMENT.] (a) Bonds issued by a county to finance capital improvements under an approved capital improvement plan are not subject to the election requirements of section 375.18 or 475.58. The bonds must be approved by vote of at least three-fifths of the members of the county board. In the case of a metropolitan county, the bonds must be approved by vote of at least two-thirds of the members of the county board.

(b) Before issuance of bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least 14, but not more than 28, days before the date of the hearing.

(c) A county may issue the bonds only upon obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the county in the last general election and is filed with the county auditor within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election. The election may be held only on a date specified in section 204D.035, subdivision 3.

Sec. 9. Minnesota Statutes 2004, section 375.20, is amended to read:

375.20 [BALLOT QUESTIONS.]

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry

it into effect. In the election the form of the ballot shall be: "In favor of (here state the substance of the resolution to be submitted), Yes No.....," with a square opposite each of the words "yes" and "no," in one of which the voter shall mark an "X" to indicate a choice. The county board may call a special county election upon a question to be held ~~within 60 days~~ on a date specified in section 204D.035, subdivision 3, after a resolution to that effect is adopted by the county board. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

Sec. 10. Minnesota Statutes 2004, section 458.40, is amended to read:

458.40 [MUST VOTE TO ISSUE BONDS IF CHARTER SAYS SO.]

If a charter adopted under the Minnesota Constitution, article IV, section 36, article XI, section 4, or article XII, section 5, has a provision that requires the question of the issuance of bonds to be submitted to the electors, the provision prevails over sections 458.36 to 458.40. The question must be submitted to voters on a date specified in section 204D.035, subdivision 3, notwithstanding any contrary provision in the charter regarding the date of submission.

Sec. 11. Minnesota Statutes 2004, section 465.82, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PLAN.] The plan must state:

- (1) the specific cooperative activities the units will engage in during the first two years of the venture;
- (2) the steps to be taken to effect the merger of the governmental units, with completion no later than four years after the process begins;
- (3) the steps by which a single governing body will be created or, when the entire territory of a unit will be apportioned between or among two or more units contiguous to the unit that is to be apportioned, the steps to be taken by the governing bodies of the remaining units to provide for representation of the residents of the apportioned unit;
- (4) changes in services provided, facilities used, and administrative operations and staffing required to effect the preliminary cooperative activities and the final merger, and a two-, five-, and ten-year projection of expenditures for each unit if it combined and if it remained separate;
- (5) treatment of employees of the merging governmental units, specifically including provisions for reassigning employees, dealing with exclusive representatives, and providing financial incentives to encourage early retirements;
- (6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging units;
- (7) one- and two-year impact analyses, prepared by the granting state agency at the request of the local government unit, of major state aid revenues received for each unit if it combined and if it remained separate, including an impact analysis, prepared by the Department of Revenue, of any property tax revenue implications associated with tax increment financing districts and fiscal disparities under chapter 276A or 473F resulting from the merger;

(8) procedures for a referendum to be held on a date specified in section 204D.035, subdivision 3, before the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination is needed to pass the referendum; and

(9) a time schedule for implementation.

Notwithstanding clause (3) or any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 465.81 to 465.86 may serve on the initial governing body of the combined unit until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached.

Sec. 12. Minnesota Statutes 2004, section 465.84, is amended to read:

465.84 [REFERENDUM.]

During the first or second year of cooperation, a referendum on the question of combination must be conducted. The referendum must be on a date specified in section 204D.035, subdivision 3, and called by the governing bodies of the units that propose to combine. The referendum must be conducted according to the Minnesota Election Law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

Sec. 13. Minnesota Statutes 2004, section 469.053, subdivision 5, is amended to read:

Subd. 5. [REVERSE REFERENDUM.] A city may increase its levy for port authority purposes under subdivision 4 only as provided in this subdivision. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or, if none exists, in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or, if none exists, in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. The resolution is effective if approved by a majority of those voting on the question. The commissioner of revenue shall prepare a suggested form of referendum question. The referendum must be held at a special or general election ~~before October 1~~ on a date specified in section 204D.035, subdivision 3, of the year for which the levy increase is proposed.

Sec. 14. Minnesota Statutes 2004, section 469.0724, is amended to read:

469.0724 [GENERAL OBLIGATION BONDS.]

The port authority of Cannon Falls or Redwood Falls must not proceed with the sale of general obligation tax supported bonds until the city council by resolution approves the proposed issuance. The resolution must be published in the official newspaper. If, within 30 days after the publication, a petition signed by voters equal in number to ten percent of the number of voters at the last regular city election is filed with the city clerk, the city and port authority must not issue the general obligation tax supported bonds until the proposition has been approved by a majority of the votes cast on the question at a regular or special election held on a date specified in section 204D.035, subdivision 3.

Sec. 15. Minnesota Statutes 2004, section 469.190, subdivision 5, is amended to read:

Subd. 5. [REVERSE REFERENDUM.] If the county board passes a resolution under subdivision 4 to impose the tax, the resolution must be published for two successive weeks in a newspaper of general circulation within the unorganized territory, together with a notice fixing a date for a public hearing on the proposed tax.

The hearing must be held not less than two weeks nor more than four weeks after the first publication of the notice. After the public hearing, the county board may determine to take no further action, or may adopt a resolution authorizing the tax as originally proposed or approving a lesser rate of tax. The resolution must be published in a newspaper of general circulation within the unorganized territory. The voters of the unorganized territory may request a referendum on the proposed tax by filing a petition with the county auditor within 30 days after the resolution is published. The petition must be signed by voters who reside in the unorganized territory. The number of signatures must equal at least five percent of the number of persons voting in the unorganized territory in the last general election. If such a petition is timely filed, the resolution is not effective until it has been submitted to the voters residing in the unorganized territory at a general or special election held on a date specified in section 204D.035, subdivision 3, and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum.

Sec. 16. Minnesota Statutes 2004, section 475.521, subdivision 2, is amended to read:

Subd. 2. [ELECTION REQUIREMENT.] (a) Bonds issued by a city to finance capital improvements under an approved capital improvements plan are not subject to the election requirements of section 475.58. The bonds are subject to the net debt limits under section 475.53. The bonds must be approved by an affirmative vote of three-fifths of the members of a five-member city council. In the case of a city council having more than five members, the bonds must be approved by a vote of at least two-thirds of the city council.

(b) Before the issuance of bonds qualifying under this section, the city must publish a notice of its intention to issue the bonds and the date and time of the hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the city or in a newspaper of general circulation in the city. Additionally, the notice may be posted on the official Web site, if any, of the city. The notice must be published at least 14 but not more than 28 days before the date of the hearing.

(c) A city may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the city in the last general election and is filed with the city clerk within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election. The election must be held on a date specified in section 204D.035, subdivision 3.

Sec. 17. Minnesota Statutes 2004, section 475.58, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY ELECTORS; EXCEPTIONS.] Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting at a special or general election held on a date specified in section 204D.035, subdivision 3, on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

- (1) to pay any unpaid judgment against the municipality;
- (2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from such taxes within the district;

(4) payable wholly from the income of revenue producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;

(7) to fund pension or retirement fund liabilities pursuant to section 475.52, subdivision 6;

(8) under a capital improvement plan under section 373.40; and

(9) under sections 469.1813 to 469.1815 (property tax abatement authority bonds), if the proceeds of the bonds are not used for a purpose prohibited under section 469.176, subdivision 4g, paragraph (b).

Sec. 18. Minnesota Statutes 2004, section 475.58, subdivision 1a, is amended to read:

Subd. 1a. [RESUBMISSION LIMITATION.] If the electors do not approve the issuing of obligations at an election required by subdivision 1, the question of authorizing the obligations for the same purpose and in the same amount may not be submitted to the electors ~~within a period of~~ until a special or general election held on a date specified in section 204D.035, subdivision 3, and not sooner than 180 days from the date the election was held. If the question of authorizing the obligations for the same purpose and in the same amount is not approved a second time it may not be submitted to the electors within a period of one year after the second election.

Sec. 19. Minnesota Statutes 2004, section 475.59, is amended to read:

475.59 [MANNER OF SUBMISSION; NOTICE.]

When the governing body of a municipality resolves to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election held on a date specified in section 204D.035, subdivision 3, or at a town or common school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the purpose of the proposed issue. In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses. In any city, town, or county, the governing body may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance, stated conjunctively or in the alternative, for the acquisition, construction, or improvement of any facilities at one or more locations.

Sec. 20. [REPEALER.]

Minnesota Statutes 2004, sections 204C.05, subdivisions 1a and 1b; 205.175; and 205A.09, are repealed.

Sec. 21. [EFFECTIVE DATE.]

This article is effective January 1, 2006. Section 17 is effective for obligations authorized at an election held after January 1, 2006.

ARTICLE 6

CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2004, section 10A.01, is amended by adding a subdivision to read:

Subd. 16a. [ELECTIONEERING COMMUNICATION.] "Electioneering communication" means a broadcast communication that refers to a clearly identified candidate and is made within 60 days before a general or special election or 30 days before a primary or special primary for the office sought by the candidate. "Electioneering communication" does not include:

(1) a communication appearing in a news story, commentary, or editorial distributed by a broadcasting station or newspaper, unless the broadcasting station or newspaper is owned or controlled by a political party unit, political committee, or candidate;

(2) a campaign expenditure; or

(3) an independent expenditure.

Sec. 2. Minnesota Statutes 2004, section 10A.14, subdivision 1, is amended to read:

Subdivision 1. [FIRST REGISTRATION.] The treasurer of a political committee, political fund, principal campaign committee, or party unit must register with the board by filing a statement of organization no later than ~~14 days~~ 48 hours after the committee, fund, or party unit has made a contribution, received contributions, or made expenditures in excess of \$100.

Sec. 3. [10A.165] [COORDINATED ELECTIONEERING COMMUNICATIONS; CONTRIBUTIONS; EXPENDITURES.]

If an individual, political committee, political fund, or political party unit makes an expenditure for an electioneering communication as defined in section 10A.01, subdivision 16a, that is coordinated with a principal campaign committee or political party unit, the electioneering communication constitutes a contribution to, and an expenditure by, the principal campaign committee of the candidate named in the electioneering communication or of the political party unit whose candidate is named in the electioneering communication.

Sec. 4. Minnesota Statutes 2004, section 10A.20, is amended by adding a subdivision to read:

Subd. 6c. [ELECTIONEERING COMMUNICATION.] An individual, political committee, political fund, or political party unit that makes or contracts to make an expenditure for an electioneering communication in an aggregate amount in excess of \$500 within 60 days before a general or special election or 30 days before a primary or special primary for the office sought by the candidate identified in the electioneering communication must, within 24 hours of making the expenditure, file a report with the board containing the following information:

(1) the amount of each expenditure over \$100, the name and address of the person to whom the expenditure was made or contracted to be made, and the purpose of the expenditure;

(2) the election or primary to which each electioneering communication pertains and the name of any candidate to be identified in the electioneering communication; and

(3) in the case of a report filed by an individual, the name, address, and employer or occupation, if self-employed, of the individual making or contracting to make the electioneering communication.

An additional report containing the information specified in this subdivision must be filed within 24 hours after each time an expenditure for an electioneering communication in an aggregate amount exceeding \$500 is made or contracted to be made within 60 days before a general or special election or 30 days before a primary or special primary for the office sought by the candidate.

Sec. 5. Minnesota Statutes 2004, section 10A.20, is amended by adding a subdivision to read:

Subd. 6d. [INDEPENDENT EXPENDITURES.] (a) An individual, political committee, political party unit, or political fund must file a report with the board each time the individual, political committee, political party unit, or political fund makes or contracts to make, at any time up to and including the 20th day before an election, independent expenditures in an aggregate amount in excess of \$500. The report must be filed within 48 hours after initially making or contracting to make such expenditures. An additional report must be filed within 48 hours after each time an independent expenditure in an aggregate amount in excess of \$500 is made or contracted to be made, up to and including the 20th day before an election. The report must include the information required to be reported under subdivision 3, paragraph (g), except that if the expenditure is reported at the time it is contracted, the report must include the contract amount. The report must also indicate (1) the name and office sought by a candidate named in the independent expenditure and (2) whether the independent expenditure expressly advocates the candidate's election or defeat.

(b) An individual, political committee, political party unit, or political fund must file a report with the board each time the individual, political committee, political party unit, or political fund makes or contracts to make, between the 19th day and the last day before an election, an independent expenditure in an aggregate amount in excess of \$100. The report must be filed within 24 hours after initially making or contracting to make such expenditures. An additional report must be filed within 24 hours after making or contracting to make an independent expenditure in an aggregate amount in excess of \$100 at any time up to and including the 20th day before an election. The report must include the information required to be reported under subdivision 3, paragraph (g), except that if the expenditure is reported at the time it is contracted, the report must include the contract amount. The report must also indicate (1) the name and office sought by a candidate named in the independent expenditure and (2) whether the independent expenditure expressly advocates the candidate's election or defeat.

Sec. 6. Minnesota Statutes 2004, section 10A.20, is amended by adding a subdivision to read:

Subd. 6e. [ENCOURAGING VOTER PARTICIPATION.] (a) An individual or association that makes or contracts to make an expenditure to encourage precinct caucus attendance, voter registration, or voting in an aggregate amount in excess of \$200 during a calendar year must, within 24 hours of making or contracting to make such an expenditure, file a report with the board containing:

(1) the amount of each expenditure over \$100, the name and address of the person to whom the expenditure was made or contracted to be made, and the purpose of the expenditure; and

(2) the election or primary to which each expenditure pertains.

(b) An additional report containing the information specified in this subdivision must be filed within 24 hours after each time an expenditure subject to this subdivision is made or contracted to be made during the calendar year.

Sec. 7. Minnesota Statutes 2004, section 10A.25, subdivision 2, is amended to read:

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

- (1) for governor and lieutenant governor, running together, ~~\$2,188,090~~ \$2,500,000;
- (2) for attorney general, ~~\$364,690~~ \$1,250,000;
- (3) for secretary of state and state auditor, separately, ~~\$182,350~~ \$625,000;
- (4) for state senator, \$54,740;
- (5) for state representative, \$28,400.

(b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make campaign expenditures and approved expenditures of five percent of that amount to seek endorsement.

(c) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is running for that office for the first time and who has not run previously for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office.

Sec. 8. [10A.258] [PARTY UNIT INDEPENDENT EXPENDITURE LIMITS.]

A political party unit that has signed an agreement under section 10A.322 and participates in the political contribution refund program must not make aggregate independent expenditures in a race in excess of \$2,000.

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

Subd. 1a. [POLITICAL PARTY AGREEMENT.] As a condition of issuing political contribution refund receipts under subdivision 4, a political party unit must sign and file with the board a written agreement in which the political party unit agrees that it will comply with section 10A.258. A political party unit may obtain an agreement form from the board and must file the form by September 1 preceding a general election in connection with which the political party unit intends to issue refund receipt forms. An agreement may not be filed after that date. Once filed, an agreement may not be rescinded. The board must notify the commissioner of revenue of any agreement filed under this subdivision.

Sec. 10. Minnesota Statutes 2004, section 10A.322, subdivision 2, is amended to read:

Subd. 2. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, and the contribution limit in section 10A.27, subdivision 10, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the end of the first election cycle completed after the agreement was filed, whichever occurs first.

(b) The agreement, insofar as it relates to the independent expenditure limits in section 10A.258, remains effective for political party units until the end of the first election cycle completed after the agreement was filed.

Sec. 11. Minnesota Statutes 2004, section 10A.322, subdivision 4, is amended to read:

Subd. 4. [REFUND RECEIPT FORMS; PENALTY.] The board must make available to a political party ~~on request~~ that has filed an agreement under subdivision 1a and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section; or, if the contribution is to a political party unit, that the political party unit has signed an agreement to limit independent expenditures as provided in subdivision 1a. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate ~~who~~ or political party unit that does not sign an agreement under this section and ~~who~~ willfully issues an official refund receipt form or a facsimile of one to any of the candidate's or political party unit's contributors is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 2004, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to a candidate or political party unless the candidate or political party unit:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;

(2) in the case of a candidate, is seeking an office for which voluntary spending limits are specified in section 10A.25; and

(3) in the case of a candidate, has designated a principal campaign committee.

This subdivision does not limit the independent expenditures of a political party unit or the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

Sec. 13. [INTERNET CAMPAIGN REPORTING AND PUBLIC SUBSIDY PAYMENT STUDY.]

A work group is established to study the feasibility of creating an online campaign finance reporting and public subsidy payment system. The work group must study the initial costs and long-term savings of creating a system for filing online all reports required by Minnesota Statutes, chapter 10A, and for electronically making subsidy payments under Minnesota Statutes, chapter 10A. The work group must report to the chairs of the Civil Law and Elections Committee and the State Government Finance Committee in the house of representatives and the chairs of the Elections Committee and the State Government Budget Division of the Finance Committee in the senate by January 15, 2006.

The work group shall consist of one member of the Campaign Finance and Public Disclosure Board designated by the chair of the board, three members appointed by the governor, three members appointed by the speaker of the house, and three members appointed by the senate Committee on Committees.

The Campaign Finance and Public Disclosure Board and the Department of Revenue must provide staff resources to the work group."

Delete the title and insert:

"A bill for an act relating to elections; changing certain election and campaign finance provisions; amending Minnesota Statutes 2004, sections 3.02; 10A.01, subdivisions 5, 9, by adding subdivisions; 10A.025, by adding a subdivision; 10A.071, subdivision 3; 10A.08; 10A.14, subdivision 1; 10A.20, subdivision 5, by adding subdivisions; 10A.25, subdivision 2; 10A.27, subdivision 1; 10A.28, subdivision 2; 10A.31, subdivision 4; 10A.322, subdivisions 2, 4, by adding a subdivision; 123B.63, subdivision 3; 126C.17, subdivision 11; 200.02, subdivisions 7, 23, by adding a subdivision; 201.061, subdivision 3; 201.071, subdivision 1; 201.091, subdivision 5; 203B.01, subdivision

3; 203B.02, subdivision 1; 203B.04, subdivisions 1, 4, by adding a subdivision; 203B.07, subdivision 2; 203B.11, subdivision 1; 203B.12, subdivision 2; 203B.20; 203B.21, subdivisions 1, 3; 203B.24, subdivision 1; 204B.10, subdivision 6; 204B.14, subdivision 2; 204B.16, subdivisions 1, 5; 204B.18, subdivision 1; 204B.22, subdivision 3; 204B.27, subdivisions 1, 3; 204B.33; 204C.05, subdivision 1a, by adding a subdivision; 204C.08, subdivision 1; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.50, subdivision 1; 204D.03, subdivision 1; 204D.14, subdivision 3; 204D.27, subdivision 5; 205.10, subdivision 3; 205.175, subdivision 2; 205A.05, subdivision 1; 205A.09, subdivision 1; 206.56, subdivisions 2, 3, 7, 8, 9, by adding subdivisions; 206.57, subdivisions 1, 5, by adding a subdivision; 206.58, subdivision 1; 206.61, subdivisions 4, 5; 206.64, subdivision 1; 206.80; 206.81; 206.82, subdivisions 1, 2; 206.83; 206.84, subdivisions 1, 3, 6; 206.85, subdivision 1; 206.90, subdivisions 1, 4, 5, 6, 8, 9; 208.03; 208.04, subdivision 1; 208.05; 208.06; 208.07; 208.08; 211B.01, subdivision 3; 211B.13, subdivision 1; 290.06, subdivision 23; 358.11; 373.40, subdivision 2; 375.20; 414.01, by adding a subdivision; 447.32, subdivision 4; 458.40; 465.82, subdivision 2; 465.84; 469.053, subdivision 5; 469.0724; 469.190, subdivision 5; 471.895, subdivision 3; 475.521, subdivision 2; 475.58, subdivisions 1, 1a; 475.59; proposing coding for new law in Minnesota Statutes, chapters 10A; 204D; 205; 205A; 414; repealing Minnesota Statutes 2004, sections 204B.22, subdivision 2; 204C.05, subdivisions 1a, 1b; 204C.50, subdivision 7; 205.175; 205A.09; Minnesota Rules, parts 4501.0300, subparts 1, 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; 4503.0800, subpart 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 2226, A bill for an act relating to elections; extending the deadline for submitting voter registration applications; clarifying documents acceptable to prove residence; specifying form of voter registration application; authorizing registered voters to withhold their name from the public information list; requiring notice to individuals whose civil rights have been restored; regulating conduct and requiring training of polling place challengers; adding to the Voter's Bill of Rights; allowing ex-felons to leave a polling place and return; amending Minnesota Statutes 2004, sections 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivision 1; 201.091, subdivision 4; 201.155; 204C.06, subdivision 2; 204C.07, subdivision 4, by adding a subdivision; 204C.08, subdivision 1a; 204C.12, subdivisions 2, 4.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"ARTICLE 1

VOTER REGISTRATION"

Pages 2 to 4, delete sections 2 and 3 and insert:

"Sec. 2. Minnesota Statutes 2004, section 201.061, subdivision 3, is amended to read:

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

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

(2) presenting a current and valid government issued photo identification that shows the name and residential address of the voter;

(3) presenting a copy of a current utility bill, signed residential lease, bank statement, government check, paycheck, or other government document that shows the name and residential address of the voter, and presenting with any item in this clause, a current and valid photo identification;

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

~~(3)~~ (5) presenting one of the following:

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

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

(iii) a current student registration card that contains the student's residential address in the precinct together with a current and valid photo identification; or

(iv) a current student monthly rental statement that contains the student's residential address in the precinct together with a current and valid photo identification; or

~~(4)~~ (6) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

For the purposes of clauses (3) and (5), items (ii), (iii), and (iv), "photo identification" includes any identification that displays the name and photo of an individual and that is issued by a federal, state, local, or tribal government or government agency; an employer; a bank; a credit card company; a college; a university; a high school; or a business for its membership program.

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

~~(c) For tribal band members living on an Indian reservation, an individual may prove residence for purposes of registering by presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, street address, signature, and picture of the individual. The county auditor of each county having territory within the reservation shall maintain a record of the number of election day registrations accepted under this section.~~

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

Sec. 3. Minnesota Statutes 2004, section 201.061, is amended by adding a subdivision to read:

Subd. 3a. [DEFINITIONS.] (a) The definitions in this subdivision apply to subdivision 3.

(b) "Bank statement" includes a bank statement, investment account statement, brokerage statement, pension fund statement, dividend check, or any other notice or letter from a financial institution relating to an account or investment held by the voter at the financial institution.

(c) "Government check" includes a Social Security Administration check statement or a check stub or electronic deposit receipt from a public assistance payment or tax refund or credit.

(d) "Other government document" includes military identification; a document issued by a governmental entity that qualifies for use as identification for purposes of acquiring a driver's license in this state; a Metro Mobility card; a property tax statement; a public housing lease or rent statement or agreement, or a rent statement or agreement provided under a subsidized housing program; a document or statement provided to a voter as evidence of income or eligibility for a tax deduction or tax credit; a periodic notice from a federal, state, or local agency for a public assistance program, such as the Minnesota family investment program, food stamps, general assistance, medical assistance, general assistance medical care, MinnesotaCare, unemployment benefits, or social security; an insurance card for a government administered or subsidized health insurance program; or a discharge certificate, pardon, or other official document issued to the voter in connection with the resolution of a criminal case, indictment, sentence, or other matter, in accordance with state law.

(e) "Paycheck" includes a check stub or electronic deposit receipt.

(f) "Residential facility" means transitional housing as defined in section 119A.43, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

(g) "Utility bill" includes a bill for gas, electricity, telephone, wireless telephone, cable television, solid waste, water, or sewer services."

Page 5, lines 14 and 15, delete the new language and insert ", my felony sentence has expired (been completed) or I have been discharged"

Page 5, delete lines 30 and 31

Page 6, line 35, strike "written request"

Page 6, line 36, before the comma, insert "statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family"

Page 7, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 2004, section 203B.16, is amended by adding a subdivision to read:

Subd. 5. [DUTIES OF COUNTY AUDITOR.] Each county auditor shall mail absentee ballot applications to the study-abroad office of each college or university whose principal administrative offices are located within the county."

Page 8, line 32, delete everything after "(a)"

Page 8, delete lines 33 and 34

Page 8, line 35, delete "(b)"

Page 8, line 36, delete everything after "training"

Page 9, line 1, delete "secretary of state"

Page 9, line 2, delete everything after the period

Page 9, delete line 3

Page 9, line 4, delete everything before "The"

Page 9, line 8, delete "(c)" and insert "(b)"

Page 9, line 11, delete "(d)" and insert "(c)"

Page 9, after line 13, insert:

"(d) A training authority must issue a certification of challenger training to a person who successfully completes a training course. The training course must be conducted not more than 60 days before the state primary election or fewer than three days before the state general election. The challenger training course must include information on the following topics:

(1) eligibility requirements for voting;

(2) forms of identification acceptable for purposes of election day registration;

(3) challenge process; and

(4) restrictions on challenger behavior."

Page 10, lines 7 and 8, delete the new language and insert "your felony sentence has expired (been completed) or you have been discharged"

Page 11, after line 7, insert:

"ARTICLE 2

ELECTION ADMINISTRATION

Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 5, is amended to read:

Subd. 5. [ASSOCIATED BUSINESS.] "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$50, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or whose securities the individual holds worth \$2,500 or more at fair market value.

Sec. 2. Minnesota Statutes 2004, section 10A.01, subdivision 9, is amended to read:

Subd. 9. [CAMPAIGN EXPENDITURE.] "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

"Campaign expenditure" includes payments for attending a state or national convention and payments for funeral gifts or memorials.

An expenditure is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (1), "expenditure" includes the dollar value of a donation in kind.

"Expenditure" does not include:

(1) noncampaign disbursements as defined in subdivision 26;

(2) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, political fund, principal campaign committee, or party unit; or

(3) the publishing or broadcasting of news items or editorial comments by the news media.

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

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

Subd. 17c. [IMMEDIATE FAMILY.] "Immediate family" means an individual and the individual's spouse, children, parents, and siblings.

Sec. 4. Minnesota Statutes 2004, section 10A.025, is amended by adding a subdivision to read:

Subd. 1a. [ELECTRONIC FILING.] A report or statement required to be filed under this chapter may be filed electronically. The board shall adopt rules to regulate electronic filing and to ensure that the electronic filing process is secure.

Sec. 5. Minnesota Statutes 2004, section 10A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 11;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento ~~of insignificant~~ with an actual market value of \$15 or less;

(6) informational material of unexceptional value; ~~or~~

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program; or

(8) food or a beverage given at a reception held within the seven-county metropolitan area while the legislature is in session and to which all members of the legislature have been invited, and the cost does not exceed \$5 for each legislator.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or

(2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

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

Sec. 6. Minnesota Statutes 2004, section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.]

A public official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the appearance. The board must send a notice by certified mail to any public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within ten business days after the notice was sent, the board may impose a late filing fee of \$5 per day, not to exceed \$100, starting on the 11th day after the notice was sent. The board must send an additional notice by certified mail to a public official who fails to disclose the participation within 14 days after the first notice was sent by the board that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 7. Minnesota Statutes 2004, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In a statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report before an election and the election must be reported to the board in one of the following ways:

(1) in person within 48 hours after its receipt;

(2) by telegram or mailgram within 48 hours after its receipt; ~~or~~

(3) by certified mail sent within 48 hours after its receipt; or

(4) by electronic means sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary in which the statewide or legislative candidate is unopposed.

Sec. 8. Minnesota Statutes 2004, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

(1) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;

(2) to a candidate for attorney general, \$1,000 in an election year for the office sought and \$200 in other years;

(3) to a candidate for the office of secretary of state or state auditor, \$500 in an election year for the office sought and \$100 in other years;

(4) to a candidate for state senator, \$500 in an election year for the office sought and \$100 in other years; and

(5) to a candidate for state representative, \$500 in an election year for the office sought and \$100 in the other year.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund-raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

(c) A lobbyist, political committee, political party unit, or political fund must not make a contribution a candidate is prohibited from accepting.

Sec. 9. Minnesota Statutes 2004, section 10A.28, subdivision 2, is amended to read:

Subd. 2. [EXCEEDING CONTRIBUTION LIMITS.] A lobbyist, political committee, political fund, political party unit, or principal campaign committee that makes a contribution, or a candidate who permits the candidate's principal campaign committee to accept contributions, in excess of the limits imposed by section 10A.27 is subject to a civil penalty of up to four times the amount by which the contribution exceeded the limits.

Sec. 10. Minnesota Statutes 2004, section 10A.31, subdivision 4, is amended to read:

Subd. 4. [APPROPRIATION.] (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign fund, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Of this appropriation, \$65,000 each fiscal year must be set aside to pay assessments made by the Office of Administrative Hearings under section 211B.37 for nonfrivolous complaints. Amounts remaining after all assessments have been paid must be canceled to the general account.

Sec. 11. Minnesota Statutes 2004, section 203B.04, is amended by adding a subdivision to read:

Subd. 6. [ONGOING ABSENTEE STATUS; TERMINATION.] (a) An eligible voter may apply to a county auditor or municipal clerk for status as an ongoing absentee voter who reasonably expects to meet the requirements of section 203B.02, subdivision 1. Each applicant must automatically be provided with an absentee ballot application for each ensuing election other than an election by mail conducted under section 204B.45, and must have the status of ongoing absentee voter indicated on the voter's registration record.

(b) Ongoing absentee voter status ends on:

(1) the voter's written request;

(2) the voter's death;

(3) return of an ongoing absentee ballot as undeliverable;

(4) a change in the voter's status so that the voter is not eligible to vote under section 201.15 or 201.155; or

(5) placement of the voter's registration on inactive status under section 201.171.

Sec. 12. Minnesota Statutes 2004, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION REQUIREMENTS.] Precinct summary statements shall be submitted by the election judges in every precinct. For state all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(a) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes or partially blank ballots, and the number of overvotes or partially defective ballots with respect to each office or question;

(b) the number of totally blank ballots, the number of totally defective ballots, the number of spoiled ballots, and the number of unused ballots;

(c) the number of individuals who voted at the election in the precinct;

(d) the number of voters registering on election day in that precinct; and

(e) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 13. Minnesota Statutes 2004, section 204C.50, subdivision 1, is amended to read:

Subdivision 1. [SELECTION FOR REVIEW; NOTICE.] (a) Postelection review under this section must be conducted only on the election for president, senator or representative in Congress, constitutional offices, and legislative offices.

(b) The Office of the Secretary of State shall, within three days after each state general election beginning in 2006, randomly select 80 precincts for postelection review as defined in this section. The precincts must be selected so that an equal number of precincts are selected in each congressional district of the state. Of the precincts in each congressional district, at least five must have had more than 500 votes cast, and at least two must have had fewer than 500 votes cast. The secretary of state must promptly provide notices of which precincts are chosen to the election administration officials who are responsible for the conduct of elections in those precincts.

~~(b)~~ (c) One week before the state general election beginning in 2006, the secretary of state must post on the office Web site the date, time, and location at which precincts will be randomly chosen for review under this section. The chair of each major political party may appoint a designee to observe the random selection process.

Sec. 14. Minnesota Statutes 2004, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] (a) The state primary shall be held on the first Tuesday after the second Monday in September in each even-numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors.

(b) If in any municipality or county there are no partisan or nonpartisan offices for which nominees must be selected at the state primary, no state primary shall be held in the municipality or county. However, no later than 15 days after the close of filings, the municipal clerk or county auditor in such a municipality or county must post a notice in the office and send a copy of the notice to the secretary of state, stating that no primary will be held in the municipality or county because there are no partisan or nonpartisan offices for which nominees must be selected in the municipality or county.

Sec. 15. Minnesota Statutes 2004, section 206.57, subdivision 5, is amended to read:

Subd. 5. [VOTING SYSTEM FOR DISABLED VOTERS.] In federal and state elections held after December 31, 2005, and in county, municipal, and school district elections held after December 31, 2007, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 16. Minnesota Statutes 2004, section 208.03, is amended to read:

208.03 [NOMINATION OF PRESIDENTIAL ELECTORS.]

Presidential electors for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. On or before primary election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of eight alternate presidential electors, and the names of the party candidates for president and vice-president.

Sec. 17. Minnesota Statutes 2004, section 208.04, subdivision 1, is amended to read:

Subdivision 1. [FORM OF PRESIDENTIAL BALLOTS.] When presidential electors and alternates are to be voted for, a vote cast for the party candidates for president and vice-president shall be deemed a vote for that party's electors and alternates as filed with the secretary of state. The secretary of state shall certify the names of all duly nominated presidential and vice-presidential candidates to the county auditors of the counties of the state. Each county auditor, subject to the rules of the secretary of state, shall cause the names of the candidates of each major political party and the candidates nominated by petition to be printed in capital letters, set in type of the same size and style as for candidates on the state white ballot, before the party designation. To the left of, and on the same line with the names of the candidates for president and vice-president, near the margin, shall be placed a square or box, in which the voters may indicate their choice by marking an "X."

The form for the presidential ballot and the relative position of the several candidates shall be determined by the rules applicable to other state officers. The state ballot, with the required heading, shall be printed on the same piece of paper and shall be below the presidential ballot with a blank space between one inch in width.

Sec. 18. Minnesota Statutes 2004, section 208.05, is amended to read:

208.05 [STATE CANVASSING BOARD.]

The State Canvassing Board at its meeting on the second Tuesday after each state general election shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices, and declare the person or persons receiving the highest number of votes for each office duly elected. When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 19. Minnesota Statutes 2004, section 208.06, is amended to read:

208.06 [ELECTORS TO MEET AT CAPITOL; FILLING OF VACANCIES.]

The presidential electors and alternate presidential electors, before 12:00 M. on the day before that fixed by Congress for the electors to vote for president and vice-president of the United States, shall notify the governor that they are at the State Capitol and ready at the proper time to fulfill their duties as electors. The governor shall deliver to the electors present a certificate of the names of all the electors. If any elector named therein fails to appear before 9:00 a.m. on the day, and at the place, fixed for voting for president and vice-president of the United States, an alternate, chosen from among the alternates by lot, shall be appointed to act for that elector. If more than eight alternates are necessary, the electors present shall, in the presence of the governor, immediately elect by ballot a person to fill the vacancy. If more than the number of persons required have the highest and an equal number of votes, the governor, in the presence of the electors attending, shall decide by lot which of those persons shall be elected.

Sec. 20. Minnesota Statutes 2004, section 208.07, is amended to read:

208.07 [CERTIFICATE OF ELECTORS.]

Immediately after the vacancies have been filled, the original electors and alternates present shall certify to the governor the names of the persons elected to complete their number, and the governor shall at once cause written notice to be given to each person elected to fill a vacancy. The persons so chosen shall be presidential electors and shall meet and act with the other electors.

Sec. 21. Minnesota Statutes 2004, section 208.08, is amended to read:

208.08 [ELECTORS TO MEET AT STATE CAPITOL.]

The original, alternate, and substituted presidential electors, at 12:00 M., shall meet in the executive chamber at the State Capitol and shall perform all the duties imposed upon them as electors by the Constitution and laws of the United States and this state.

Each elector, as a condition of having been chosen under the name of the party of a presidential and a vice-presidential candidate, is obligated to vote for those candidates. The elector shall speak aloud or affirm in a nonverbal manner the name of the candidate for president and for vice-president for whom the elector is voting and then confirm that vote by written public ballot.

If an elector fails to cast a ballot for the presidential or vice-presidential candidate of the party under whose name the elector was chosen, the elector's vote or abstention is invalidated and an alternate presidential elector, chosen by lot from among the alternates, shall cast a ballot in the name of the elector for the presidential and vice-presidential candidate of the party under whose name the elector was chosen. The invalidation of an elector's vote or abstention on the ballot for president or vice-president does not apply if the presidential candidate under whose party's name the elector was chosen has without condition released the elector or has died or become mentally disabled. The invalidation of an elector's vote or abstention on the ballot for vice-president does not apply if the vice-presidential candidate under whose party's name the elector was chosen has released without condition the elector or has died or become mentally disabled.

Sec. 22. Minnesota Statutes 2004, section 211B.13, subdivision 1, is amended to read:

Subdivision 1. [BRIBERY, ADVANCING MONEY, AND TREATING PROHIBITED.] A person who willfully, directly or indirectly, advances, pays, gives, promises, or lends any money, food, liquor, clothing, entertainment, or other thing of monetary value, or who offers, promises, or endeavors to obtain any money, position, appointment, employment, or other valuable consideration, to or for a person, in order to induce a voter to refrain from voting, or to vote in a particular way, at an election, is guilty of a felony. This section does not prevent a candidate from stating publicly preference for or support of another candidate to be voted for at the same primary or election. Refreshments of food ~~or~~ and nonalcoholic beverages of nominal value consumed on the premises at a private gathering or public meeting or distributed at a public parade are not prohibited under this section.

Sec. 23. Minnesota Statutes 2004, section 471.895, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 211A.01, subdivision 5;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento ~~of insignificant~~ with an actual market value of \$5 or less;

(6) informational material of unexceptional value; or

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given or offered to the other members of the group;

(2) by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family; or

(3) by a national or multistate organization of governmental organizations or public officials, if a majority of the dues to the organization are paid from public funds, to attendees at a conference sponsored by that organization, if the gift is food or a beverage given at a reception or meal and an equivalent gift is given or offered to all other attendees.

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

Sec. 24. [REPEALER.]

Minnesota Statutes 2004, section 204C.50, subdivision 7, is repealed.

Minnesota Rules, parts 4501.0300, subparts 1 and 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; and 4503.0800, subpart 1, are repealed.

ARTICLE 3

ELECTION PROCEDURES

Section 1. Minnesota Statutes 2004, section 3.02, is amended to read:

3.02 [EVIDENCE OF MEMBERSHIP.]

For all purposes of organization of either house of the legislature, a certificate of election to it, duly executed by the secretary of state, is prima facie evidence of the right to membership of the person named in it. The secretary of state shall issue the certificate of election in duplicate and shall file and retain one copy for the official records of the state and present one copy to each legislator.

Sec. 2. Minnesota Statutes 2004, section 200.02, subdivision 7, is amended to read:

Subd. 7. [MAJOR POLITICAL PARTY.] (a) "Major political party" means a political party that maintains a party organization in the state, political division or precinct in question and that has presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election.

(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election.

(c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (a) becomes a major political party as of January 1 following that election and retains its major party status ~~notwithstanding that~~ for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (a) ~~at the following subsequent state general election elections.~~

(d) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (a) ~~at either each of two consecutive state general election elections~~ described by paragraph (a) loses major party status as of December 31 following the ~~most recent~~ later of the two consecutive state general election elections.

Sec. 3. Minnesota Statutes 2004, section 200.02, subdivision 23, is amended to read:

Subd. 23. [MINOR POLITICAL PARTY.] (a) "Minor political party" means a political party that is not a major political party as defined by subdivision 7 and that has adopted a state constitution, designated a state party chair, held a state convention in the last two years, filed with the secretary of state no later than December 31 following the most recent state general election a certification that the party has met the foregoing requirements, and met the requirements of paragraph (b) or (e), as applicable.

(b) To be considered a minor party in all elections statewide, the political party must have presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general, at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the preceding state general election for presidential electors; and

who received votes in each county that in the aggregate equal at least one percent of the total number of individuals who voted in the election, or its members must have presented to the secretary of state at any time before the close of filing for the state partisan primary ballot a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least one percent of the total number of individuals who voted in the preceding state general election.

(c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (b) becomes a minor political party as of January 1 following that election and retains its minor party status ~~notwithstanding that~~ for at least two state general elections even if the party fails to present a candidate who

receives the number and percentage of votes required under paragraph (b) at ~~the following~~ subsequent state general ~~election~~ elections.

(d) A minor political party whose candidates fail to receive the number and percentage of votes required under paragraph (b) at ~~either~~ each of two consecutive state general ~~election~~ elections described by paragraph (b) loses minor party status as of December 31 following the ~~most recent~~ later of the two consecutive state general ~~election~~ elections.

(e) To be considered a minor party in an election in a legislative district, the political party must have presented at least one candidate for a legislative office in that district who received votes from at least ten percent of the total number of individuals who voted for that office, or its members must have presented to the secretary of state a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least ten percent of the total number of individuals who voted in the preceding state general election for that legislative office.

Sec. 4. Minnesota Statutes 2004, section 200.02, is amended by adding a subdivision to read:

Subd. 24. [METROPOLITAN AREA.] "Metropolitan area" means the counties of Ramsey, Hennepin, Anoka, Washington, Dakota, Scott, Carver, Wright, Sherburne, Isanti, and Chisago.

Sec. 5. Minnesota Statutes 2004, section 201.061, subdivision 3, is amended to read:

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

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

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

(3) presenting one of the following:

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

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

(4) having a voter who is registered to vote in the precinct sign an oath in the presence of the election judge vouching that the voter personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

For tribal band members ~~living on an Indian reservation~~, an individual may prove residence for purposes of registering by presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, ~~street~~ address, signature, and picture of the individual. ~~The county auditor of each county having territory within the reservation shall maintain a record of the number of election day registrations accepted under this section.~~

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

Sec. 6. Minnesota Statutes 2004, section 201.071, subdivision 1, is amended to read:

Subdivision 1. [FORM.] A voter registration application must be of suitable size and weight for mailing and contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have resided in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship of the person where I have not retained the right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) have not been convicted of a felony without having my civil rights restored; and
- (8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act ~~may~~ must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

Sec. 7. Minnesota Statutes 2004, section 201.091, subdivision 5, is amended to read:

Subd. 5. [COPY OF LIST TO REGISTERED VOTER.] The county auditors and the secretary of state shall provide copies of the public information lists in electronic or other media to any voter registered in Minnesota within ten days of receiving a written or electronic request accompanied by payment of the cost of reproduction. The county auditors and the secretary of state shall make a copy of the list available for public inspection without cost. An individual who inspects or acquires a copy of a public information list may not use any information contained in it for purposes unrelated to elections, political activities, or law enforcement.

Sec. 8. Minnesota Statutes 2004, section 203B.01, subdivision 3, is amended to read:

Subd. 3. [MILITARY.] "Military" means the Army, Navy, Air Force, Marine Corps, Coast Guard or Merchant Marine of the United States, and all other uniformed services as defined in United States Code, title 42, section 1973ff-6.

Sec. 9. Minnesota Statutes 2004, section 203B.02, subdivision 1, is amended to read:

Subdivision 1. [~~UNABLE TO GO TO~~ ABSENCE FROM POLLING PLACE.] (a) Any eligible voter who ~~reasonably~~ expects to be ~~unable to go to~~ absent from the polling place on election day in the precinct where the individual maintains residence ~~because of absence from the precinct, illness, disability, religious discipline, observance of a religious holiday, or service as an election judge in another precinct~~ may vote by absentee ballot in person at any location where absentee ballots may be cast pursuant to sections 203B.081 and 203B.085, during the 18 days preceding any election. This subdivision does not apply to a special election to fill a vacancy in office pursuant to sections 204D.17 to 204D.27 not held concurrently with a state primary or general election as provided in sections 203B.04 to 203B.15.

(b) Any eligible voter who reasonably expects to be unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct, illness, disability, religious discipline, observance of a religious holiday, or service as an election judge in another precinct may vote by absentee ballot as provided in sections 203B.04 to 203B.15.

Sec. 10. Minnesota Statutes 2004, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided ~~in the rules of~~ by the secretary of state, notwithstanding rules on absentee ballot forms, and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county

auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

Sec. 11. Minnesota Statutes 2004, section 203B.04, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION AT TIME OF APPLICATION.] An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by including a completed voter registration card with the absentee ballot. The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

Sec. 12. Minnesota Statutes 2004, section 203B.07, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF ENVELOPES.] The return envelope shall be of sufficient size to conveniently enclose and contain the ballot envelope and a voter registration card folded along its perforations. The return envelope shall be designed to open on the left-hand end and, notwithstanding any rule to the contrary, the design must provide an additional flap that when sealed, conceals the signature, identification, and other information. Election officials may open the flap at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information. A certificate of eligibility to vote by absentee ballot shall be printed on the ~~right hand~~ three-fourths of the back of the envelope. The certificate shall contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot. The certificate shall also contain a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(a) the ballots were displayed to that individual unmarked;

(b) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(c) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

The county auditor or municipal clerk shall affix first class postage to the return envelopes.

Sec. 13. Minnesota Statutes 2004, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws shall designate election judges to deliver absentee ballots in accordance with this section. The county auditor ~~may~~ must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in a health care facility or hospital located in the municipality in which the voter maintains residence. The ballots shall be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they shall travel together in the same vehicle. Both election judges shall be present when an applicant completes the certificate of eligibility and marks the

absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges shall deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

Sec. 14. Minnesota Statutes 2004, section 203B.12, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2004, section 203B.20, is amended to read:

203B.20 [CHALLENGES.]

Except as provided in this section, the eligibility or residence of a voter whose application for absentee ballots is recorded under section 203B.19 may be challenged in the manner set forth by section 201.195. The county auditor or municipal clerk shall not be required to serve a copy of the petition and notice of hearing on the challenged voter, unless the absentee ballot application was submitted on behalf of a voter by an individual authorized under section 203B.17, subdivision 1, paragraph (a), in which case the county auditor must attempt to notify the individual who submitted the application of the challenge. The county auditor may contact other registered voters to request information that may resolve any discrepancies appearing in the application. All reasonable doubt shall be resolved in favor of the validity of the application. If the voter's challenge is affirmed, the county auditor shall provide the challenged voter with a copy of the petition and the decision and shall inform the voter of the right to appeal as provided in section 201.195.

Sec. 16. Minnesota Statutes 2004, section 203B.21, subdivision 1, is amended to read:

Subdivision 1. [FORM.] Absentee ballots under sections 203B.16 to 203B.27 shall conform to the requirements of the Minnesota Election Law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States Postal Service, and the design must provide an additional flap that when sealed, conceals the signature, identification, and other information. The flap must be perforated to permit election officials to inspect the returned certificate for completeness or to ascertain other information at any time after receiving the returned ballot without opening the return envelope.

Sec. 17. Minnesota Statutes 2004, section 203B.21, subdivision 3, is amended to read:

Subd. 3. [BACK OF RETURN ENVELOPE.] On the back of the return envelope an affidavit form shall appear with space for:

- (a) The voter's address of present or former residence in Minnesota;
- (b) A statement indicating the category described in section 203B.16 to which the voter belongs;
- (c) A statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;
- (d) A statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and
- (e) The voter's military identification card number, passport number, or, if the voter does not have a valid passport or identification card, the signature and certification of an individual authorized to administer oaths under federal law or the law of the place where the oath was administered or a commissioned or noncommissioned ~~officer~~ personnel of the military not below the rank of sergeant or its equivalent.

The affidavit shall also contain a signed and dated oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

My signature and date below indicate when I completed this document.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

Sec. 18. Minnesota Statutes 2004, section 203B.24, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

Sec. 19. Minnesota Statutes 2004, section 204B.10, subdivision 6, is amended to read:

Subd. 6. [INELIGIBLE VOTER.] Upon receipt of a certified copy of a final judgment or order of a court of competent jurisdiction that a person who has filed an affidavit of candidacy or who has been nominated by petition:

- (1) has been convicted of treason or a felony and the person's civil rights have not been restored;
- (2) is under guardianship of the person; or
- (3) has been found by a court of law to be legally incompetent;

the filing officer shall notify the person by certified mail at the address shown on the affidavit or petition, and, for offices other than president of the United States, vice-president of the United States, and United States senator or representative in Congress, shall not certify the person's name to be placed on the ballot. The actions of a filing officer under this subdivision are subject to judicial review under section 204B.44.

Sec. 20. Minnesota Statutes 2004, section 204B.14, subdivision 2, is amended to read:

Subd. 2. [SEPARATE PRECINCTS; COMBINED POLLING PLACE.] (a) The following shall constitute at least one election precinct:

(1) each city ward; and

(2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than June 1 of any year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for two contiguous precincts in the same municipality that have a combined total of fewer than 500 registered voters; or

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section ~~473.121, subdivision 2~~ 200.02, subdivision 24, that are contained in the same county.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than May 1 of any year.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

Sec. 21. Minnesota Statutes 2004, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; LOCATION.] (a) The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section ~~473.121~~ 200.02, subdivision 24, shall be located within the boundaries of the precinct or within 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section ~~473.121~~ 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

(b) Each polling place serving precincts in which, in aggregate, there were more than 100 voters in the most recent similar election, must be to the extent the governing body determines practicable, at least 750 square feet, with an additional 60 square feet for each 150 voters in excess of 400 that voted in the most recent similar election.

Sec. 22. Minnesota Statutes 2004, section 204B.16, subdivision 5, is amended to read:

Subd. 5. [ACCESS BY ELDERLY AND ~~HANDICAPPED PERSONS WITH DISABILITIES.~~] Each polling place shall be accessible to and usable by elderly individuals and ~~physically handicapped~~ individuals with disabilities. A polling place is deemed to be accessible and usable if it complies with the standards in paragraphs (a) to (f).

(a) At least one set of doors must have a minimum width of ~~34~~ 32 inches if the doors must be used to enter or leave the polling place.

(b) Any curb adjacent to the main entrance to a polling place must have curb cuts or temporary ramps. Where the main entrance is not the accessible entrance, any curb adjacent to the accessible entrance must also have curb cuts or temporary ramps.

(c) Where the main entrance is not the accessible entrance, a sign shall be posted at the main entrance giving directions to the accessible entrance.

(d) At least one set of stairs must have a temporary handrail and ramp if stairs must be used to enter or leave the polling place.

(e) No barrier in the polling place may impede the path of ~~the physically handicapped~~ persons with disabilities to the voting booth.

(f) At least one ~~handicapped~~ parking space for persons with disabilities, which may be temporarily so designated by the municipality for the day of the election, must be available near the accessible entrance.

The doorway, handrails, ramps, and handicapped parking provided pursuant to this subdivision must conform to the standards specified in the State Building Code for accessibility by ~~handicapped~~ persons with disabilities.

A governing body shall designate as polling places only those places which meet the standards prescribed in this subdivision unless no available place within a precinct is accessible or can be made accessible.

Sec. 23. Minnesota Statutes 2004, section 204B.18, subdivision 1, is amended to read:

Subdivision 1. [BOOTHES; VOTING STATIONS.] Each polling place must contain ~~a number of~~ at least two voting booths ~~in proportion to the number of individuals eligible to vote in the precinct or self-contained voting stations plus one additional voting booth or self-contained voting station for each 150 voters in excess of 200 registered in the precinct.~~ Each booth or station must be at least six feet high, three feet deep and two feet wide with a shelf at least two feet long and one foot wide placed at a convenient height for writing. The booth or station shall ~~be provided with a door or curtains~~ permit the voter to vote privately and independently. Each ~~accessible~~ polling place must have at least one accessible voting booth or other accessible voting station and beginning with federal and state elections held after December 31, 2005, and county, municipal, and school district elections held after December 31, 2007, one voting system that conforms to section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252. All booths or stations must be constructed so that a voter is free from observation while marking ballots. ~~In all other polling places every effort must be made to provide at least one accessible voting booth or other accessible voting station.~~ During the hours of voting, the booths or stations must have instructions, a pencil, and other supplies needed to mark the ballots. ~~If needed,~~ A chair must be provided for elderly ~~and handicapped~~ voters and voters with disabilities to use while voting or waiting to vote. Stable flat writing surfaces must also be made available to voters who are completing election-related forms. All ballot boxes, voting booths, voting stations, and election judges must be in open public view in the polling place.

Sec. 24. Minnesota Statutes 2004, section 204B.22, subdivision 3, is amended to read:

Subd. 3. ~~[MINIMUM NUMBER REQUIRED IN CERTAIN PRECINCTS OF ELECTION JUDGES.]~~ At each ~~state primary or state general~~ election in precincts using an electronic voting system with marking devices and in which more than 400 votes were cast at the last similar election, the minimum number of election judges is three plus one judge to demonstrate the use of the voting machine or device, and the number of additional election judges to be appointed is one for every 200 votes cast in that precinct in the most recent similar general election.

Sec. 25. Minnesota Statutes 2004, section 204B.27, subdivision 1, is amended to read:

Subdivision 1. [BLANK FORMS.] At least ~~25~~ 14 days before every state election the secretary of state shall transmit to each county auditor ~~a sufficient number of blank county abstract forms and other~~ examples of any blank forms to be used as the secretary of state deems necessary for the conduct of the election. County abstract forms may be provided to auditors electronically via the Minnesota State Election Reporting System maintained by the secretary of state, and must be available at least one week prior to the election.

Sec. 26. Minnesota Statutes 2004, section 204B.27, subdivision 3, is amended to read:

Subd. 3. [INSTRUCTION POSTERS.] At least 25 days before every state election, the secretary of state shall prepare and furnish to the county auditor of each county ~~in which paper ballots are used~~, voter instruction posters printed in large type upon cards or heavy paper. The instruction posters must contain the information needed to enable the voters to cast their ~~paper~~ ballots quickly and correctly and indicate the types of assistance available for elderly and handicapped voters. Two instruction posters shall be furnished for each precinct ~~in which paper ballots are used~~. The secretary of state shall also provide posters informing voters of eligibility requirements to vote and of identification and proofs accepted for election day registration. Posters furnished by the secretary of state must also include all information required to be posted by the Help America Vote Act, including: instructions on how to vote, including how to cast a vote; instructions for mail-in registrants and first-time voters; general information on voting rights under applicable federal and state laws, and instructions on how to contact the appropriate officials if these rights are alleged to have been violated; and general information on federal and state laws regarding prohibitions on acts of fraud and misrepresentation.

Sec. 27. Minnesota Statutes 2004, section 204B.33, is amended to read:

204B.33 [NOTICE OF FILING.]

(a) Between June 1 and July 1 in each even numbered year, the secretary of state shall notify each county auditor of the offices to be voted for in that county at the next state general election for which candidates file with the secretary of state. The notice shall include the time and place of filing for those offices and for judicial offices shall list the name of the incumbent, if any, currently holding the seat to be voted for. Within ten days after notification by the secretary of state, each county auditor shall notify each municipal clerk in the county of all the offices to be voted for in the county at that election and the time and place for filing for those offices. The county auditors and municipal clerks shall promptly post a copy of that notice in their offices.

(b) At least two weeks before the first day to file an affidavit of candidacy, the county auditor shall publish a notice stating the first and last dates on which affidavits of candidacy may be filed in the county auditor's office and the closing time for filing on the last day for filing. The county auditor shall post a similar notice at least ten days before the first day to file affidavits of candidacy.

Sec. 28. Minnesota Statutes 2004, section 204C.05, subdivision 1a, is amended to read:

Subd. 1a. [ELECTIONS; ORGANIZED TOWN.] The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section ~~473.124~~ 200.02, subdivision ~~2~~ 24, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.

Sec. 29. Minnesota Statutes 2004, section 204C.08, subdivision 1, is amended to read:

Subdivision 1. [DISPLAY OF FLAG; "VOTE HERE" SIGN.] (a) Upon their arrival at the polling place on the day of election, the election judges shall cause the national flag to be displayed on a suitable staff at the entrance to the polling place. The flag shall be displayed continuously during the hours of voting and the election judges shall attest to that fact by signing the flag certification statement on the precinct summary statement. The election judges shall receive no compensation for any time during which they intentionally fail to display the flag as required by this subdivision.

(b) The election judges shall, immediately after displaying the flag pursuant to paragraph (a), post the following:

(1) a "Vote Here" sign conspicuously near the flag, which must be of a size not less than two feet high by four feet wide, with letters printed in red in a font size of no less than 576-point type, against a white background; and

(2) within the building, if the polling place has more than one room, signs indicating by arrows the direction in which to proceed in order to reach the room containing the polling place.

Sec. 30. Minnesota Statutes 2004, section 204C.28, subdivision 1, is amended to read:

Subdivision 1. [COUNTY AUDITOR.] Every county auditor shall remain at the auditor's office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes until all have been tabulated and the results made known, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first. Every county auditor shall keep a book in which, in the presence of the municipal clerk or the election judges who deliver the returns, the auditor shall make a record of all materials delivered, the time of delivery, and the names of the municipal clerk or election judges who made delivery. The county auditor shall file the book and all envelopes containing ballots in a safe and secure place with envelope seals unbroken. Access to the book and ballots shall be strictly controlled. Accountability and a record of access shall be maintained by the county auditor during the period for contesting elections or, if a contest is filed, until the contest has been finally determined. Thereafter, the book shall be retained in the auditor's office for the same period as the ballots as provided in section 204B.40.

The county auditor shall file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes were previously opened by proper authority for examination or recount, the county auditor shall have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county canvassing board if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots. In that case, the envelopes shall be sealed again and signed in the same manner as otherwise provided in this subdivision.

Sec. 31. Minnesota Statutes 2004, section 204D.14, subdivision 3, is amended to read:

Subd. 3. [UNCONTESTED JUDICIAL OFFICES.] Judicial offices for a specific court for which there is only one candidate filed must appear after all other judicial offices for that same court on the canary ballot.

Sec. 32. Minnesota Statutes 2004, section 204D.27, subdivision 5, is amended to read:

Subd. 5. [CANVASS; SPECIAL PRIMARY; STATE CANVASSING BOARD.] Not later than four days after the returns of the county canvassing boards are certified to the secretary of state, the State Canvassing Board shall complete its canvass of the special primary. The secretary of state shall then promptly certify to the county auditors the names of the nominated individuals, prepare notices of nomination, and notify each nominee of the nomination.

Sec. 33. [205.135] [ELECTION REPORTING SYSTEM; CANDIDATE FILING.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled municipal elections held in an even-numbered year, the municipal clerk must provide the offices and questions to be voted on in the municipality and the list of candidates for each office to the county auditor for entry into the election reporting system provided by the secretary of state no later than 46 days prior to the election. The county auditor must delegate, at the request of the municipality, the duty to enter the information into the system to the municipal clerk.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled municipal elections held in an odd-numbered year, the municipal clerk or county auditor must enter the offices and questions to be voted on in the municipality and the list of candidates for each office into the election reporting system no later than 46 days prior to the election.

Sec. 34. Minnesota Statutes 2004, section 205.175, subdivision 2, is amended to read:

Subd. 2. [METROPOLITAN AREA MUNICIPALITIES.] The governing body of a municipality which is located within a metropolitan county ~~as defined by section 473.124~~ included in the definition of metropolitan area in section 200.02, subdivision 24, may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the municipal governing body.

Sec. 35. [205.187] [ELECTION REPORTING SYSTEM; PRECINCT VOTES.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled municipal elections held in an even-numbered year, the county auditor must enter the votes in each precinct for the questions and offices voted on in the municipal election into the election reporting system provided by the secretary of state.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled municipal elections held in an odd-numbered year, the municipal clerk or county auditor must enter the votes in each precinct for the offices and questions voted on in the municipality into the election reporting system provided by the secretary of state.

Sec. 36. [205A.075] [ELECTION REPORTING SYSTEM; CANDIDATE FILING.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled school district elections held in an even-numbered year, the school district clerk must provide the offices and questions to be voted on in the school district and the list of candidates for each office to the county auditor for entry into the election reporting system provided by the secretary of state no later than days prior to the election.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled school district elections held in an odd-numbered year, the school district clerk or county auditor must enter the offices and questions to be voted on in the school district and the list of candidates for each office into the election reporting system provided by the secretary of state no later than days prior to the election.

Sec. 37. [205A.076] [ELECTION REPORTING SYSTEM; PRECINCT VOTES.]

Subdivision 1. [EVEN-NUMBERED YEAR.] For regularly scheduled school district elections held in an even-numbered year, the county auditor must enter the votes in each precinct for the questions and offices voted on in the school district election into the election reporting system provided by the secretary of state.

Subd. 2. [ODD-NUMBERED YEAR.] For regularly scheduled school district elections held in an odd-numbered year, the school district clerk or county auditor must enter the votes in each precinct for the offices and questions voted on in the school district into the election reporting system provided by the secretary of state.

Sec. 38. Minnesota Statutes 2004, section 205A.09, subdivision 1, is amended to read:

Subdivision 1. [METROPOLITAN AREA SCHOOL DISTRICTS.] At a school district election in a school district located in whole or in part within a metropolitan county as defined by section 473.121 included in the definition of metropolitan area in section 200.02, subdivision 24, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. The polling places must open no later than 10:00 a.m. and close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the school board.

Sec. 39. Minnesota Statutes 2004, section 206.56, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC TABULATING EQUIPMENT.] "Automatic tabulating equipment" includes apparatus machines, resident firmware, and programmable memory units necessary to optically scan, automatically examine, and count votes designated on ballot cards, and data processing machines which can be used for counting ballots and tabulating results.

Sec. 40. Minnesota Statutes 2004, section 206.56, subdivision 3, is amended to read:

Subd. 3. [BALLOT.] "Ballot" includes ~~ballot cards and~~ paper ballots, ballot cards, and the paper ballot marked by an electronic marking device.

Sec. 41. Minnesota Statutes 2004, section 206.56, subdivision 7, is amended to read:

Subd. 7. [COUNTING CENTER.] "Counting center" means a place selected by the governing body of a municipality where ~~an~~ a central count electronic voting system is used for the automatic processing and counting of ballots.

Sec. 42. Minnesota Statutes 2004, section 206.56, subdivision 8, is amended to read:

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

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

Sec. 43. Minnesota Statutes 2004, section 206.56, subdivision 9, is amended to read:

Subd. 9. [MANUAL MARKING DEVICE.] "Manual marking device" means any approved device for directly marking a ballot by hand with ink, pencil, or other substance which will enable the ballot to be tabulated by means of automatic tabulating equipment.

Sec. 44. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9a. [ELECTRONIC BALLOT MARKER.] "Electronic ballot marker" means equipment that is part of an electronic voting system that marks a nonelectronic ballot with votes selected by a voter using an electronic ballot display or audio ballot reader.

Sec. 45. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9b. [ASSISTIVE VOTING TECHNOLOGY.] "Assistive voting technology" means touch-activated screen, buttons, keypad, sip-and-puff input device, keyboard, earphones, or any other device used with an electronic ballot marker that assists voters to use an audio or electronic ballot display in order to select votes.

Sec. 46. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9c. [ELECTRONIC BALLOT DISPLAY.] "Electronic ballot display" means a graphic representation of a ballot on a computer monitor or screen on which a voter may make vote choices for candidates and questions for the purpose of marking a nonelectronic ballot.

Sec. 47. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 9d. [AUDIO BALLOT READER.] "Audio ballot reader" means an audio representation of a ballot that can be used with other assistive voting technology to permit a voter to mark votes on a nonelectronic ballot using an electronic ballot marker.

Sec. 48. Minnesota Statutes 2004, section 206.57, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION AND REPORT BY SECRETARY OF STATE; APPROVAL.] A vendor of an electronic voting system may apply to the secretary of state to examine the system and to report as to its compliance with the requirements of law and as to its accuracy, durability, efficiency, and capacity to register the will of voters. The secretary of state or a designee shall examine the system submitted and file a report on it in the Office of the Secretary of State. Examination is not required of every individual machine or counting device, but only of each type of electronic voting system before its adoption, use, or purchase and before its continued use after significant changes have been made in an approved system. The examination must include the ballot programming; electronic ballot marking, including all assistive technologies intended to be used with the system; vote counting; and vote accumulation functions of each voting system.

If the report of the secretary of state or the secretary's designee concludes that the kind of system examined complies with the requirements of sections 206.55 to 206.90 and can be used safely, the system shall be deemed approved by the secretary of state, and may be adopted and purchased for use at elections in this state. A voting system not approved by the secretary of state may not be used at an election in this state. The secretary of state may adopt permanent rules consistent with sections 206.55 to 206.90 relating to the examination and use of electronic voting systems.

Sec. 49. Minnesota Statutes 2004, section 206.57, is amended by adding a subdivision to read:

Subd. 7. [ELECTION ASSISTANCE COMMISSION STANDARDS.] If, prior to January 1, 2006, the federal Election Assistance Commission has not established standards for an electronic ballot marker or other voting system

component that is required to enable a voting system to meet the requirements of subdivision 5, the secretary of state may certify the voting system on an experimental basis pending the completion of federal standards, notwithstanding subdivision 6. Within two years after the Election Assistance Commission issues standards for a voting system component used in a voting system authorized under this subdivision, the secretary of state must review or reexamine the voting system to determine whether the system conforms to federal standards.

Sec. 50. Minnesota Statutes 2004, section 206.58, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITIES.] (a) The governing body of a municipality, at a regular meeting or at a special meeting called for the purpose, ~~may~~ must provide for the use of ~~an~~ at least one electronic voting system that conforms to the requirements of section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252, in one or more precincts each polling place and at all elections ~~in the precincts~~, subject to approval by the county auditor. This paragraph applies to federal and state elections held after December 31, 2005, and to county, municipal, and school district elections held after December 31, 2007.

(b) The governing body shall disseminate information to the public about the use of a new voting system at least 60 days prior to the election and shall provide for instruction of voters with a demonstration voting system in a public place for the six weeks immediately prior to the first election at which the new voting system will be used.

(c) No system may be adopted or used unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 51. Minnesota Statutes 2004, section 206.61, subdivision 4, is amended to read:

Subd. 4. [ORDER OF CANDIDATES.] On the "State Partisan Primary Ballot" prepared for primary elections, and on the white ballot prepared for the general election, the order of the names of nominees or names of candidates for election shall be the same as required for paper ballots. More than one column or row may be used for the same office or party. Electronic ballot display and audio ballot readers must conform to the candidate order on the optical scan ballot used in the precinct.

Sec. 52. Minnesota Statutes 2004, section 206.61, subdivision 5, is amended to read:

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

If an electronic ballot marker is used with a paper ballot that is not an optical scan ballot card, the manner of alternation of candidate names on the paper ballot must be as prescribed for optical scan ballots in this subdivision.

Sec. 53. Minnesota Statutes 2004, section 206.64, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROVISIONS FOR ELECTRONIC SYSTEM VOTING.] Each electronic voting system booth must be placed and protected so that it is accessible to only one voter at a time and is in full view of all the election judges and challengers at the polling place. The election judges shall admit one individual at a time to each booth after determining that the individual is eligible to vote. Voting by electronic voting system must be secret, except for voters who ~~need~~ request assistance. A voter may remain inside the voting booth for ~~three minutes~~

the time reasonably required for the voter to complete the ballot. A voter who refuses to leave the voting booth after a reasonable amount of time, but not less than three minutes, must be removed by the election judges.

Sec. 54. Minnesota Statutes 2004, section 206.80, is amended to read:

206.80 [ELECTRONIC VOTING SYSTEMS.]

An electronic voting system may not be employed unless it:

- (1) permits every voter to vote in secret;
- (2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;
- (3) provides for write-in voting when authorized;
- (4) rejects by means of the ~~automatic tabulating equipment~~ electronic voting system, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;
- (5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote; and
- (6) rejects, by means of the ~~automatic tabulating equipment~~ electronic voting system, all votes cast in a primary election ~~by a voter for offices serving with political party designation~~ when the voter votes for candidates of more than one party.

Sec. 55. Minnesota Statutes 2004, section 206.81, is amended to read:

206.81 [ELECTRONIC VOTING SYSTEMS; EXPERIMENTAL USE.]

- (a) The secretary of state may ~~approve~~ certify an electronic voting system for experimental use at an election prior to its approval for general use.
- (b) ~~The secretary of state must approve one or more direct recording electronic voting systems for experimental use at an election before their approval for general use and may impose restrictions on their use. At least one voting system approved under this paragraph must permit sighted persons to vote and at least one system must permit a blind or visually impaired voter to cast a ballot independently and privately.~~
- (~~e~~) Experimental use must be observed by the secretary of state or the secretary's designee and the results observed must be considered at any subsequent proceedings for approval for general use.
- (~~d~~) (c) The secretary of state may adopt rules ~~consistent~~ with sections 206.55 to 206.90 relating to experimental use. The extent of experimental use must be determined by the secretary of state.

Sec. 56. Minnesota Statutes 2004, section 206.82, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM.] A program or programs for use in an election conducted by means of an electronic voting system or using an electronic ballot marker shall be prepared at the direction of the county auditor or municipal clerk who is responsible for the conduct of the election and shall be independently verified by a competent person designated by that official. The term "competent person" as used in this section means a person who can demonstrate knowledge as a computer programmer and who is other than and wholly independent of any

person operating or employed by the counting center or the corporation or other preparer of the program. A test deck prepared by a competent person shall be used for independent verification of the program; it shall test the maximum digits used in totaling the returns and shall be usable by insertion during the tabulation process as well as prior to tabulation. A test deck must also be prepared using the electronic ballot marker program and must also be used to verify that all valid votes counted by the vote tabulator may be selected using the electronic ballot marker. The secretary of state shall adopt rules further specifying test procedures.

Sec. 57. Minnesota Statutes 2004, section 206.82, subdivision 2, is amended to read:

Subd. 2. [PLAN.] The municipal clerk in a municipality where an electronic voting system is used and the county auditor of a county in which an electronic voting system is used in more than one municipality and the county auditor of a county in which a counting center serving more than one municipality is located shall prepare a plan which indicates acquisition of sufficient facilities, computer time, and professional services and which describes the proposed manner of complying with section 206.80. The plan must be signed, notarized, and submitted to the secretary of state more than 60 days before the first election at which the municipality uses an electronic voting system. Prior to July 1 of each subsequent general election year, the clerk or auditor shall submit to the secretary of state notification of any changes to the plan on file with the secretary of state. The secretary of state shall review each plan for its sufficiency and may request technical assistance from the Department of Administration or other agency which may be operating as the central computer authority. The secretary of state shall notify each reporting authority of the sufficiency or insufficiency of its plan within 20 days of receipt of the plan. The attorney general, upon request of the secretary of state, may seek a district court order requiring an election official to fulfill duties imposed by this subdivision or by rules promulgated pursuant to this section.

Sec. 58. Minnesota Statutes 2004, section 206.83, is amended to read:

206.83 [TESTING OF VOTING SYSTEMS.]

The official in charge of elections shall within 14 days prior to election day have the voting system tested to ascertain that the system will correctly mark ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions ~~within 14 days prior to election day~~. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes, and (2) processing an additional test deck of ballots marked using the electronic ballot marker to be employed in the precinct, including ballots marked using the electronic ballot display, audio ballot reader, and each of the assistive voting peripheral devices used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

Sec. 59. Minnesota Statutes 2004, section 206.84, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION OF JUDGES, VOTERS.] The officials in charge of elections shall determine procedures to instruct election judges and voters in the use of electronic voting system manual marking devices and the electronic ballot marker, including assistive peripheral devices.

Sec. 60. Minnesota Statutes 2004, section 206.84, subdivision 3, is amended to read:

Subd. 3. [BALLOTS.] The ballot information must be in the same order provided for paper ballots, except that the information may be in vertical or horizontal rows, or on a number of separate pages. The secretary of state shall provide by rule for standard ballot formats for electronic voting systems. Electronic ballot displays and audio ballot readers shall be in the order provided for on the optical scan ballot. Electronic ballot displays may employ zooms or other devices as assistive voting technology. Audio ballot readers may employ rewinds or audio cues as assistive voting technology.

Ballot cards may contain special printed marks ~~and holes~~ as required for proper positioning and reading of the ballots by electronic vote counting equipment. Ballot cards must contain an identification of the precinct for which they have been prepared which can be read visually and which can be tabulated by the automatic tabulating equipment.

Sec. 61. Minnesota Statutes 2004, section 206.84, subdivision 6, is amended to read:

Subd. 6. [DUTIES OF OFFICIAL IN CHARGE.] The official in charge of elections in each municipality where an electronic voting system is used shall have the voting systems put in order, set, adjusted, and made ready for voting when delivered to the election precincts. The official shall also provide each precinct with a container for transporting ballot cards to the counting location after the polls close. The container shall be of sturdy material to protect the ballots from all reasonably foreseeable hazards including auto collisions. The election judges shall meet at the polling place at least one hour before the time for opening the polls. Before the polls open the election judges shall compare the ballot cards used with the sample ballots, electronic ballot displays, and audio ballot reader furnished to see that the names, numbers, and letters on both agree and shall certify to that fact on forms provided for the purpose. The certification must be filed with the election returns.

Sec. 62. Minnesota Statutes 2004, section 206.85, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF RESPONSIBLE OFFICIAL.] The official in charge of elections in a municipality where an electronic voting system is used at a counting center must:

- (a) be present or personally represented throughout the counting center proceedings;
- (b) be responsible for acquiring sufficient facilities and personnel to ensure timely and lawful processing of votes;
- (c) be responsible for the proper training of all personnel participating in counting center proceedings and deputize all personnel who are not otherwise election judges;
- (d) maintain actual control over all proceedings and be responsible for the lawful execution of all proceedings in the counting center whether or not by experts;
- (e) be responsible for assuring the lawful retention and storage of ballots and read-outs; and
- (f) arrange for observation by the public and by candidates' representatives of counting center procedures by publishing the exact location of the counting center in a legal newspaper at least once during the week preceding the week of election and in the newspaper of widest circulation once on the day preceding the election, or once the week preceding the election if the newspaper is a weekly.

The official may make arrangements with news reporters which permit prompt reporting of election results but which do not interfere with the timely and lawful completion of counting procedures.

Sec. 63. Minnesota Statutes 2004, section 206.90, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purposes of this section, "optical scan voting system" means an electronic voting system approved for use under sections 206.80 to 206.81 in which the voter records votes by marking with a pencil or other ~~writing instrument~~ device, including an electronic ballot marker, a ballot on which the names of candidates, office titles, party designation in a partisan primary or election, and a statement of any question accompanied by the words "Yes" and "No" are printed.

Sec. 64. Minnesota Statutes 2004, section 206.90, subdivision 4, is amended to read:

Subd. 4. [ABSENTEE VOTING.] An optical scan voting system may be used for absentee voting. ~~The county auditor may supply an appropriate marking instrument to the voter along with the ballot.~~

Sec. 65. Minnesota Statutes 2004, section 206.90, subdivision 5, is amended to read:

Subd. 5. [INSTRUCTION OF JUDGES, VOTERS.] In instructing judges and voters under section 206.84, subdivision 1, officials in charge of election precincts using optical scan voting systems shall include instruction on the proper mark for recording votes on ballot cards marked with a pencil or other writing instrument and the insertion by the voter of the ballot card into automatic tabulating equipment that examines and counts votes as the ballot card is deposited into the ballot box.

Officials shall include instruction on the insertion by the voter of the ballot card into an electronic ballot marker that can examine votes before the ballot card is deposited into the ballot box.

Sec. 66. Minnesota Statutes 2004, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink.

On the front of the ballot must be printed the words "Official Ballot" and the date of the election and lines for the initials of at least two election judges.

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

On optical scan ballots, the names of candidates and the words "yes" and "no" for ballot questions must be printed as close to their corresponding vote targets as possible.

The line on an optical scan ballot for write-in votes must contain the words "write-in, if any."

If a primary ballot contains both a partisan ballot and a nonpartisan ballot, the instructions to voters must include a statement that reads substantially as follows: "THIS BALLOT CARD CONTAINS A PARTISAN BALLOT AND A NONPARTISAN BALLOT. ON THE PARTISAN BALLOT YOU ARE PERMITTED TO VOTE FOR CANDIDATES OF ONE POLITICAL PARTY ONLY." If a primary ballot contains political party columns on both sides of the ballot, the instructions to voters must include a statement that reads substantially as follows: "ADDITIONAL POLITICAL PARTIES ARE PRINTED ON THE OTHER SIDE OF THIS BALLOT. VOTE FOR ONE POLITICAL PARTY ONLY." At the bottom of each political party column on the primary ballot, the ballot must contain a statement that reads substantially as follows: "CONTINUE VOTING ON THE NONPARTISAN BALLOT." The instructions in section 204D.08, subdivision 4, do not apply to optical scan

partisan primary ballots. Electronic ballot displays and audio ballot readers must follow the order of offices and questions on the optical scan or paper ballot used in the same precinct.

Sec. 67. Minnesota Statutes 2004, section 206.90, subdivision 8, is amended to read:

Subd. 8. [DUTIES OF ELECTION OFFICIALS.] The official in charge of elections in each municipality where an optical scan voting system is used shall have the electronic ballot that examines and marks votes on ballot cards and the automatic tabulating equipment that examines and counts votes as ballot cards are deposited into ballot boxes put in order, set, adjusted, and made ready for voting when delivered to the election precincts.

Sec. 68. Minnesota Statutes 2004, section 206.90, subdivision 9, is amended to read:

Subd. 9. [SPOILED BALLOT CARDS.] Automatic tabulating equipment and electronic ballot markers must be capable of examining a ballot card for defects and returning it to the voter before it is counted and deposited into the ballot box and must be programmed to return as a spoiled ballot a ballot card with votes for an office or question which exceed the number which the voter is entitled to cast and at a primary a ballot card with votes for candidates of more than one party.

Sec. 69. Minnesota Statutes 2004, section 211B.01, subdivision 3, is amended to read:

Subd. 3. [CANDIDATE.] "Candidate" means an individual who seeks nomination or election to a ~~federal,~~ statewide, legislative, judicial, or local office including special districts, school districts, towns, home rule charter and statutory cities, and counties, ~~except candidates for president and vice president of the United States.~~

Sec. 70. Minnesota Statutes 2004, section 358.11, is amended to read:

358.11 [OATHS, WHERE FILED.]

Except as otherwise provided by law, the oath required to be taken and subscribed by any person shall be filed as follows:

(1) if that of an officer of the state, whether elective or appointive, executive, legislative, or judicial, with the secretary of state;

(2) if of a county officer, or an officer chosen within or for any county, with the county auditor;

(3) if of a city officer, with the clerk or recorder of the municipality;

(4) if of a town officer, with the town clerk;

(5) if of a school district officer, with the clerk of the district;

(6) if of a person appointed by, or made responsible to, a court in any action or proceeding therein, with the court administrator of such court;

(7) if that of a person appointed by any state, county, or other officer for a special service in connection with official duties, with such officer.

If the person taking such oath be also required to give bond, the oath shall be attached to or endorsed upon such bond and filed therewith, in lieu of other filing.

Sec. 71. Minnesota Statutes 2004, section 414.01, is amended by adding a subdivision to read:

Subd. 18. [ANNEXATIONS NOT PERMITTED AT CERTAIN TIMES.] Notwithstanding the provisions of this chapter, no annexation shall become effective between the opening of filing for a previously scheduled municipal election of the municipality which is annexing the unincorporated land and the issuance of the certificates of election to the candidates elected at that election.

Sec. 72. [414.0305] [MUNICIPAL ANNEXATION.]

Notwithstanding the provisions of this chapter, no annexation by a municipality shall be effective during the period from the opening of filing for any previously scheduled municipal election until after the end of the contest period for that election.

Sec. 73. Minnesota Statutes 2004, section 447.32, subdivision 4, is amended to read:

Subd. 4. [CANDIDATES; BALLOTS; CERTIFYING ELECTION.] A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than ~~ten weeks~~ 70 days nor less than ~~eight weeks~~ 56 days before the ~~first~~ second first Tuesday after the ~~second first~~ Monday in September November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be printed on tan paper and prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 74. [REPEALER.]

Minnesota Statutes 2004, section 204B.22, subdivision 2, is repealed.

ARTICLE 4

PERIODIC STATE AND LOCAL ELECTION DATES

Section 1. [204D.035] [PERIODIC ELECTION DAY.]

Subdivision 1. [SHORT TITLE.] This section may be referred to as the "Periodic Election Day Act of 2005."

Subd. 2. [ELECTIONS COVERED.] This section applies to all state, county, municipal, school district, and any other political subdivision elections held in the state of Minnesota, and elections on ballot questions, except for (1) elections held to fill a vacancy in office and required by statute to be held sooner than the next day designated in subdivision 3, or (2) elections conducted by mail.

Subd. 3. [ELECTIONS ON DESIGNATED DAYS.] (a) Notwithstanding other law to the contrary, elections subject to subdivision 2 may be held only on the following days:

(1) the fourth Tuesday in January;

(2) the second Tuesday in March;

(3) the third Tuesday in May;

(4) the first Tuesday after the second Monday in September; and

(5) the first Tuesday after the first Monday in November.

(b) The time period in which a special election must be conducted under any other law or charter provision must be extended to conform to the requirements of this subdivision.

Subd. 4. [PRIMARY DATE IF NOT SPECIFIED.] If other law provides for a primary to take place for a particular office but does not specify the date of the primary, the primary may be held on one of the days specified in subdivision 3, paragraph (a), clauses (1) to (4). The general election for the office must be held on the date listed in subdivision 3 that immediately follows the date chosen for the primary.

Subd. 5. [ELECTION TIMES AND POLLING PLACES.] An election held in a jurisdiction on one of the days specified in subdivision 3 must be held during the hours determined under section 204C.05. The governing body of the municipality must set the polling place locations to be used for each precinct in all elections in any calendar year before the start of that calendar year.

Subd. 6. [APPLICABLE LAWS.] Except as otherwise provided by this section, Minnesota election law remains applicable to elections held on any of the days listed in subdivision 3.

Sec. 2. [EFFECTIVE DATE.]

This article is effective January 1, 2006.

ARTICLE 5

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2004, section 123B.63, subdivision 3, is amended to read:

Subd. 3. [CAPITAL PROJECT LEVY REFERENDUM.] A district may levy the local tax rate approved by a majority of the electors voting on the question to provide funds for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date ~~set by the board~~ specified in section 204D.035, subdivision 3. A referendum for a project not receiving a positive review and comment by the commissioner under section 123B.71 must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the capital project levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner, state the maximum amount of the capital project levy as a percentage of net tax capacity, state the amount that will be raised by that local tax rate in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the capital project levy proposed by the board of School District No. be approved?"

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified may be certified for the number of years approved.

In the event a conjunctive question proposes to authorize both the capital project levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question.

The district must notify the commissioner of the results of the referendum.

Sec. 2. Minnesota Statutes 2004, section 126C.17, subdivision 11, is amended to read:

Subd. 11. [REFERENDUM DATE.] (a) Except for a referendum held under paragraph (b), any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b), must be prepared and delivered by first-class mail at least 20 days before the referendum.

(b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt. A referendum must be held on a date specified in section 204D.035, subdivision 3.

(c) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 3. Minnesota Statutes 2004, section 204C.05, is amended by adding a subdivision to read:

Subd. 1c. [ELECTIONS; MUNICIPALITIES AND SCHOOL DISTRICTS.] The governing body of a municipality or school district may, by resolution, designate the hours during which the polling places will remain open for voting at the next succeeding and all later municipal or school district elections that are not held at the same time as the state primary or state general election. All polling places must be open at least between the hours of 10:00 a.m. and 8:00 p.m. The resolution remains in effect until revoked by the governing board or until a petition

from voters is filed under this subdivision. If a petition requesting longer voting hours for any election is signed by a number of voters equal to ten percent of the votes cast in the last municipal or school district general election, whichever applies, and filed with the appropriate municipal or school district clerk no later than 30 days before an election, the polling places for that election must open at 7:00 a.m. and close at 8:00 p.m. The municipal or school district clerk must give ten days' published and posted notice of the change in hours and notify the appropriate county auditors of the change.

Sec. 4. Minnesota Statutes 2004, section 205.10, subdivision 3, is amended to read:

Subd. 3. [PROHIBITION.] ~~No~~ A special election authorized under subdivision 1 may be held ~~within 40 days after the state general election~~ only on a date specified in section 204D.035, subdivision 3.

Sec. 5. [205.176] [VOTING HOURS.]

In all municipal elections, the hours for voting must be determined as provided in section 204C.05.

Sec. 6. Minnesota Statutes 2004, section 205A.05, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion call a special election to vote on any matter requiring approval of the voters of a district. Upon petition of 50 or more voters of the school district or five percent of the number of voters voting at the preceding regular school district election, the school board shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. ~~A special election may not be held during the 30 days before and the 30 days after the state primary, during the 30 days before and the 40 days after the state general election. In addition, a special election may not be held during the 20 days before and the 20 days after any regularly scheduled election of a municipality wholly or partially within the school district. A special election under this subdivision must be held only on a date specified in section 204D.035, subdivision 3.~~ Notwithstanding any other law to the contrary, the time period in which a special election must be conducted under any other law may be extended by the school board to conform with the requirements of this subdivision.

Sec. 7. [205A.095] [HOURS FOR VOTING.]

The hours for voting in school district elections must be determined as provided in section 204C.05.

Sec. 8. Minnesota Statutes 2004, section 373.40, subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF ELECTION REQUIREMENT.] (a) Bonds issued by a county to finance capital improvements under an approved capital improvement plan are not subject to the election requirements of section 375.18 or 475.58. The bonds must be approved by vote of at least three-fifths of the members of the county board. In the case of a metropolitan county, the bonds must be approved by vote of at least two-thirds of the members of the county board.

(b) Before issuance of bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least 14, but not more than 28, days before the date of the hearing.

(c) A county may issue the bonds only upon obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the county in the last general election and is filed with the county auditor within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election. The election may be held only on a date specified in section 204D.035, subdivision 3.

Sec. 9. Minnesota Statutes 2004, section 375.20, is amended to read:

375.20 [BALLOT QUESTIONS.]

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry it into effect. In the election the form of the ballot shall be: "In favor of (here state the substance of the resolution to be submitted), Yes No.....," with a square opposite each of the words "yes" and "no," in one of which the voter shall mark an "X" to indicate a choice. The county board may call a special county election upon a question to be held ~~within 60 days~~ on a date specified in section 204D.035, subdivision 3, after a resolution to that effect is adopted by the county board. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

Sec. 10. Minnesota Statutes 2004, section 458.40, is amended to read:

458.40 [MUST VOTE TO ISSUE BONDS IF CHARTER SAYS SO.]

If a charter adopted under the Minnesota Constitution, article IV, section 36, article XI, section 4, or article XII, section 5, has a provision that requires the question of the issuance of bonds to be submitted to the electors, the provision prevails over sections 458.36 to 458.40. The question must be submitted to voters on a date specified in section 204D.035, subdivision 3, notwithstanding any contrary provision in the charter regarding the date of submission.

Sec. 11. Minnesota Statutes 2004, section 465.82, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PLAN.] The plan must state:

- (1) the specific cooperative activities the units will engage in during the first two years of the venture;
- (2) the steps to be taken to effect the merger of the governmental units, with completion no later than four years after the process begins;
- (3) the steps by which a single governing body will be created or, when the entire territory of a unit will be apportioned between or among two or more units contiguous to the unit that is to be apportioned, the steps to be taken by the governing bodies of the remaining units to provide for representation of the residents of the apportioned unit;
- (4) changes in services provided, facilities used, and administrative operations and staffing required to effect the preliminary cooperative activities and the final merger, and a two-, five-, and ten-year projection of expenditures for each unit if it combined and if it remained separate;

(5) treatment of employees of the merging governmental units, specifically including provisions for reassigning employees, dealing with exclusive representatives, and providing financial incentives to encourage early retirements;

(6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging units;

(7) one- and two-year impact analyses, prepared by the granting state agency at the request of the local government unit, of major state aid revenues received for each unit if it combined and if it remained separate, including an impact analysis, prepared by the Department of Revenue, of any property tax revenue implications associated with tax increment financing districts and fiscal disparities under chapter 276A or 473F resulting from the merger;

(8) procedures for a referendum to be held on a date specified in section 204D.035, subdivision 3, before the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination is needed to pass the referendum; and

(9) a time schedule for implementation.

Notwithstanding clause (3) or any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 465.81 to 465.86 may serve on the initial governing body of the combined unit until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached.

Sec. 12. Minnesota Statutes 2004, section 465.84, is amended to read:

465.84 [REFERENDUM.]

During the first or second year of cooperation, a referendum on the question of combination must be conducted. The referendum must be on a date specified in section 204D.035, subdivision 3, and called by the governing bodies of the units that propose to combine. The referendum must be conducted according to the Minnesota Election Law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

Sec. 13. Minnesota Statutes 2004, section 469.053, subdivision 5, is amended to read:

Subd. 5. [REVERSE REFERENDUM.] A city may increase its levy for port authority purposes under subdivision 4 only as provided in this subdivision. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or, if none exists, in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or, if none exists, in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. The resolution is effective if approved by a majority of those voting on the question. The commissioner of revenue shall prepare a suggested form of referendum question. The referendum must be held at a special or general election ~~before October 1~~ on a date specified in section 204D.035, subdivision 3, of the year for which the levy increase is proposed.

Sec. 14. Minnesota Statutes 2004, section 469.0724, is amended to read:

469.0724 [GENERAL OBLIGATION BONDS.]

The port authority of Cannon Falls or Redwood Falls must not proceed with the sale of general obligation tax supported bonds until the city council by resolution approves the proposed issuance. The resolution must be published in the official newspaper. If, within 30 days after the publication, a petition signed by voters equal in number to ten percent of the number of voters at the last regular city election is filed with the city clerk, the city and port authority must not issue the general obligation tax supported bonds until the proposition has been approved by a majority of the votes cast on the question at a regular or special election held on a date specified in section 204D.035, subdivision 3.

Sec. 15. Minnesota Statutes 2004, section 469.190, subdivision 5, is amended to read:

Subd. 5. [REVERSE REFERENDUM.] If the county board passes a resolution under subdivision 4 to impose the tax, the resolution must be published for two successive weeks in a newspaper of general circulation within the unorganized territory, together with a notice fixing a date for a public hearing on the proposed tax.

The hearing must be held not less than two weeks nor more than four weeks after the first publication of the notice. After the public hearing, the county board may determine to take no further action, or may adopt a resolution authorizing the tax as originally proposed or approving a lesser rate of tax. The resolution must be published in a newspaper of general circulation within the unorganized territory. The voters of the unorganized territory may request a referendum on the proposed tax by filing a petition with the county auditor within 30 days after the resolution is published. The petition must be signed by voters who reside in the unorganized territory. The number of signatures must equal at least five percent of the number of persons voting in the unorganized territory in the last general election. If such a petition is timely filed, the resolution is not effective until it has been submitted to the voters residing in the unorganized territory at a general or special election held on a date specified in section 204D.035, subdivision 3, and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum.

Sec. 16. Minnesota Statutes 2004, section 475.521, subdivision 2, is amended to read:

Subd. 2. [ELECTION REQUIREMENT.] (a) Bonds issued by a city to finance capital improvements under an approved capital improvements plan are not subject to the election requirements of section 475.58. The bonds are subject to the net debt limits under section 475.53. The bonds must be approved by an affirmative vote of three-fifths of the members of a five-member city council. In the case of a city council having more than five members, the bonds must be approved by a vote of at least two-thirds of the city council.

(b) Before the issuance of bonds qualifying under this section, the city must publish a notice of its intention to issue the bonds and the date and time of the hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the city or in a newspaper of general circulation in the city. Additionally, the notice may be posted on the official Web site, if any, of the city. The notice must be published at least 14 but not more than 28 days before the date of the hearing.

(c) A city may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the city in the last general election and is filed with the city clerk within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election. The election must be held on a date specified in section 204D.035, subdivision 3.

Sec. 17. Minnesota Statutes 2004, section 475.58, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY ELECTORS; EXCEPTIONS.] Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting at a special or general election held on a date specified in section 204D.035, subdivision 3, on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from such taxes within the district;

(4) payable wholly from the income of revenue producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;

(7) to fund pension or retirement fund liabilities pursuant to section 475.52, subdivision 6;

(8) under a capital improvement plan under section 373.40; and

(9) under sections 469.1813 to 469.1815 (property tax abatement authority bonds), if the proceeds of the bonds are not used for a purpose prohibited under section 469.176, subdivision 4g, paragraph (b).

Sec. 18. Minnesota Statutes 2004, section 475.58, subdivision 1a, is amended to read:

Subd. 1a. [RESUBMISSION LIMITATION.] If the electors do not approve the issuing of obligations at an election required by subdivision 1, the question of authorizing the obligations for the same purpose and in the same amount may not be submitted to the electors ~~within a period of~~ until a special or general election held on a date specified in section 204D.035, subdivision 3, and not sooner than 180 days from the date the election was held. If the question of authorizing the obligations for the same purpose and in the same amount is not approved a second time it may not be submitted to the electors within a period of one year after the second election.

Sec. 19. Minnesota Statutes 2004, section 475.59, is amended to read:

475.59 [MANNER OF SUBMISSION; NOTICE.]

When the governing body of a municipality resolves to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election held on a date specified in section 204D.035, subdivision 3, or at a town or common school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the

purpose of the proposed issue. In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses. In any city, town, or county, the governing body may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance, stated conjunctively or in the alternative, for the acquisition, construction, or improvement of any facilities at one or more locations.

Sec. 20. [REPEALER.]

Minnesota Statutes 2004, sections 204C.05, subdivisions 1a and 1b; 205.175; and 205A.09, are repealed.

Sec. 21. [EFFECTIVE DATE.]

This article is effective January 1, 2006. Section 17 is effective for obligations authorized at an election held after January 1, 2006.

ARTICLE 6

CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2004, section 10A.01, is amended by adding a subdivision to read:

Subd. 16a. [ELECTIONEERING COMMUNICATION.] "Electioneering communication" means a broadcast communication that refers to a clearly identified candidate and is made within 60 days before a general or special election or 30 days before a primary or special primary for the office sought by the candidate. Electioneering communication does not include:

(1) a communication appearing in a news story, commentary, or editorial distributed by a broadcasting station or newspaper, unless the broadcasting station or newspaper is owned or controlled by a political party unit, political committee, or candidate;

(2) a campaign expenditure; or

(3) an independent expenditure.

Sec. 2. Minnesota Statutes 2004, section 10A.14, subdivision 1, is amended to read:

Subdivision 1. [FIRST REGISTRATION.] The treasurer of a political committee, political fund, principal campaign committee, or party unit must register with the board by filing a statement of organization no later than ~~44 days~~ 48 hours after the committee, fund, or party unit has made a contribution, received contributions, or made expenditures in excess of \$100.

Sec. 3. [10A.165] [COORDINATED ELECTIONEERING COMMUNICATIONS; CONTRIBUTIONS; EXPENDITURES.]

If an individual, political committee, political fund, or political party unit makes an expenditure for an electioneering communication as defined in section 10A.01, subdivision 16a, that is coordinated with a principal campaign committee or political party unit, the electioneering communication constitutes a contribution to, and an expenditure by, the principal campaign committee of the candidate named in the electioneering communication or of the political party unit whose candidate is named in the electioneering communication.

Sec. 4. Minnesota Statutes 2004, section 10A.20, is amended by adding a subdivision to read:

Subd. 6c. [ELECTIONEERING COMMUNICATION.] An individual, political committee, political fund, or political party unit that makes or contracts to make an expenditure for an electioneering communication in an aggregate amount in excess of \$500 within 60 days before a general or special election or 30 days before a primary or special primary for the office sought by the candidate identified in the electioneering communication must, within 24 hours of making the expenditure, file a report with the board containing the following information:

(1) the amount of each expenditure over \$100, the name and address of the person to whom the expenditure was made or contracted to be made, and the purpose of the expenditure;

(2) the election or primary to which each electioneering communication pertains and the name of any candidate to be identified in the electioneering communication; and

(3) in the case of a report filed by an individual, the name, address, and employer or occupation, if self-employed, of the individual making or contracting to make the electioneering communication.

An additional report containing the information specified in this subdivision must be filed within 24 hours after each time an expenditure for an electioneering communication in an aggregate amount exceeding \$500 is made or contracted to be made within 60 days before a general or special election or 30 days before a primary or special primary for the office sought by the candidate.

Sec. 5. Minnesota Statutes 2004, section 10A.20, is amended by adding a subdivision to read:

Subd. 6d. [INDEPENDENT EXPENDITURES.] (a) An individual, political committee, political party unit, or political fund must file a report with the board each time the individual, political committee, political party unit, or political fund makes or contracts to make, at any time up to and including the 20th day before an election, independent expenditures in an aggregate amount in excess of \$500. The report must be filed within 48 hours after initially making or contracting to make such expenditures. An additional report must be filed within 48 hours after each time an independent expenditure in an aggregate amount in excess of \$500 is made or contracted to be made, up to and including the 20th day before an election. The report must include the information required to be reported under subdivision 3, paragraph (g), except that if the expenditure is reported at the time it is contracted, the report must include the contract amount. The report must also indicate (1) the name and office sought by a candidate named in the independent expenditure and (2) whether the independent expenditure expressly advocates the candidate's election or defeat.

(b) An individual, political committee, political party unit, or political fund must file a report with the board each time the individual, political committee, political party unit, or political fund makes or contracts to make, between the 19th day and the last day before an election, an independent expenditure in an aggregate amount in excess of \$100. The report must be filed within 24 hours after initially making or contracting to make such expenditures. An additional report must be filed within 24 hours after making or contracting to make an independent expenditure in an aggregate amount in excess of \$100 at any time up to and including the 20th day before an election. The report must include the information required to be reported under subdivision 3, paragraph (g), except that if the expenditure is reported at the time it is contracted, the report must include the contract amount. The report must also indicate (1) the name and office sought by a candidate named in the independent expenditure and (2) whether the independent expenditure expressly advocates the candidate's election or defeat.

Sec. 6. Minnesota Statutes 2004, section 10A.20, is amended by adding a subdivision to read:

Subd. 6e. [ENCOURAGING VOTER PARTICIPATION.] (a) An individual or association that makes or contracts to make an expenditure to encourage precinct caucus attendance, voter registration, or voting in an aggregate amount in excess of \$200 during a calendar year must, within 24 hours of making or contracting to make such an expenditure, file a report with the board containing:

(1) the amount of each expenditure over \$100, the name and address of the person to whom the expenditure was made or contracted to be made, and the purpose of the expenditure; and

(2) the election or primary to which each expenditure pertains.

(b) An additional report containing the information specified in this subdivision must be filed within 24 hours after each time an expenditure subject to this subdivision is made or contracted to be made during the calendar year.

Sec. 7. Minnesota Statutes 2004, section 10A.25, subdivision 2, is amended to read:

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

(1) for governor and lieutenant governor, running together, ~~\$2,188,090~~ \$2,500,000;

(2) for attorney general, ~~\$364,690~~ \$1,250,000;

(3) for secretary of state and state auditor, separately, ~~\$182,350~~ \$625,000;

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

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

(b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make campaign expenditures and approved expenditures of five percent of that amount to seek endorsement.

(c) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is running for that office for the first time and who has not run previously for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office.

Sec. 8. [10A.258] [PARTY UNIT INDEPENDENT EXPENDITURE LIMITS.]

A political party unit that has signed an agreement under section 10A.322 and participates in the political contribution refund program must not make aggregate independent expenditures in a race in excess of \$2,000.

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

Subd. 1a. [POLITICAL PARTY AGREEMENT.] As a condition of issuing political contribution refund receipts under subdivision 4, a political party unit must sign and file with the board a written agreement in which the political party unit agrees that it will comply with section 10A.258. A political party unit may obtain an agreement form from the board and must file the form by September 1 preceding a general election in connection with which the political party unit intends to issue refund receipt forms. An agreement may not be filed after that date. Once filed, an agreement may not be rescinded. The board must notify the commissioner of revenue of any agreement filed under this subdivision.

Sec. 10. Minnesota Statutes 2004, section 10A.322, subdivision 2, is amended to read:

Subd. 2. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, and the contribution limit in section 10A.27, subdivision 10, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the end of the first election cycle completed after the agreement was filed, whichever occurs first.

(b) The agreement, insofar as it relates to the independent expenditure limits in section 10A.258, remains effective for political party units until the end of the first election cycle completed after the agreement was filed.

Sec. 11. Minnesota Statutes 2004, section 10A.322, subdivision 4, is amended to read:

Subd. 4. [REFUND RECEIPT FORMS; PENALTY.] The board must make available to a political party ~~on request~~ that has filed an agreement under subdivision 1a and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section; or, if the contribution is to a political party unit, that the political party unit has signed an agreement to limit independent expenditures as provided in subdivision 1a. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate ~~who~~ or political party unit that does not sign an agreement under this section and ~~who~~ willfully issues an official refund receipt form or a facsimile of one to any of the candidate's or political party unit's contributors is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 2004, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to a candidate or political party unless the candidate or political party unit:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;

(2) in the case of a candidate, is seeking an office for which voluntary spending limits are specified in section 10A.25; and

(3) in the case of a candidate, has designated a principal campaign committee.

This subdivision does not limit the independent expenditures of a political party unit or the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

Sec. 13. [INTERNET CAMPAIGN REPORTING AND PUBLIC SUBSIDY PAYMENT STUDY.]

A work group is established to study the feasibility of creating an online campaign finance reporting and public subsidy payment system. The work group must study the initial costs and long-term savings of creating a system for filing online all reports required by Minnesota Statutes, chapter 10A, and for electronically making subsidy payments under Minnesota Statutes, chapter 10A. The work group must report to the chairs of the Civil Law and Elections Committee and the State Government Finance Committee in the house of representatives and the chairs of the Elections Committee and the State Government Budget Division of the Finance Committee in the senate by January 15, 2006.

The work group shall consist of one member of the Campaign Finance and Public Disclosure Board designated by the chair of the board, three members appointed by the governor, three members appointed by the speaker of the house, and three members appointed by the senate Committee on Committees.

The Campaign Finance and Public Disclosure Board and the Department of Revenue must provide staff resources to the work group."

Delete the title and insert:

"A bill for an act relating to elections; extending the deadline for submitting voter registration applications; clarifying documents acceptable to prove residence; specifying form of voter registration application; authorizing registered voters to withhold their name from the public information list; requiring notice to individuals whose civil rights have been restored; regulating conduct and requiring training of polling place challengers; adding to the Voter's Bill of Rights; allowing ex-felons to leave a polling place and return; campaign finance; changing certain disclosure requirements; limiting independent expenditures by political party units; regulating electioneering communications; increasing certain expenditure limits; establishing a work group; amending Minnesota Statutes 2004, sections 3.02; 10A.01, subdivisions 5, 9, by adding subdivisions; 10A.025, by adding a subdivision; 10A.071, subdivision 3; 10A.08; 10A.14, subdivision 1; 10A.20, subdivision 5, by adding subdivisions; 10A.25, subdivision 2; 10A.27, subdivision 1; 10A.28, subdivision 2; 10A.31, subdivision 4; 10A.322, subdivisions 2, 4, by adding a subdivision; 123B.63, subdivision 3; 126C.17, subdivision 11; 200.02, subdivisions 7, 23, by adding a subdivision; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivision 1; 201.091, subdivisions 4, 5; 203B.01, subdivision 3; 203B.02, subdivision 1; 203B.04, subdivisions 1, 4, by adding a subdivision; 203B.07, subdivision 2; 203B.11, subdivision 1; 203B.12, subdivision 2; 203B.16, by adding a subdivision; 203B.20; 203B.21, subdivisions 1, 3; 203B.24, subdivision 1; 204B.10, subdivision 6; 204B.14, subdivision 2; 204B.16, subdivisions 1, 5; 204B.18, subdivision 1; 204B.22, subdivision 3; 204B.27, subdivisions 1, 3; 204B.33; 204C.05, subdivision 1a, by adding a subdivision; 204C.06, subdivision 2; 204C.07, subdivision 4, by adding a subdivision; 204C.08, subdivisions 1, 1a; 204C.12, subdivisions 2, 4; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.50, subdivision 1; 204D.03, subdivision 1; 204D.14, subdivision 3; 204D.27, subdivision 5; 205.10, subdivision 3; 205.175, subdivision 2; 205A.05, subdivision 1; 205A.09, subdivision 1; 206.56, subdivisions 2, 3, 7, 8, 9, by adding subdivisions; 206.57, subdivisions 1, 5, by adding a subdivision; 206.58, subdivision 1; 206.61, subdivisions 4, 5; 206.64, subdivision 1; 206.80; 206.81; 206.82, subdivisions 1, 2; 206.83; 206.84, subdivisions 1, 3, 6; 206.85, subdivision 1; 206.90, subdivisions 1, 4, 5, 6, 8, 9; 208.03; 208.04, subdivision 1; 208.05; 208.06; 208.07; 208.08; 211B.01, subdivision 3; 211B.13, subdivision 1; 290.06, subdivision 23; 358.11; 373.40, subdivision 2; 375.20; 414.01, by adding a subdivision; 447.32, subdivision 4; 458.40; 465.82, subdivision 2; 465.84; 469.053, subdivision 5; 469.0724; 469.190, subdivision 5; 471.895, subdivision 3; 475.521, subdivision 2; 475.58, subdivisions 1, 1a; 475.59; proposing coding for new law in Minnesota Statutes, chapters 10A; 204D; 205; 205A; 414; repealing Minnesota Statutes 2004, sections 204B.22, subdivision 2; 204C.05, subdivisions 1a, 1b; 204C.50, subdivision 7; 205.175; 205A.09; Minnesota Rules, parts 4501.0300, subparts 1, 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; 4503.0800, subpart 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 2358, A bill for an act relating to human services; prohibiting certain purchases with MFIP cash grant funds; amending Minnesota Statutes 2004, section 256J.39, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, delete the first comma and insert "or" and delete ", or lottery tickets"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03, H. F. No. 2358 was re-referred to the Committee on Rules and Legislative Administration.

SECOND READING OF HOUSE BILLS

H. F. Nos. 432, 759, 912, 986, 1103, 1275, 1528, 1879, 1914, 2118 and 2226 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Nelson, P., introduced:

H. F. No. 2432, A bill for an act relating to watercraft; exempting rowing sculls from license requirement; amending Minnesota Statutes 2004, section 86B.301, subdivision 2.

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

Walker introduced:

H. F. No. 2433, A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Meslow introduced:

H. F. No. 2434, A bill for an act relating to health; appropriating money for research on issues related to sexual crimes.

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

Lenczewski, Poppe, Fritz, Murphy, Moe, Greiling and Loeffler introduced:

H. F. No. 2435, A bill for an act relating to taxation; providing inflationary and family size adjustments to the dependent care credit and the working family credit; amending Minnesota Statutes 2004, sections 290.067, subdivisions 1, 2, 2b; 290.0671, subdivision 1.

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

Brod, Sviggum, Simpson, Davids, Zellers, Urdahl, Finstad, Seifert, Dorman, Demmer, Magnus and Blaine introduced:

H. F. No. 2436, A bill for an act relating to property taxation; providing that agricultural land will be valued based on production value for property tax purposes; appropriating money; amending Minnesota Statutes 2004, sections 127A.48, subdivision 3; 273.111, subdivision 4; 473H.10, subdivision 2; proposing coding for new law in chapter 273.

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

Anderson, B., introduced:

H. F. No. 2437, A bill for an act relating to local government; placing a moratorium on annexations by order and annexations by ordinance of areas of 60 acres or less; amending Minnesota Statutes 2004, sections 414.031, by adding a subdivision; 414.033, by adding a subdivision.

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

Abeler, Thissen, Huntley and Powell introduced:

H. F. No. 2438, A bill for an act relating to health; requiring implementation of cost-containment initiatives; modifying requirements for health plan companies and health plans; requiring disclosure of information to consumers; establishing a cancer drug repository program; requiring reporting of acquired infections; modifying requirement for health-related boards and health care providers; establishing evidence-based guideline and health promotion initiatives; requiring studies; amending Minnesota Statutes 2004, sections 13.3806, by adding a subdivision; 45.0135, subdivision 7, by adding a subdivision; 62D.145, subdivision 2; 62E.05, subdivision 2; 62E.08, subdivision 1; 62J.43; 62L.08, subdivision 8; 62Q.17; 62Q.64; 62Q.75; 72A.201, subdivision 4; 144.335, subdivision 3a; 145A.12, by adding subdivisions; 151.214, subdivision 1; 295.582; proposing coding for new law in Minnesota Statutes, chapters 62J; 62M; 62Q; 65B; 144; 144E; 145; 151; 214; repealing Minnesota Statutes 2004, sections 62E.035; 62Q.095.

The bill was read for the first time and referred to the Committee on Health Care Cost Containment Division.

Abeler and Thissen introduced:

H. F. No. 2439, A bill for an act relating to health; establishing coordinated care safety net programs to provide cost-effective services to uninsured and low-income persons with chronic disease; requiring a report; appropriating money.

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

Mariani, Ellison, Clark, Otremba, Fritz, Thao, Walker, Goodwin, Mahoney and Nelson, M., introduced:

H. F. No. 2440, A bill for an act relating to health; requiring the commissioner of health to study the health impacts of pesticides on migrant agricultural workers; appropriating money.

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

Davids, Blaine, Gunther, Urdahl, Penas, Cornish and Magnus introduced:

H. F. No. 2441, A bill for an act relating to agriculture; establishing a statutory appropriation for value-added agricultural projects; creating an agricultural farm to market account; providing for the construction, reconstruction, or maintenance of town roads serving the needs of livestock operations; amending Minnesota Statutes 2004, sections 17.101, by adding a subdivision; 41A.09, subdivision 3a.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development.

Hosch introduced:

H. F. No. 2442, A bill for an act relating to education finance; allowing school districts flexibility to transfer unused debt service revenue for general purposes; amending Minnesota Statutes 2004, section 475.61, subdivision 4.

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

Nelson, P., introduced:

H. F. No. 2443, A bill for an act relating to local government; providing for an alternative annexation process; proposing coding for new law in Minnesota Statutes, chapter 414; repealing Minnesota Statutes 2004, sections 414.031; 414.033.

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

Knoblach introduced:

H. F. No. 2444, A bill for an act relating to sales tax; allowing a sales tax exemption for construction of Rockville Fire Hall; amending Minnesota Statutes 2004, section 297A.71, by adding a subdivision.

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

Gazelka, Davids and Atkins introduced:

H. F. No. 2445, A bill for an act relating to insurance; requiring certain disclosures from insurance producers; amending Minnesota Statutes 2004, section 60K.46, by adding a subdivision.

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

Gunther, Paymar and Garofalo introduced:

H. F. No. 2446, A bill for an act relating to job training; providing for training to implement the Ford Motor Company Ford Production System at the Twin Cities Ford Assembly Plant; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1650, A bill for an act relating to cosmetology; providing for the transfer of regulatory oversight; modifying regulatory provisions; providing conforming changes; amending Minnesota Statutes 2004, sections 154.18; 154.22; 155A.03, subdivision 4a; 155A.04; 155A.045, subdivision 1; 155A.08, subdivision 1; 155A.135; repealing Minnesota Statutes 2004, sections 155A.03, subdivision 13; 155A.06; Minnesota Rules, part 2100.9300, subpart 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1095, 1253, 1252, 1841, 1804, 1386, 663, 1016, 1905, 1945 and 1898.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1095, A bill for an act relating to drivers' licenses; authorizing commissioner of public safety to waive road test for licensed military personnel; amending Minnesota Statutes 2004, section 171.13, subdivision 1a.

The bill was read for the first time.

Severson moved that S. F. No. 1095 and H. F. No. 1053, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1253, A bill for an act relating to local government; authorizing the city of St. Paul to participate in the creation of, and to contract with, a nonprofit organization for management and operation of the RiverCentre complex; amending Minnesota Statutes 2004, section 13.55, by adding a subdivision.

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

S. F. No. 1252, A bill for an act relating to water; providing for the consumptive use of groundwater.

The bill was read for the first time.

Johnson, S., moved that S. F. No. 1252 and H. F. No. 1327, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1841, A bill for an act relating to natural resources; eliminating the Project Riverbend Board; amending Minnesota Statutes 2004, sections 103F.387; 103F.389, subdivision 2; 103F.391; repealing Minnesota Statutes 2004, sections 103F.383, subdivisions 1, 2; 103F.385; 103F.389, subdivisions 3, 4; 103F.393.

The bill was read for the first time.

Cornish moved that S. F. No. 1841 and H. F. No. 2042, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1804, A bill for an act relating to crimes; defining "public place" for purposes of the prostitution law; amending Minnesota Statutes 2004, section 609.321, subdivision 12.

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

S. F. No. 1386, A bill for an act relating to traffic regulations; clarifying that drivers are prohibited from driving vehicles onto shoulder to pass on the right; making other clarifying changes; amending Minnesota Statutes 2004, section 169.18, subdivision 4.

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

S. F. No. 663, A bill for an act relating to local government; adding an exception to the ban on public officers having an interest in a contract; amending Minnesota Statutes 2004, section 471.88, by adding a subdivision.

The bill was read for the first time.

Peterson, A., moved that S. F. No. 663 and H. F. No. 647, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1016, A bill for an act relating to local government; permitting delegation of duties to board of adjustment; amending Minnesota Statutes 2004, section 18.83, subdivision 3.

The bill was read for the first time.

Hansen moved that S. F. No. 1016 and H. F. No. 1084, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1905, A bill for an act relating to local government; authorizing nine-member county economic development authority boards; amending Minnesota Statutes 2004, section 469.1082, by adding a subdivision.

The bill was read for the first time.

Magnus moved that S. F. No. 1905 and H. F. No. 2040, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1945, A bill for an act relating to local government; requiring a city council to vote on charter commission recommendations for charter amendments by ordinance; amending Minnesota Statutes 2004, section 410.12, subdivision 7.

The bill was read for the first time.

Kahn moved that S. F. No. 1945 and H. F. No. 815, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1898, A bill for an act relating to corrections; updating amount of construction necessary before commissioner of corrections review; amending Minnesota Statutes 2004, section 641.21.

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

CONSENT CALENDAR

H. F. No. 792, A bill for an act relating to commerce; regulating mortgage originators and servicers and athlete agents; amending Minnesota Statutes 2004, section 116J.70, subdivision 2a.

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

The bill was passed and its title agreed to.

H. F. No. 1761, A bill for an act relating to health; providing for voluntary disenrollment from MinnesotaCare for certain members of the military; amending Minnesota Statutes 2004, section 256L.07, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

CALENDAR FOR THE DAY

S. F. No. 451, A bill for an act relating to Anoka County; proposing coding of certain laws relating to Anoka County; repealing Laws 1959, chapters 199, as amended, 325; Laws 1961, chapters 366, 627; Laws 1963, chapters 37, 78, 161, section 3; Laws 1965, chapter 462; Laws 1967, chapters 237, 344; Laws 1971, chapter 4.

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	Atkins	Blaine	Buesgens	Clark	Cybart
Anderson, B.	Beard	Bradley	Carlson	Cornish	Davids
Anderson, I.	Bernardy	Brod	Charron	Cox	Dean

DeLaForest	Greiling	Johnson, S.	Mahoney	Penas	Slawik
Demmer	Gunther	Juhnke	Mariani	Peppin	Smith
Dempsey	Hackbarth	Kahn	Marquart	Peterson, A.	Soderstrom
Dill	Hamilton	Kelliher	McNamara	Peterson, N.	Solberg
Dittrich	Hansen	Klinzing	Meslow	Peterson, S.	Sykora
Dorman	Hausman	Knoblach	Moe	Poppe	Thao
Dorn	Heidgerken	Koenen	Mullery	Powell	Thissen
Eastlund	Hilstrom	Kohls	Murphy	Rukavina	Tingelstad
Eken	Hilty	Krinkie	Nelson, M.	Ruth	Urdahl
Ellison	Holberg	Lanning	Nelson, P.	Ruud	Vandev eer
Emmer	Hoppe	Larson	Newman	Sailer	Wagenius
Entenza	Hornstein	Latz	Nornes	Samuelson	Wardlow
Erhardt	Hortman	Lenczewski	Olson	Scalze	Walti
Erickson	Hosch	Lesch	Opatz	Seifert	Westerberg
Finstad	Howes	Liebling	Otremba	Sertich	Westrom
Fritz	Huntley	Lieder	Ozment	Severson	Wilkin
Garofalo	Jaros	Lillie	Paulsen	Sieben	Zellers
Gazelka	Johnson, J.	Loeffler	Paymar	Simon	Spk. Sviggum
Goodwin	Johnson, R.	Magnus	Pelowski	Simpson	

The bill was passed and its title agreed to.

H. F. No. 2110, A bill for an act relating to domestic abuse; returning to a safety focus when awarding custody and parenting time in the context of a domestic abuse hearing; amending Minnesota Statutes 2004, section 518B.01, subdivision 6.

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

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Smith moved that the name of Cybart be added as an author on H. F. No. 121. The motion prevailed.

Cox moved that the name of Lanning be added as an author on H. F. No. 566. The motion prevailed.

Abrams moved that the name of Ruud be added as an author on H. F. No. 711. The motion prevailed.

Lenczewski moved that the name of Ruud be added as an author on H. F. No. 845. The motion prevailed.

Vandever moved that the name of Davids be added as chief author on H. F. No. 887. The motion prevailed.

Wilkin moved that the name of Lanning be added as an author on H. F. No. 980. The motion prevailed.

Hamilton moved that the name of Lanning be added as an author on H. F. No. 1126. The motion prevailed.

Lanning moved that the names of Dempsey, Nornes and Ruth be added as authors on H. F. No. 1731. The motion prevailed.

Bradley moved that the name of Klinzing be added as an author on H. F. No. 1780. The motion prevailed.

Tingelstad moved that the name of Sieben be added as an author on H. F. No. 2143. The motion prevailed.

Huntley moved that the name of Johnson, R., be added as an author on H. F. No. 2412. The motion prevailed.

Garofalo moved that the name of Slawik be added as an author on H. F. No. 2417. The motion prevailed.

Anderson, B., moved that the name of Nelson, P., be added as an author on H. F. No. 2418. The motion prevailed.

Cornish moved that the names of Moe, Davids and Ruth be added as authors on H. F. No. 2424. The motion prevailed.

Paulsen moved that the name of Westerberg be added as an author on H. F. No. 2431. The motion prevailed.

Severson moved that H. F. No. 682 be recalled from the Committee on State Government Finance and be re-referred to the Committee on Taxes. The motion prevailed.

Clark moved that H. F. No. 1014 be recalled from the Committee on Public Safety Policy and Finance and be re-referred to the Committee on Taxes. The motion prevailed.

Nelson, P., moved that S. F. No. 1315 be recalled from the Committee on Civil Law and Elections and together with H. F. No. 2118, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, April 19, 2005. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, April 19, 2005.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives