

## STATE OF MINNESOTA

## EIGHTY-FOURTH SESSION — 2006

## SEVENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 22, 2006

The House of Representatives convened at 12:00 noon and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Emory Dively, President of the National Deaf Culture Fellowship of Assemblies of God and Pastor at Twin Cities Deaf Assembly of God Church, St. Paul, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Cornish, Mariani, Paulsen and Solberg were excused.

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

**REPORTS OF STANDING COMMITTEES**

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

H. F. No. 333, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4; providing staggered terms of office for senators.

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.

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

H. F. No. 576, A bill for an act relating to paternity; changing certain presumptions; amending Minnesota Statutes 2004, sections 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivision 5.

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

The report was adopted.

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

H. F. No. 822, A bill for an act relating to school district elections; providing for an alley system or at-large election of school board members; proposing coding for new law in Minnesota Statutes, chapter 205A.

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

The report was adopted.

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

H. F. No. 1368, A bill for an act relating to state government; providing a process for community ownership of the Minnesota Twins; proposing coding for new law as Minnesota Statutes, chapter 4B.

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

The report was adopted.

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

H. F. No. 1948, A bill for an act relating to education; prohibiting public school employees from using public funds and resources to advocate to pass, elect, or defeat a political candidate, ballot question, or pending legislation; proposing coding for new law in Minnesota Statutes, chapter 123B.

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

The report was adopted.

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

H. F. No. 2367, A bill for an act relating to retirement; correctional state employees retirement plan of the Minnesota State Retirement System; establishing a process within the Department of Corrections for the evaluation and recommendation of potential additional inclusions in plan coverage; amending Minnesota Statutes 2004, section 352.91, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINNESOTA POSTRETIREMENT INVESTMENT FUND CHANGES

Section 1. Minnesota Statutes 2004, section 11A.18, subdivision 9, is amended to read:

Subd. 9. **Calculation of postretirement adjustment.** (a) Annually, following June 30, the state board shall use the procedures in paragraphs (b), (c), and (d) to determine whether a postretirement adjustment is payable and to determine the amount of any postretirement adjustment.

(b) If the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor increases from June 30 of the preceding year to June 30 of the current year, the state board shall certify the percentage increase. The amount certified must not exceed the lesser of the difference between the preretirement interest assumption and postretirement interest assumption in section 356.215, subdivision 8, paragraph (a), or 2.5 percent. For the Minneapolis Employees Retirement Fund, the amount certified must not exceed 3.5 percent.

(c) In addition to any percentage increase certified under paragraph (b), the board shall use the following procedures to determine if a postretirement adjustment is payable under this paragraph:

(1) The state board shall determine the market value of the fund on June 30 of that year;

(2) The amount of reserves required as of the current June 30 for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds must be determined by the ~~commission-retained~~ commission-retained actuary ~~as of the current June 30~~ retained under section 356.214. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12 full months as of the current June 30 is eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment. This amount is known as "noneligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves must be separately reported as additional "noneligible reserves." The amount of "eligible" and "noneligible" required reserves must be certified to the board by the commission-retained actuary as soon as is practical following the current June 30;

(3) The state board shall determine the percentage increase certified under paragraph (b) multiplied by the eligible required reserves, as adjusted for mortality gains and losses under subdivision 11, determined under clause (2);

(4) The state board shall add the amount of reserves required for the annuities or benefits payable to annuitants and benefit recipients of the participating public pension plans or funds as of the current June 30 to the amount determined under clause (3);

(5) The state board shall subtract the amount determined under clause (4) from the market value of the fund determined under clause (1);

(6) The state board shall adjust the amount determined under clause (5) by the cumulative current balance determined ~~pursuant to~~ under clause (8) and any negative balance carried forward under clause (9);

(7) A positive amount resulting from the calculations in clauses (1) to (6) is the excess market value. A negative amount is the negative balance;

(8) The state board shall allocate one-fifth of the excess market value or one-fifth of the negative balance to each of five consecutive years, beginning with the fiscal year ending the current June 30; and

(9) To calculate the postretirement adjustment under this paragraph based on investment performance for a fiscal year, the state board shall add together all excess market value allocated to that year and subtract from the sum all negative balances allocated to that year. If this calculation results in a negative number, the entire negative balance must be carried forward and allocated to the next year. If the resulting amount is positive, a postretirement adjustment is payable under this paragraph. The board shall express a positive amount as a percentage of the total eligible required reserves certified to the board under clause (2).

(d) The state board shall determine the amount of any postretirement adjustment which is payable using the following procedure:

(1) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment as determined by clause (2) must be certified to the state board by the ~~commission-retained~~ actuary retained under section 356.214. The total "eligible" required reserves must be determined by the ~~commission-retained~~ actuary retained under section 356.214 on the assumption that all annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment will be alive on the January 1 in question; and

(2) The state board shall add the percentage certified under paragraph (b) to any positive percentage calculated under paragraph (c). The board shall not subtract from the percentage certified under paragraph (b) any negative amount calculated under paragraph (c). The sum of these percentages must be carried to five decimal places and must be certified to each participating public pension fund or plan as the full postretirement adjustment percentage. The full postretirement adjustment percentage certified to each participating public pension plan or fund must not exceed five percent. For the Minneapolis Employees Retirement Fund, no maximum percentage adjustment is applicable.

(e) A retirement annuity payable in the event of retirement before becoming eligible for Social Security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity must be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective July 1, 2010.

ARTICLE 2

DEFERRED ANNUITY AUGMENTATION RATE CHANGE

Section 1. Minnesota Statutes 2004, section 352.116, subdivision 1a, is amended to read:

Subd. 1a. **Actuarial reduction for early retirement.** This subdivision 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 is higher when calculated under section 352.115, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction with subdivision 1. A covered employee who retires before the normal retirement age shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at an annual rate of 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee initially becomes an employee after June 30, 2006.

Sec. 2. Minnesota Statutes 2004, section 352.72, subdivision 2, is amended to read:

Subd. 2. **Computation of deferred annuity.** (a) The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, must be computed as provided in section 352.22, subdivision 3, on the basis of allowable service before termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity must be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose must be five percent compounded annually until January 1, 1981, and three percent compounded annually thereafter until January 1 of the year following the year in which the former employee attains age 55-, and from that date to the effective date of retirement, the rate is five percent compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented by interest under this subdivision. The sum of the augmented required reserves so determined is the present value of the annuity. "Uninterrupted service" for the purpose of this subdivision means periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refund, the service restored by the repayment must be considered continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period of uninterrupted service must be those applicable to a new employee. The mortality table and interest assumption used to compute the annuity must be those in effect when the employee files application for annuity. This section does not reduce the annuity otherwise payable under this chapter.

(b) The retirement annuity or disability benefit of, or the survivor benefit payable on behalf of, a former state employee 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 the tables adopted by the board and approved by the actuary retained by the Legislative Commission on Pensions and Retirement.

Sec. 3. Minnesota Statutes 2004, section 352B.30, subdivision 2, is amended to read:

Subd. 2. **Computation of deferred annuity.** Deferred annuities must be computed according to this chapter on the basis of allowable service before termination of service and augmented as provided in this chapter. The required reserves applicable to a deferred annuity must be augmented by interest compounded annually from the first day of the month following the month in which the member terminated service, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be five percent per year compounded annually until January 1, 1981, and after that date three percent per year compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. The mortality table and interest assumption used to compute the annuity shall be those in effect when the member files application for annuity.

Sec. 4. Minnesota Statutes 2004, section 353.30, subdivision 5, is amended to read:

Subd. 5. **Actuarial reduction for early retirement.** This subdivision 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 who has become at least 55 years old and whose annuity is higher when calculated under section 353.29, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 353.29, subdivision 3, paragraph (a), in conjunction with subdivision 1, 1a, 1b, or 1c. An employee who retires before normal retirement age shall be paid the retirement annuity provided in section 353.29, subdivision 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee initially becomes an employee after June 30, 2006.

Sec. 5. Minnesota Statutes 2004, section 353.71, subdivision 2, is amended to read:

Subd. 2. **Deferred annuity computation; augmentation.** (a) The deferred annuity accruing under subdivision 1, or under sections 353.34, subdivision 3, and 353.68, subdivision 4, must be computed on the basis of allowable service prior to the termination of public service and augmented as provided in this paragraph. The required reserves applicable to a deferred annuity, or to any deferred segment of an annuity must be determined as of the first day of the month following the month in which the former member ceased to be a public employee, or July 1, 1971, whichever is later. These required reserves must be augmented at the rate of five percent annually compounded annually until January 1, 1981, and at the rate of three percent thereafter until January 1 of the year following the year in which the former member attains age 55, and from that date to the effective date of retirement, the rate is five percent compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented as specified in this paragraph. The sum of the augmented required reserves is the present value of the annuity. Uninterrupted service for the purpose of this subdivision means periods of covered employment during which the employee has not been separated from public service for more than two years. If a person repays a refund, the restored service must be considered as continuous with the next period of service for which the employee has credit with this association. This section must not reduce the annuity otherwise payable under this chapter. This paragraph applies to individuals who become deferred annuitants on or after July 1, 1971. For a member who became a deferred annuitant before July 1, 1971, the paragraph applies from July 1, 1971, if the former active member applies for an annuity after July 1, 1973.

(b) The retirement annuity or disability benefit of, or the survivor benefit payable on behalf of, a former member who terminated service before July 1, 1997, or the survivor benefit payable on behalf of a basic or police and fire member who was receiving disability benefits before July 1, 1997, which is first payable 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 and approved by the actuary retained by the Legislative Commission on Pensions and Retirement.

Sec. 6. Minnesota Statutes 2005 Supplement, section 354.44, subdivision 6, is amended to read:

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

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

	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 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 if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006.

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

Sec. 7. Minnesota Statutes 2004, section 354.55, subdivision 11, is amended to read:

Subd. 11. **Deferred annuity; augmentation.** (a) Any person covered under section 354.44, subdivision 6, who ceases to render teaching service, may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision is governed pursuant to section 354.44, subdivision 1, or 354.60.

(b) The amount of the deferred retirement annuity is determined by section 354.44, subdivision 6, and augmented as provided in this subdivision. The required reserves related to that portion of the annuity which had accrued when the member ceased to render teaching service must be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months or if this period commences prior to July 1, 1971. The rates of interest used for this purpose must be five percent compounded annually commencing July 1, 1971, until January 1, 1981, and three percent compounded annually thereafter until January 1 of the year following the year in which the former member attains age 55; and from that date to the effective date of retirement, the rate is five percent compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period and the required reserves related to each period must be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service must be those applicable to new members. The mortality table and interest assumption used to compute the annuity must be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

(c) In no case shall the annuity payable under this subdivision be less than the amount of annuity payable pursuant to section 354.44, subdivision 6.

(d) The requirements and provisions for retirement before normal retirement age contained in section 354.44, subdivision 6, clause (3) or (5), shall also apply to an employee fulfilling the requirements with a combination of service as provided in section 354.60.

(e) The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

(f) The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

(g) The retirement annuity or disability benefit of, or the survivor benefit payable on behalf of, a former teacher 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 as recommended by an approved actuary and approved by the actuary retained by the Legislative Commission on Pensions and Retirement.

Sec. 8. Minnesota Statutes 2004, section 354A.31, subdivision 7, is amended to read:

Subd. 7. **Actuarial reduction for early retirement.** This subdivision applies to a person who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any other coordinated member who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), and subdivision 4a, paragraph (d), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), or subdivision 4a, paragraph (c), in conjunction with subdivision 6. A coordinated member who retires before the full benefit age shall be paid the retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), or subdivision 4a, paragraph (d), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the person initially becomes a teacher after June 30, 2006.

Sec. 9. Minnesota Statutes 2004, section 354A.37, subdivision 2, is amended to read:

Subd. 2. **Eligibility for deferred retirement annuity.** Any coordinated member who ceases to render teaching services for the school district in which the teachers retirement fund association is located, with sufficient allowable service credit to meet the minimum service requirements specified in section 354A.31, subdivision 1, shall be entitled to a deferred retirement annuity in lieu of a refund pursuant to subdivision 1. The deferred retirement annuity shall be computed pursuant to section 354A.31 and shall be augmented as provided in this subdivision. The deferred annuity shall commence upon application after the person on deferred status attains at least the minimum age specified in section 354A.31, subdivision 1.

The monthly annuity amount that had accrued when the member ceased to render teaching service must be augmented from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There is no augmentation if this period is less than three months. The rate of augmentation is three percent compounded annually until January 1 of the year following the year in which the former member attains age 55, and five percent compounded annually after that date to the effective date of retirement if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service,

a separate average salary determined under section 354A.31 must be used for each period, and the monthly annuity amount related to each period must be augmented as provided in this subdivision. The sum of the augmented monthly annuity amounts determines the total deferred annuity payable. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with the fund. If a person does not render teaching services in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of resumption of teaching service are those applicable to new members. The mortality table and interest assumption used to compute the annuity are the table established by the fund to compute other annuities, and the interest assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purpose of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The augmentation provided by this subdivision applies to the benefit provided in section 354A.35, subdivision 2. The augmentation provided by this subdivision does not apply to any period in which a person is on an approved leave of absence from an employer unit.

Sec. 10. Minnesota Statutes 2004, section 356.30, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; computation of annuity.** (a) Notwithstanding any provisions of the laws governing the retirement plans enumerated in subdivision 3, a person who has met the qualifications of paragraph (b) may elect to receive a retirement annuity from each enumerated retirement plan in which the person has at least one-half year of allowable service, based on the allowable service in each plan, subject to the provisions of paragraph (c).

(b) A person may receive, upon retirement, a retirement annuity from each enumerated retirement plan in which the person has at least one-half year of allowable service, and augmentation of a deferred annuity calculated at the appropriate rate under the laws governing each public pension plan or fund named in subdivision 3, based on the date of the person's initial entry into public employment from the date the person terminated all public service if:

(1) the person has allowable service totaling an amount that allows the person to receive an annuity in any two or more of the enumerated plans; and

(2) the person has not begun to receive an annuity from any enumerated plan or the person has made application for benefits from each applicable plan and the effective dates of the retirement annuity with each plan under which the person chooses to receive an annuity are within a one-year period.

(c) The retirement annuity from each plan must be based upon the allowable service, accrual rates, and average salary in the applicable plan except as further specified or modified in the following clauses:

(1) the laws governing annuities must be the law in effect on the date of termination from the last period of public service under a covered retirement plan with which the person earned a minimum of one-half year of allowable service credit during that employment;

(2) the "average salary" on which the annuity from each covered plan in which the employee has credit in a formula plan must be based on the employee's highest five successive years of covered salary during the entire service in covered plans;

(3) the accrual rates to be used by each plan must be those percentages prescribed by each plan's formula as continued for the respective years of allowable service from one plan to the next, recognizing all previous allowable service with the other covered plans;

(4) the allowable service in all the plans must be combined in determining eligibility for and the application of each plan's provisions in respect to reduction in the annuity amount for retirement prior to normal retirement age; and

(5) the annuity amount payable for any allowable service under a nonformula plan of a covered plan must not be affected, but such service and covered salary must be used in the above calculation.

(d) This section does not apply to any person whose final termination from the last public service under a covered plan was before May 1, 1975.

(e) For the purpose of computing annuities under this section, the accrual rates used by any covered plan, except the public employees police and fire plan, the judges' retirement fund, and the State Patrol retirement plan, must not exceed the percent specified in section 356.315, subdivision 4, per year of service for any year of service or fraction thereof. The formula percentage used by the judges' retirement fund must not exceed the percentage rate specified in section 356.315, subdivision 8, per year of service for any year of service or fraction thereof. The accrual rate used by the public employees police and fire plan and the State Patrol retirement plan must not exceed the percentage rate specified in section 356.315, subdivision 6, per year of service for any year of service or fraction thereof. The accrual rate or rates used by the legislators retirement plan and the elective state officers retirement plan must not exceed 2.5 percent, but this limit does not apply to the adjustment provided under section 3A.02, subdivision 1, paragraph (c), or 352C.031, paragraph (b).

(f) Any period of time for which a person has credit in more than one of the covered plans must be used only once for the purpose of determining total allowable service.

(g) If the period of duplicated service credit is more than one-half year, or the person has credit for more than one-half year, with each of the plans, each plan must apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all plans for the period.

(h) If the period of duplicated service credit is less than one-half year, or when added to other service credit with that plan is less than one-half year, the service credit must be ignored and a refund of contributions made to the person in accord with that plan's refund provisions.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective July 1, 2006.

ARTICLE 3

TEACHERS RETIREMENT ASSOCIATION  
COVERAGE AND BENEFIT RESTRUCTURING

Section 1. Minnesota Statutes 2004, section 128D.10, is amended to read:

**128D.10 CONTINUITY ON TENURE, PENSIONS, AND RETIREMENT.**

(a) The tenure, pension, and retirement provisions of any law applicable to employees of the special school district of Minneapolis, ~~including employees belonging to the municipal employees retirement fund and those belonging to the Minneapolis Teachers' Retirement Fund Association before April 24, 1959,~~ shall continue to be applicable in the same manner and to the same extent to employees of the special independent school district after April 24, 1959, except as otherwise provided by law.

(b) The provisions of any general law or laws which are applicable only to independent school districts wholly or partially within cities of the first class shall not be applicable to the special independent school district of Minneapolis.

~~(c) The powers, duties, and corporate structure of the Minneapolis Teachers' Retirement Fund Association, and the laws applicable thereto, shall be and remain the same in the special independent school district of Minneapolis as at the time of enactment of the within law, until changed in accordance with law.~~

Sec. 2. **[128D.19] AID REDEDICATION.**

Notwithstanding any law to the contrary and subject to section 354A.12, subdivision 3c, special direct state aid previously paid to the Minneapolis Teachers Retirement Fund Association under sections 354A.12, subdivisions 3a and 3b, and 423A.02, must be paid to the Teachers Retirement Association.

Sec. 3. Minnesota Statutes 2004, section 354.05, subdivision 2, is amended to read:

Subd. 2. **Teacher.** (a) "Teacher" means:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in a public school of the state located outside of the corporate limits of ~~a city of the first class the city of Duluth or the city of St. Paul,~~ or in any charter school, irrespective of the location of the school, or in any charitable, penal, or correctional institutions of a governmental subdivision, or who is engaged in educational administration in connection with the state public school system, but excluding the University of Minnesota, whether the position be a public office or an employment, and not including the members or officers of any general governing or managing board or body;

(2) an employee of the Teachers Retirement Association;

(3) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit. A person whose teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit. If the person's teaching service comprises less than 50 percent of the combined employment salary, the executive director must determine whether all or none of the combined service is covered by the association; or

(4) a person who is not covered by the plans established under chapter 352D, 354A, or 354B and who is employed by the Board of Trustees of the Minnesota State Colleges and Universities system in an unclassified position as:

(i) a president, vice-president, or dean;

(ii) a manager or a professional in an academic or an academic support program other than specified in item (i);

(iii) an administrative or a service support faculty position; or

(iv) a teacher or a research assistant.

(b) "Teacher" does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) a person who renders part-time teaching service or who is a customized trainer as defined by the Minnesota State Colleges and Universities system if (i) the service is incidental to the regular nonteaching occupation of the person; and (ii) the employer stipulates annually in advance that the part-time teaching service or customized training service will not exceed 300 hours in a fiscal year and retains the stipulation in its records; and (iii) the part-time teaching service or customized training service actually does not exceed 300 hours in a fiscal year; or

(3) a person exempt from licensure under section 122A.30.

Sec. 4. Minnesota Statutes 2004, section 354.05, subdivision 13, is amended to read:

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

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

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

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

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

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

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

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

(8) MS 2002 (Expired)

(9) A period of time during which a teacher who is a state employee was on strike without pay, not to exceed a period of one year, if the teacher makes a payment in lieu of salary deductions or makes a prior service credit purchase payment, whichever applies. If the payment is made within 12 months, the payment by the teacher must be an amount equal to the employee and employer contribution rates set forth in section 354.42, subdivisions 2 and 3, applied to the teacher's rate of salary in effect on the conclusion of the strike for the period of the strike without pay, plus compound interest at a monthly rate of 0.71 percent from the last day of the strike until the date of payment. If the payment by the employee is not made within 12 months, the payment must be in an amount equal to the payment amount determined under section 356.55 or 356.551, whichever applies, or

(10) A period of service before July 1, 2006, that was properly credited as allowable service by the Minneapolis Teachers Retirement Fund Association, was certified by the executive director of the association, and that was rendered by a teacher as an employee of Special School District No. 1, Minneapolis, or by an employee of the Minneapolis Teachers Retirement Fund Association who was a member of the Minneapolis Teachers Retirement Fund Association by virtue of that employment, who has not begun receiving an annuity or other retirement benefit from the former Minneapolis Teachers Retirement Fund Association calculated in whole or in part on that service before July 1, 2006, and who has not taken a refund of member contributions related to that service unless the refund is repaid under section 354.50, subdivision 4.

Sec. 5. Minnesota Statutes 2004, section 354.42, subdivision 2, is amended to read:

Subd. 2. **Employee.** (a) The employee contribution to the fund is an amount equal to 5.0 the following percentage of the salary of a member:

(1) after July 1, 2006, for a teacher employed by Special School District No. 1, Minneapolis, 5.5 percent if the teacher is a coordinated member and 9.0 percent if the teacher is a basic member;

(2) for every other teacher, after July 1, 2006, 5.5 percent ~~of if the salary of every teacher is~~ a coordinated member and 9.0 percent ~~of if the salary of every teacher is~~ a basic member.

(b) This contribution must be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, the member's employee contribution must be based on the entire salary received.

Sec. 6. Minnesota Statutes 2004, section 354.42, subdivision 3, is amended to read:

Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School District No. 1, Minneapolis, after July 1, 2006, and before July 1, 2007, is an amount equal to 5.0 percent of the salary of each of its teachers who is a coordinated member and 9.0 percent of the salary of each of its teachers who is a basic member. After July 1, 2007, the regular employer contribution to the fund by Special School District No. 1, Minneapolis, is an amount equal to 5.5 percent of salary of each coordinated member and 9.5 percent of salary of each basic member. The additional employer contribution to the fund by Special School District No. 1, Minneapolis, after July 1, 2006, is an amount equal to 3.64 percent of the salary of each teacher who is a coordinated member or a basic member.

(b) The employer contribution to the fund for every other employer, is an amount equal to 5.0 percent of the salary of each coordinated member and 9.0 percent of the salary of each basic member before July 1, 2006, and 5.5 percent of the salary of each coordinated member and 9.5 percent of the salary of each basic member after June 30, 2007.

Sec. 7. Minnesota Statutes 2005 Supplement, section 354.44, subdivision 6, is amended to read:

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

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d)

applies. The average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled for service rendered before July 1, 2006:

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

For service rendered on or after July 1, 2006, the average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of service credit, determines the amount of the annuity to which the member qualifying therefor is entitled:

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

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

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

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

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

member is entitled. The annuity of a basic member who was a member for the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be determined according to the annuity formula under the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association in effect as of that date. For a coordinated member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by the percent specified in section 356.315, subdivision 2, for each year of service rendered before July 1, 2006, and by the percent specified in section 356.315, subdivision 2b, for each year of service rendered on or after July 1, 2006, determines the amount of the retirement annuity to which the coordinated member is entitled.

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

(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. 8. **[354.70] CONSOLIDATION OF MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION.**

**Subdivision 1. Membership transfer.** All active, inactive, and retired members of the Minneapolis Teachers Retirement Fund Association are transferred to the Teachers Retirement Association and are no longer members of the Minneapolis Teachers Retirement Fund Association as of July 1, 2006.

**Subd. 2. Teachers Retirement Association membership.** A person first hired as a teacher by Special School District No. 1, Minneapolis, after June 30, 2006, and who is a teacher as defined in section 354.05, subdivision 2, is a member of the Teachers Retirement Association for the person's teaching service.

**Subd. 3. Service credit and liability transfer.** All allowable service and salary credit of the members and other individuals transferred under subdivision 1 as specified in the records of the Minneapolis Teachers Retirement Fund Association on the transfer date is allowable service credit under section 354.05, subdivision 13; formula service credit under section 354.05, subdivision 25; and salary credit under section 354.05, subdivision 35, for the Teachers Retirement Association.

**Subd. 4. Transfer of records.** On or before June 30, 2007, the chief administrative officer of the Minneapolis Teachers Retirement Fund Association shall effect a transfer of all records and documents relating to the funds and the benefit plans of the association to the executive director of the Teachers Retirement Association. To the extent possible, original copies of all records and documents must be transferred. The chief administrative officer of the Minneapolis Teachers Retirement Fund Association shall certify the accuracy of all records and documents for which the transfer of original copies was not possible.

**Subd. 5. Transfer of assets.** (a) On or before June 30, 2006, the chief administrative officer of the Minneapolis Teachers Retirement Fund Association shall transfer to the Teachers Retirement Association the entire assets of the special retirement fund of the Minneapolis Teachers Retirement Fund Association. The transfer of the assets of the Minneapolis Teachers Retirement Fund Association special retirement fund must include any accounts receivable that are determined by the executive director of the State Board of Investment as reasonably capable of being

collected. Legal title to accounts receivable, that are determined by the executive director of the State Board of Investment as not reasonably capable of being collected, transfers to Special School District No. 1, Minneapolis, as of the date of the determination of the executive director of the State Board of Investment. If the accounts receivable transferred to Special School District No. 1, Minneapolis, are subsequently recovered by the school district, the superintendent of Special School District No. 1, Minneapolis, shall transfer the recovered amount to the executive director of the Teachers Retirement Association, in cash, for deposit in the teachers retirement fund, less the reasonable expenses of the school district related to the recovery.

(b) As of June 30, 2006, subject to the authority of the State Board of Investment, the board of directors of the Teachers Retirement Association has legal title to and management responsibility for any transferred assets under this subdivision as trustees for any person having a beneficial interest in the former Minneapolis Teachers Retirement Fund Association. The Teachers Retirement Association is the successor in interest for all claims for and against the former coordinated and basic programs of the Minneapolis Teachers Retirement Fund Association special retirement fund with respect to the retirement fund association, except a claim against the Minneapolis Teachers Retirement Fund Association or any person connected with the Minneapolis Teachers Retirement Fund Association special retirement fund in a fiduciary capacity, based on any act or acts by that person which were not done in good faith and which constituted a breach of the obligation of the person as a fiduciary. As the successor in interest, the Teachers Retirement Association shall assert any applicable defense in any judicial proceeding which the board of the former Minneapolis Teachers Retirement Fund Association would have otherwise been entitled to assert relating to the special retirement fund and shall indemnify the board for any action in accordance with the provisions of section 356A.11. Such indemnification shall not be unreasonably withheld.

(c) From the assets of the former Minneapolis Teachers Retirement Fund Association transferred to the Teachers Retirement Association, an amount equal to the percentage figure that represents the ratio between the market value of the Minnesota postretirement investment fund as of June 30, 2006, and the required reserves of the Minnesota postretirement investment fund as of June 30, 2006, applied to the present value of future benefits payable to annuitants of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, including any postretirement adjustment from the Minnesota postretirement investment fund expected to be payable on January 1, 2007, must be transferred to the Minnesota postretirement investment fund. The executive director of the State Board of Investment shall estimate this ratio at the time of the transfer. By January 1, 2007, after all necessary financial information becomes available to determine the actual funded ratio of the Minnesota postretirement investment fund, the postretirement investment fund must refund to the Teachers Retirement Association any excess assets or the Teachers Retirement Association must contribute any deficiency to the Minnesota postretirement investment fund with interest under section 11A.18, subdivision 6. The balance of the assets of the former Minneapolis Teachers Retirement Fund Association after the transfer to the Minnesota postretirement investment fund must be credited to the Teachers Retirement Association.

If the assets transferred by the Minneapolis Teachers Retirement Fund Association to the Teachers Retirement Association are insufficient to meet its obligation to the Minnesota postretirement investment fund, additional assets must be transferred by the executive director of the Teachers Retirement Association to meet the amount required.

Subd. 6. **Benefit calculation.** (a) For every deferred, inactive, disabled, and retired member of the Minneapolis Teachers Retirement Fund Association transferred under subdivision 1, and the survivors of these members, annuities or benefits earned before the date of the transfer, other than future postretirement adjustments, must be calculated and paid by the Teachers Retirement Association under the laws, articles of incorporation, and bylaws of the former Minneapolis Teachers Retirement Fund Association that were in effect relative to the person on the date of the person's termination of active service covered by the former Minneapolis Teachers Retirement Fund Association.

(b) Former Minneapolis Teachers Retirement Fund Association members who retired before July 1, 2006, must receive postretirement adjustments after December 31, 2006, only as provided in section 11A.18. All other benefit recipients of the former Minneapolis Teachers Retirement Fund Association must receive postretirement adjustments after December 31, 2006, only as provided in section 356.41.

(c) This consolidation does not impair or diminish benefits for an active, deferred, or retired member or a survivor of an active, deferred, or retired member under the former Minneapolis Teachers Retirement Fund Association in existence at the time of the consolidation.

Subd. 7. **Termination of Minneapolis Teachers Retirement Fund Association special retirement fund.** (a) As of December 31, 2007, and upon the transfer of administration, records, assets, and liabilities from the Minneapolis Teachers Retirement Fund Association to the Teachers Retirement Association, the Minneapolis Teachers Retirement Fund Association special retirement fund ceases to exist as a legal entity and public pension plan. If the Minneapolis Teachers Retirement Fund Association has a general fund on December 31, 2007, the general fund may continue to exist as a legal entity under its articles of incorporation at the will of the members of the Minneapolis Teachers Retirement Fund Association. If the Minneapolis Teachers Retirement Fund Association does not have a general fund as of December 31, 2007, the board of the Minneapolis Teachers Retirement Fund Association may establish a general fund, which may conduct business on behalf of the Minneapolis Teachers Retirement Fund Association as the board of the Minneapolis Teachers Retirement Fund Association may direct.

(b) The reasonable and necessary costs arising from the consolidation must be paid by the Minneapolis Teachers Retirement Fund Association from the special retirement fund as these costs are incurred and are considered to be authorized expenses of the fund. If the expenses are incurred after the transfer date of assets of the special retirement fund and before the termination of the pension plan, the chief executive officer of the Minneapolis Teachers Retirement Fund Association may certify monthly to the executive director of the State Board of Investment and the executive director of the State Board of Investment shall pay to the Minneapolis Teachers Retirement Fund Association the amounts needed by the Minneapolis Teachers Retirement Fund Association to pay the actual, reasonable, and necessary administrative expenses of the retirement office that are due and payable, including:

(1) office expenses, including, but not limited to, rent, utilities, equipment, supplies, postage, periodical subscriptions, furniture, fixtures, salaries, and employee benefits of administrative personnel;

(2) salaries and expenses of the executive director and office staff of the association authorized by the board of trustees;

(3) audit, actuarial, medical, and legal expenses; and

(4) any other actual, reasonable, and necessary expenses of the association authorized by the board of trustees.

(c) Contract liabilities and obligations of the Minneapolis Teachers Retirement Fund Association special retirement fund existing at the time of consolidation or termination of the Minneapolis Teachers Retirement Fund Association special retirement fund are fully enforceable liabilities and obligations of the Teachers Retirement Association.

**Sec. 9. [354.75] MINNEAPOLIS EMPLOYEES RETIREMENT FUND STATE AID REDEDICATED.**

Subdivision 1. **Appropriation.** The positive difference, if any, between the actual state aid paid to the Minneapolis Employees Retirement Fund under section 422A.101, subdivision 3, and \$8,065,000 annually is appropriated from the general fund to the commissioner of finance for deposit in the Teachers Retirement Association to offset all or a portion of the current and future unfunded actuarial accrued liability of the Minneapolis Teachers Retirement Fund Association.

Subd. 2. **Financial requirements.** The appropriation in subdivision 1 is available to the extent that financial requirements of the Minneapolis Employees Retirement Fund under section 422A.101, subdivision 3, have been satisfied.

Sec. 10. Minnesota Statutes 2004, section 354A.011, subdivision 15a, is amended to read:

Subd. 15a. **Normal retirement age.** "Normal retirement age" means age 65 for a person who first became a member of the coordinated program of the ~~Minneapolis or~~ St. Paul Teachers Retirement Fund Association or the new law coordinated program of the Duluth Teachers Retirement Fund Association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989. For a person who first became a member of the coordinated program of the ~~Minneapolis or~~ St. Paul Teachers Retirement Fund Association or the new law coordinated program of the Duluth Teachers Retirement Fund Association after June 30, 1989, normal retirement age means the higher of age 65 or retirement age, as defined in United States Code, title 42, section 416(l), as amended, but not to exceed age 66. For a person who is a member of the basic program of the ~~Minneapolis or~~ St. Paul Teachers Retirement Fund Association or the old law coordinated program of the Duluth Teachers Retirement Fund Association, normal retirement age means the age at which a teacher becomes eligible for a normal retirement annuity computed upon meeting the age and service requirements specified in the applicable provisions of the articles of incorporation or bylaws of the respective teachers retirement fund association.

Sec. 11. Minnesota Statutes 2004, section 354A.011, subdivision 27, is amended to read:

Subd. 27. **Teacher.** (a) "Teacher" means any person who renders service for a public school district, other than a charter school, located in the corporate limits of ~~one of the cities of the first class which was so classified on January 1, 1979~~ Duluth and St. Paul, as any of the following:

(1) a full-time employee in a position for which a valid license from the state Department of Education is required;

(2) an employee of the teachers retirement fund association located in the city of the first class unless the employee has exercised the option pursuant to Laws 1955, chapter 10, section 1, to retain membership in the Minneapolis Employees Retirement Fund established pursuant to chapter 422A;

(3) a part-time employee in a position for which a valid license from the state Department of Education is required; or

(4) a part-time employee in a position for which a valid license from the state Department of Education is required who also renders other nonteaching services for the school district, unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service may not be covered by the association.

(b) The term does not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) an employee who is a full-time teacher covered by the Teachers Retirement Association or by another teachers retirement fund association established pursuant to this chapter or chapter 354;

(3) an employee exempt from licensure pursuant to section 122A.30;

(4) an employee who is a teacher in a technical college located in a city of the first class unless the person elects coverage by the applicable first class city teacher retirement fund association under section 354B.21, subdivision 2;

(5) a teacher employed by a charter school, irrespective of the location of the school; or

(6) an employee who is a part-time teacher in a technical college in a city of the first class and who has elected coverage by the applicable first class city teacher retirement fund association under section 354B.21, subdivision 2, but (i) the teaching service is incidental to the regular nonteaching occupation of the person; (ii) the applicable technical college stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year; and (iii) the part-time teaching actually does not exceed 300 hours in the fiscal year to which the certification applies.

Sec. 12. Minnesota Statutes 2004, section 354A.021, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** There is established a teachers retirement fund association in each of the cities of ~~the first class which were so classified on January 1, 1979~~ Duluth and St. Paul. The associations shall be known respectively as the "Duluth Teachers Retirement Fund Association;" ~~the "Minneapolis Teachers Retirement Fund Association"~~ and the "St. Paul Teachers Retirement Fund Association." Each association shall be a continuation of the teachers retirement fund association with the same corporate name established pursuant to the authorization contained in Laws 1909, chapter 343, section 1.

Sec. 13. Minnesota Statutes 2004, section 354A.092, is amended to read:

#### **354A.092 SABBATICAL LEAVE.**

Any teacher in the coordinated program of ~~either the Minneapolis Teachers Retirement Fund Association or the St. Paul Teachers Retirement Fund Association~~ or any teacher in the new law coordinated program of the Duluth Teachers Retirement Fund Association who is granted a sabbatical leave shall be entitled to receive allowable service credit in the applicable association for periods of sabbatical leave. To obtain the service credit, the teacher on sabbatical leave shall make an employee contribution to the applicable association. No teacher shall be entitled to receive more than three years of allowable service credit pursuant to this section for a period or periods of sabbatical leave during any ten consecutive fiscal or calendar years, whichever is the applicable plan year for the teachers retirement fund association. If the teacher granted a sabbatical leave makes the employee contribution for a period of sabbatical leave pursuant to this section, the employing unit shall make an employer contribution on behalf of the teacher to the applicable association for that period of sabbatical leave in the manner described in section 354A.12, subdivision 2a. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of year next following the year in which the sabbatical leave terminated and shall be made without interest. For sabbatical leaves taken after June 30, 1986, the required employer contributions shall be paid by the employing unit within 30 days after notification by the association of the amount due. If the employee contributions for the sabbatical leave period are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period, service credit shall be prorated. The prorated service credit shall be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable pursuant to this section.

Sec. 14. Minnesota Statutes 2004, section 354A.093, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** Any teacher in the coordinated program of ~~either the Minneapolis Teachers Retirement Fund Association or the St. Paul Teachers Retirement Fund Association~~ or any teacher in the new law coordinated program of the Duluth Teachers Retirement Fund Association who is absent from employment by reason of service in the uniformed services as defined in United States Code, title 38, section 4303(13) and who returns to the employer providing active teaching service upon discharge from uniformed service within the time frames required under United States Code, title 38, section 4312(e), may receive allowable service credit in the applicable association for all or a portion of the period of uniformed service, provided that the teacher did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

Sec. 15. Minnesota Statutes 2004, section 354A.095, is amended to read:

**354A.095 PARENTAL AND MATERNITY LEAVE.**

Basic or coordinated members of the St. Paul Teachers Retirement Fund Association, ~~the Minneapolis Teachers Retirement Fund Association,~~ and new coordinated members of the Duluth Teachers Retirement Fund Association, who are granted parental or maternity leave of absence by the employing authority, are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year following the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary rate upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

Sec. 16. Minnesota Statutes 2004, section 354A.096, is amended to read:

**354A.096 MEDICAL LEAVE.**

Any teacher in the coordinated program of ~~either the Minneapolis Teachers Retirement Fund Association or the~~ St. Paul Teachers Retirement Fund Association or the new law coordinated program of the Duluth Teachers Retirement Fund Association who is on an authorized medical leave of absence and subsequently returns to teaching service is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354A.12, subdivisions 1 and 2, as applied to the member's average full-time monthly salary rate on the date the leave of absence commenced plus annual interest at the rate of 8.5 percent per year from the end of the fiscal year during which the leave terminates to the end of the month during which payment is made. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid by the end of the fiscal year following the fiscal year in which the leave of absence terminated or before the member retires, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association in a manner specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354A.36 and receive allowable service credit under this section for the same period of time.

Sec. 17. Minnesota Statutes 2004, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. **Employee contributions.** The contribution required to be paid by each member of a teachers retirement fund association shall not be less than the percentage of total salary specified below for the applicable association and program:

Association and Program	Percentage of Total Salary
Duluth Teachers Retirement Association old law and new law coordinated programs	5.5 percent
<del>Minneapolis Teachers Retirement Association</del> basic program	<del>8.5 percent</del>
<del>coordinated program</del>	<del>5.5 percent</del>

St. Paul Teachers Retirement Association	
basic program	8 percent
coordinated program	5.5 percent

Contributions shall be made by deduction from salary and must be remitted directly to the respective teachers retirement fund association at least once each month.

Sec. 18. Minnesota Statutes 2004, section 354A.12, subdivision 2, is amended to read:

Subd. 2. **Retirement contribution levy disallowed.** Except as provided in ~~subdivision 3b and in section 423A.02, subdivision 3, with respect to the city of Minneapolis and special school district No. 1 and in section 423A.02, subdivision 3, with respect to independent school district No. 625,~~ notwithstanding any law to the contrary, levies for teachers retirement fund associations in the cities of the first class Duluth and St. Paul, including levies for any employer Social Security taxes for teachers covered by the Duluth Teachers Retirement Fund Association or the ~~Minneapolis Teachers Retirement Fund Association or the~~ St. Paul Teachers Retirement Fund Association, are disallowed.

Sec. 19. Minnesota Statutes 2004, section 354A.12, subdivision 2a, is amended to read:

Subd. 2a. **Employer regular and additional contribution rates.** (a) The employing units shall make the following employer contributions to teachers retirement fund associations:

(1) for any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer Social Security taxes in accordance with section 355.46, subdivision 3, clause (b);

(2) for any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a regular employer contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth Teachers Retirement Fund Association	4.50 percent
<del>Minneapolis Teachers Retirement Fund Association</del>	<del>4.50 percent</del>
St. Paul Teachers Retirement Fund Association	4.50 percent

(3) for any basic member of ~~one of the following St. Paul Teachers Retirement Fund associations in a city of the first class~~ Association, the employing unit shall make a regular employer contribution to the respective retirement fund in an amount equal to ~~the designated percentage~~ 8.0 percent of the salary of the basic member ~~as provided below;~~

<del>Minneapolis Teachers Retirement Fund Association</del>	<del>8.50 percent</del>
<del>St. Paul Teachers Retirement Fund Association</del>	<del>8.00 percent</del>

(4) for a basic member of ~~a the St. Paul Teachers Retirement Fund Association in a city of the first class~~, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to ~~the designated percentage~~ 3.64 percent of the salary of the basic member, ~~as provided below;~~

<del>Minneapolis Teachers Retirement Fund Association</del>	
<del>July 1, 1993 - June 30, 1994</del>	<del>4.85 percent</del>
<del>July 1, 1994, and thereafter</del>	<del>3.64 percent</del>
<del>St. Paul Teachers Retirement Fund Association</del>	
<del>July 1, 1993 - June 30, 1995</del>	<del>4.63 percent</del>
<del>July 1, 1995, and thereafter</del>	<del>3.64 percent</del>

(5) for a coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the applicable percentage of the coordinated member's salary, as provided below:

<del>Duluth Teachers Retirement Fund Association</del>	<del>1.29 percent</del>
<del>Minneapolis Teachers Retirement Fund Association</del>	
<del>July 1, 1993 - June 30, 1994</del>	<del>0.50 percent</del>
<del>July 1, 1994, and thereafter</del>	<del>3.64 percent</del>
<del>St. Paul Teachers Retirement Fund Association</del>	
<del>July 1, 1993 - June 30, 1994</del>	<del>0.50 percent</del>
<del>July 1, 1994 - June 30, 1995</del>	<del>1.50 percent</del>
<del>July 1, 1997, and thereafter</del>	<del>3.84 percent</del>

(b) The regular and additional employer contributions must be remitted directly to the respective teachers retirement fund association at least once each month. Delinquent amounts are payable with interest under the procedure in subdivision 1a.

(c) Payments of regular and additional employer contributions for school district or technical college employees who are paid from normal operating funds must be made from the appropriate fund of the district or technical college.

Sec. 20. Minnesota Statutes 2004, section 354A.12, subdivision 3a, is amended to read:

Subd. 3a. **Special direct state aid to first class city teachers retirement fund associations.** (a) In fiscal year 1998, the state shall pay \$4,827,000 to the St. Paul Teachers Retirement Fund Association, \$17,954,000 to the Minneapolis Teachers Retirement Fund Association, and \$486,000 to the Duluth Teachers Retirement Fund Association. In each ~~subsequent~~ fiscal year after fiscal year 2006, these payments to the first class city teachers retirement fund associations must be \$2,827,000 for St. Paul, \$12,954,000 to the Teachers Retirement Association for the former Minneapolis Teachers Retirement Fund Association, and \$486,000 for Duluth.

(b) The direct state aids under this subdivision are payable October 1 annually. The commissioner of finance shall pay the direct state aid. The amount required under this subdivision is appropriated annually from the general fund to the commissioner of finance.

Sec. 21. Minnesota Statutes 2004, section 354A.12, subdivision 3b, is amended to read:

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

(b) ~~For every \$1,000 \$1,125,000 must be contributed in equal proportion by Special School District No. 1, Minneapolis, and \$1,125,000 must be contributed by the city of Minneapolis to the Minneapolis Teachers Retirement Fund Association under paragraph (a), and the state shall pay to the Minneapolis Teachers Retirement Fund Association \$1,000, but not to exceed \$2,500,000 in total in each fiscal year 1994.~~ The superintendent of Special School District No. 1, Minneapolis, the mayor of the city of Minneapolis, and the executive director of the ~~Minneapolis~~ Teachers Retirement Fund Association shall jointly certify to the commissioner of finance the total amount that has been contributed by Special School District No. 1, Minneapolis, and by the city of Minneapolis to the ~~Minneapolis~~ Teachers Retirement Fund Association. Any certification to the commissioner of education must be made quarterly. If the total certifications for a fiscal year exceed the maximum annual direct state matching aid amount in any quarter, the amount of direct state matching aid payable to the ~~Minneapolis~~ Teachers Retirement Fund Association must be limited to the balance of the maximum annual direct state matching aid amount available. The amount required under this paragraph, subject to the maximum direct state matching aid amount, is appropriated annually to the commissioner of finance.

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

Sec. 22. Minnesota Statutes 2004, section 354A.12, subdivision 3c, is amended to read:

Subd. 3c. **Termination of supplemental contributions and direct matching and state aid.** (a) The supplemental contributions payable to the Minneapolis Teachers Retirement Fund Association by Special School District No. 1, Minneapolis, and the city of Minneapolis under section 423A.02, subdivision 3, which must continue to be paid to the Teachers Retirement Association until 2036, or to the St. Paul Teachers Retirement Fund Association by Independent School District No. 625, St. Paul, under section 423A.02, subdivision 3, or the direct state aids under subdivision 3a to the first class city St. Paul Teachers Retirement associations, ~~and the direct matching and state aid under subdivision 3b to the Minneapolis Teachers Retirement Fund Association terminate for~~

~~the respective fund~~ at the end of the fiscal year in which the accrued liability funding ratio for that fund, as determined in the most recent actuarial report for that fund by the actuary retained by the Legislative Commission on Pensions and Retirement, equals or exceeds the accrued liability funding ratio for the teachers retirement association, as determined in the most recent actuarial report for the Teachers Retirement Association by the actuary retained by the Legislative Commission on Pensions and Retirement.

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

(c) If ~~either the Minneapolis Teachers Retirement Fund Association, the St. Paul Teachers Retirement Fund Association, or the Duluth Teachers Retirement Fund Association remain~~ is funded at ~~less than~~ the funding ratio applicable to the Teachers Retirement Association when the provisions of paragraph (b) become effective, then any state aid ~~not previously~~ distributed to that association must be immediately transferred to the ~~other associations in proportion to the relative sizes of their unfunded actuarial accrued liabilities~~ Teachers Retirement Association.

Sec. 23. Minnesota Statutes 2004, section 354A.12, subdivision 3d, is amended to read:

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

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

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

(1) exceed, for the St. Paul Teachers Retirement Fund Association, \$443,745, ~~or for the Minneapolis Teacher Retirement Fund Association \$671,513, plus, in each case, plus~~ an additional amount derived by applying the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers All Items Index published by the Bureau of Labor Statistics of the United States Department of Labor since July 1, 2001, to the ~~applicable~~ dollar amount; and

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 24. Minnesota Statutes 2004, section 354A.30, is amended to read:

**354A.30 MINNEAPOLIS AND ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATIONS ASSOCIATION; COORDINATED PROGRAM.**

There is established a coordinated program within the ~~Minneapolis Teachers Retirement Fund Association and a coordinated program within the~~ St. Paul Teachers Retirement Fund Association to provide retirement coverage for teachers who are covered by an agreement or modification made between the state and the secretary of health, education and welfare making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to certain teachers covered by the teachers retirement fund association. The provisions governing the coordinated program shall be sections 354A.31 to 354A.41 and any other applicable provisions of this chapter.

Sec. 25. Minnesota Statutes 2005 Supplement, section 354A.31, subdivision 4, is amended to read:

Subd. 4. **Computation of the normal coordinated retirement annuity; Minneapolis and St. Paul funds fund.** (a) This subdivision applies to the coordinated ~~programs~~ program of the ~~Minneapolis Teachers Retirement Fund Association and the~~ St. Paul 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.

(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. 26. Minnesota Statutes 2004, section 354A.32, subdivision 1, is amended to read:

Subdivision 1. **Optional forms generally.** The ~~boards~~ board of the ~~Minneapolis and the~~ St. Paul Teachers Retirement Fund ~~Associations~~ Association shall ~~each~~ establish for the coordinated program and the board of the Duluth Teachers Retirement Fund Association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Each board shall also establish an optional retirement annuity that guarantees payment of the balance of the annuity recipient's accumulated deductions to a designated beneficiary upon the death of the annuity recipient. Except as provided in subdivision 1a, optional annuity forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall be a part of the permanent records of the board.

Sec. 27. Minnesota Statutes 2004, section 354A.39, is amended to read:

**354A.39 SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.**

Any person who has been a member of the Minnesota State Retirement System, the Public Employees Retirement Association including the Public Employees Retirement Association Police and Fire Fund, the Teachers Retirement Association, the Minnesota State Patrol Retirement Association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis Employees Retirement Fund, the Duluth Teachers Retirement Fund Association new law coordinated program, ~~the Minneapolis Teachers Retirement Fund Association coordinated program~~, the St. Paul Teachers Retirement Fund Association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals three or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used

again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least three years of allowable service in the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals three or more years.

Sec. 28. Minnesota Statutes 2004, section 354A.40, subdivision 1, is amended to read:

Subdivision 1. **Retirement annuity.** Any coordinated member of ~~either the Minneapolis Teachers Retirement Fund Association or of the St. Paul Teachers Retirement Fund Association~~ or of the St. Paul Teachers Retirement Fund Association who has credited service prior to July 1, 1978 shall be entitled to receive a retirement annuity when otherwise qualified, the calculation of which shall utilize the applicable retirement annuity formula specified in articles of incorporation and bylaws of the teachers retirement fund association governing the basic program for that portion of credited service which was served prior to July 1, 1978, and the retirement annuity formula specified in section 354A.31 for the remainder of the member's credited service, both applied to the member's average salary as specified in section 354A.31, subdivision 4. The formula percentages to be used in calculating the coordinated portion of the retirement annuity or coordinated service under this section shall recognize the coordinated service as a continuation of any service prior to July 1, 1978.

Sec. 29. Minnesota Statutes 2004, section 354A.41, is amended to read:

#### **354A.41 ADMINISTRATION OF COORDINATED PROGRAM.**

Subdivision 1. **Administrative provisions.** The provisions of the articles of incorporation and bylaws of the ~~Minneapolis or the St. Paul Teachers Retirement Fund Association, whichever is applicable,~~ relating to the administration of the fund shall govern the administration of the coordinated ~~program and basic programs~~ and the provisions of the articles of incorporation and bylaws of the Duluth Teachers Retirement Fund Association relating to the administration of the fund shall govern the administration of the new law coordinated program in instances where the administrative provisions are not inconsistent with the provisions of sections 354A.31 to 354A.41, including but not limited to provisions relating to the composition and function of the board of trustees, the investment of assets of the teachers retirement fund association, and the definition of the plan year. The administrative provisions in the articles of incorporation and the bylaws of the Minneapolis Teachers Retirement Fund Association pertaining to the granting of pension benefits of the basic and coordinated programs are no longer in effect after June 30, 2006. After June 30, 2006, if the Minneapolis Teachers Retirement Fund Association continues to exist as a nonprofit organization, the board shall adopt the appropriate amendments to its bylaws and articles of incorporation to reflect its change in status and operation.

Subd. 2. **Actuarial valuations.** In any actuarial valuation of the ~~Minneapolis Teachers Retirement Fund Association, the St. Paul Teachers Retirement Fund Association,~~ or the Duluth Teachers Retirement Fund Association under section 356.215 prepared by the commission-retained actuary or supplemental actuarial valuation prepared by an approved actuary retained by the teachers retirement fund association, there shall be included a finding of the condition of the fund showing separately the basic and coordinated programs or the old law coordinated and new law coordinated programs, as appropriate. The finding shall include the level normal cost and the applicable employee and employer contribution rates for each program.

Sec. 30. Minnesota Statutes 2004, section 356.20, subdivision 2, is amended to read:

Subd. 2. **Covered public pension plans and funds.** This section applies to the following public pension plans:

- (1) the general state employees retirement plan of the Minnesota State Retirement System;

- (2) the general employees retirement plan of the Public Employees Retirement Association;
- (3) the Teachers Retirement Association;
- (4) the State Patrol retirement plan;
- (5) ~~the Minneapolis Teachers Retirement Fund Association;~~
- ~~(6)~~ the St. Paul Teachers Retirement Fund Association;
- ~~(7)~~ (6) the Duluth Teachers Retirement Fund Association;
- ~~(8)~~ (7) the Minneapolis Employees Retirement Fund;
- ~~(9)~~ (8) the University of Minnesota faculty retirement plan;
- ~~(10)~~ (9) the University of Minnesota faculty supplemental retirement plan;
- ~~(11)~~ (10) the judges retirement fund;
- ~~(12)~~ (11) a police or firefighter's relief association specified or described in section 69.77, subdivision 1a, or 69.771, subdivision 1;
- ~~(13)~~ (12) the public employees police and fire plan of the Public Employees Retirement Association;
- ~~(14)~~ (13) the correctional state employees retirement plan of the Minnesota State Retirement System; and
- ~~(15)~~ (14) the local government correctional service retirement plan of the Public Employees Retirement Association.

Sec. 31. Minnesota Statutes 2004, section 356.214, subdivision 1, is amended to read:

Subdivision 1. **Joint retention.** (a) The chief administrative officers of the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, ~~the Minneapolis Teachers Retirement Fund Association,~~ the Minneapolis Employees Retirement Fund, and the St. Paul Teachers Retirement Fund Association, jointly, on behalf of the state, its employees, its taxpayers, and its various public pension plans, shall contract with an established actuarial consulting firm to conduct annual actuarial valuations and related services for the retirement plans named in paragraph (b). The principal from the actuarial consulting firm on the contract must be an approved actuary under section 356.215, subdivision 1, paragraph (c). Prior to becoming effective, the contract under this section is subject to a review and approval by the Legislative Commission on Pensions and Retirement.

(b) The contract for actuarial services must include the preparation of actuarial valuations and related actuarial work for the following retirement plans:

- (1) the teachers retirement plan, Teachers Retirement Association;
- (2) the general state employees retirement plan, Minnesota State Retirement System;
- (3) the correctional employees retirement plan, Minnesota State Retirement System;

- (4) the State Patrol retirement plan, Minnesota State Retirement System;
- (5) the judges retirement plan, Minnesota State Retirement System;
- (6) the Minneapolis employees retirement plan, Minneapolis Employees Retirement Fund;
- (7) the public employees retirement plan, Public Employees Retirement Association;
- (8) the public employees police and fire plan, Public Employees Retirement Association;
- (9) the Duluth teachers retirement plan, Duluth Teachers Retirement Fund Association;
- ~~(10) the Minneapolis teachers retirement plan, Minneapolis Teachers Retirement Fund Association;~~
- ~~(11)~~ (10) the St. Paul teachers retirement plan, St. Paul Teachers Retirement Fund Association;
- ~~(12)~~ (11) the legislators retirement plan, Minnesota State Retirement System;
- ~~(13)~~ (12) the elective state officers retirement plan, Minnesota State Retirement System; and
- ~~(14)~~ (13) local government correctional service retirement plan, Public Employees Retirement Association.

(c) The contract must require completion of the annual actuarial valuation calculations on a fiscal year basis, with the contents of the actuarial valuation calculations as specified in section 356.215, and in conformity with the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

The contract must require completion of annual experience data collection and processing and a quadrennial published experience study for the plans listed in paragraph (b), clauses (1), (2), and (7), as provided for in the standards for actuarial work adopted by the commission. The experience data collection, processing, and analysis must evaluate the following:

- (1) individual salary progression;
- (2) the rate of return on investments based on the current asset value;
- (3) payroll growth;
- (4) mortality;
- (5) retirement age;
- (6) withdrawal; and
- (7) disablement.

The contract must include provisions for the preparation of cost analyses by the jointly retained actuary for proposed legislation that include changes in benefit provisions or funding policies prior to their consideration by the Legislative Commission on Pensions and Retirement.

(d) The actuary retained by the joint retirement systems shall annually prepare a report to the legislature, including a commentary on the actuarial valuation calculations for the plans named in paragraph (b) and summarizing the results of the actuarial valuation calculations. The actuary shall include with the report the actuary's recommendations to the legislature concerning the appropriateness of the support rates to achieve proper funding of the retirement plans by the required funding dates. The actuary shall, as part of the quadrennial experience study, include recommendations to the legislature on the appropriateness of the actuarial valuation assumptions required for evaluation in the study.

(e) If the actuarial gain and loss analysis in the actuarial valuation calculations indicates a persistent pattern of sizable gains or losses, as directed by the joint retirement systems or as requested by the chair of the Legislative Commission on Pensions and Retirement, the actuary shall prepare a special experience study for a plan listed in paragraph (b), clause (3), (4), (5), (6), (8), (9), (10), (11), (12), or (13), ~~or (14)~~, in the manner provided for in the standards for actuarial work adopted by the commission.

(f) The term of the contract between the joint retirement systems and the actuary retained may not exceed five years. The joint retirement system administrative officers shall establish procedures for the consideration and selection of contract bidders and the requirements for the contents of an actuarial services contract under this section. The procedures and requirements must be submitted to the Legislative Commission on Pensions and Retirement for review and comment prior to final approval by the joint administrators. The contract is subject to the procurement procedures under chapter 16C. The consideration of bids and the selection of a consulting actuarial firm by the chief administrative officers must occur at a meeting that is open to the public and reasonable timely public notice of the date and the time of the meeting and its subject matter must be given.

(g) The actuarial services contract may not limit the ability of the Minnesota legislature and its standing committees and commissions to rely on the actuarial results of the work prepared under the contract.

(h) The joint retirement systems shall designate one of the retirement system executive directors as the actuarial services contract manager.

Sec. 32. Minnesota Statutes 2005 Supplement, 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

<del>Minneapolis teachers retirement plan</del>	<del>8.5</del>	<del>8.5</del>
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
Bloomington Fire Department Relief Association	6.0	6.0
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
Bloomington Fire Department Relief Association	4.0

(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 <del>HG</del>
State Patrol retirement plan	assumption <del>HG</del>
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 <del>H</del> <u>G</u>
teachers retirement plan	assumption D
Duluth teachers retirement plan	assumption E
<del>Minneapolis teachers retirement plan</del>	<del>assumption F</del>
St. Paul teachers retirement plan	assumption <del>G</del> <u>F</u>

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; and 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	<del>G</del> <u>F</u>	<del>H</del> <u>G</u>
16	6.95%	6.95%	11.50%	8.20%	8.00%	<del>6.50%</del>	6.90%	7.7500
17	6.90	6.90	11.50	8.15	8.00	<del>6.50</del>	6.90	7.7500
18	6.85	6.85	11.50	8.10	8.00	<del>6.50</del>	6.90	7.7500
19	6.80	6.80	11.50	8.05	8.00	<del>6.50</del>	6.90	7.7500
20	6.75	6.40	11.50	6.00	6.90	<del>6.50</del>	6.90	7.7500
21	6.75	6.40	11.50	6.00	6.90	<del>6.50</del>	6.90	7.1454
22	6.75	6.40	11.00	6.00	6.90	<del>6.50</del>	6.90	7.0725
23	6.75	6.40	10.50	6.00	6.85	<del>6.50</del>	6.85	7.0544
24	6.75	6.40	10.00	6.00	6.80	<del>6.50</del>	6.80	7.0363
25	6.75	6.40	9.50	6.00	6.75	<del>6.50</del>	6.75	7.0000
26	6.75	6.36	9.20	6.00	6.70	<del>6.50</del>	6.70	7.0000
27	6.75	6.32	8.90	6.00	6.65	<del>6.50</del>	6.65	7.0000
28	6.75	6.28	8.60	6.00	6.60	<del>6.50</del>	6.60	7.0000
29	6.75	6.24	8.30	6.00	6.55	<del>6.50</del>	6.55	7.0000
30	6.75	6.20	8.00	6.00	6.50	<del>6.50</del>	6.50	7.0000
31	6.75	6.16	7.80	6.00	6.45	<del>6.50</del>	6.45	7.0000
32	6.75	6.12	7.60	6.00	6.40	<del>6.50</del>	6.40	7.0000
33	6.75	6.08	7.40	6.00	6.35	<del>6.50</del>	6.35	7.0000
34	6.75	6.04	7.20	6.00	6.30	<del>6.50</del>	6.30	7.0000
35	6.75	6.00	7.00	6.00	6.25	<del>6.50</del>	6.25	7.0000
36	6.75	5.96	6.80	6.00	6.20	<del>6.50</del>	6.20	6.9019
37	6.75	5.92	6.60	6.00	6.15	<del>6.50</del>	6.15	6.8074

38	6.75	5.88	6.40	5.90	6.10	<del>6.50</del>	6.10	6.7125
39	6.75	5.84	6.20	5.80	6.05	<del>6.50</del>	6.05	6.6054
40	6.75	5.80	6.00	5.70	6.00	<del>6.50</del>	6.00	6.5000
41	6.75	5.76	5.90	5.60	5.90	<del>6.50</del>	5.95	6.3540
42	6.75	5.72	5.80	5.50	5.80	<del>6.50</del>	5.90	6.2087
43	6.65	5.68	5.70	5.40	5.70	<del>6.50</del>	5.85	6.0622
44	6.55	5.64	5.60	5.30	5.60	<del>6.50</del>	5.80	5.9048
45	6.45	5.60	5.50	5.20	5.50	<del>6.50</del>	5.75	5.7500
46	6.35	5.56	5.45	5.10	5.40	<del>6.40</del>	5.70	5.6940
47	6.25	5.52	5.40	5.00	5.30	<del>6.30</del>	5.65	5.6375
48	6.15	5.48	5.35	5.00	5.20	<del>6.20</del>	5.60	5.5822
49	6.05	5.44	5.30	5.00	5.10	<del>6.10</del>	5.55	5.5404
50	5.95	5.40	5.25	5.00	5.00	<del>6.00</del>	5.50	5.5000
51	5.85	5.36	5.25	5.00	5.00	<del>5.90</del>	5.45	5.4384
52	5.75	5.32	5.25	5.00	5.00	<del>5.80</del>	5.40	5.3776
53	5.65	5.28	5.25	5.00	5.00	<del>5.70</del>	5.35	5.3167
54	5.55	5.24	5.25	5.00	5.00	<del>5.60</del>	5.30	5.2826
55	5.45	5.20	5.25	5.00	5.00	<del>5.50</del>	5.25	5.2500
56	5.35	5.16	5.25	5.00	5.00	<del>5.40</del>	5.20	5.2500
57	5.25	5.12	5.25	5.00	5.00	<del>5.30</del>	5.15	5.2500
58	5.25	5.08	5.25	5.10	5.00	<del>5.20</del>	5.10	5.2500
59	5.25	5.04	5.25	5.20	5.00	<del>5.10</del>	5.05	5.2500
60	5.25	5.00	5.25	5.30	5.00	<del>5.00</del>	5.00	5.2500
61	5.25	5.00	5.25	5.40	5.00	<del>5.00</del>	5.00	5.2500
62	5.25	5.00	5.25	5.50	5.00	<del>5.00</del>	5.00	5.2500
63	5.25	5.00	5.25	5.60	5.00	<del>5.00</del>	5.00	5.2500
64	5.25	5.00	5.25	5.70	5.00	<del>5.00</del>	5.00	5.2500
65	5.25	5.00	5.25	5.70	5.00	<del>5.00</del>	5.00	5.2500
66	5.25	5.00	5.25	5.70	5.00	<del>5.00</del>	5.00	5.2500
67	5.25	5.00	5.25	5.70	5.00	<del>5.00</del>	5.00	5.2500
68	5.25	5.00	5.25	5.70	5.00	<del>5.00</del>	5.00	5.2500
69	5.25	5.00	5.25	5.70	5.00	<del>5.00</del>	5.00	5.2500
70	5.25	5.00	5.25	5.70	5.00	<del>5.00</del>	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
<del>Minneapolis teachers retirement plan</del>	<del>5.00</del>
St. Paul teachers retirement plan	5.00

Sec. 33. Minnesota Statutes 2004, section 356.215, subdivision 11, is amended to read:

Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation must contain an exhibit indicating the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 354, 354A, and 490, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared. For funds governed by chapter 3A, sections 352.90 through 352.951, chapters 352B, 352C, sections 353.63 through 353.68, and chapters 353C, 354A, and 490, the level percent additional contribution must be calculated assuming annual payroll growth of 6.5 percent. For funds governed by sections 352.01 through 352.86 and chapter 354, the level percent additional contribution must be calculated assuming an annual payroll growth of five percent. For the fund governed by sections 353.01 through 353.46, the level percent additional contribution must be calculated assuming an annual payroll growth of six percent. For all other funds, the additional annual contribution must be calculated on a level annual dollar amount basis.

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

(c) For any fund or plan other than the Minneapolis Employees Retirement Fund and the Public Employees Retirement Association general plan, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by itself or by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:

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

(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the interest assumption specified in subdivision 8 in effect before the change;

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

(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective must be calculated using the applicable interest assumption specified in subdivision 8 in effect after any applicable change;

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

(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the interest assumption specified in subdivision 8 in effect after any applicable change, rounded to the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

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

(d) For the Minneapolis Employees Retirement Fund, the established date for full funding is June 30, 2020.

(e) For the general employees retirement plan of the Public Employees Retirement Association, the established date for full funding is June 30, 2031.

(f) For the Teachers Retirement Association, the established date for full funding is June 30, 2037.

(g) For the retirement plans for which the annual actuarial valuation indicates an excess of valuation assets over the actuarial accrued liability, the valuation assets in excess of the actuarial accrued liability must be recognized as a reduction in the current contribution requirements by an amount equal to the amortization of the excess expressed as a level percentage of pay over a 30-year period beginning anew with each annual actuarial valuation of the plan.

Sec. 34. Minnesota Statutes 2004, section 356.30, subdivision 3, is amended to read:

Subd. 3. **Covered plans.** This section applies to the following retirement plans:

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

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

(3) the unclassified employees retirement program, established under chapter 352D;

(4) the State Patrol retirement plan, established under chapter 352B;

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

(6) the elective state officers' retirement plan, established under chapter 352C;

(7) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353;

(8) the public employees police and fire retirement plan of the Public Employees Retirement Association, established under chapter 353;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established under chapter 353E;

(10) the Teachers Retirement Association, established under chapter 354;

(11) the Minneapolis Employees Retirement Fund, established under chapter 422A;

~~(12) the Minneapolis Teachers Retirement Fund Association, established under chapter 354A;~~

~~(13)~~ (12) the St. Paul Teachers Retirement Fund Association, established under chapter 354A;

~~(14)~~ (13) the Duluth Teachers Retirement Fund Association, established under chapter 354A; and

~~(15)~~ (14) the judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 35. Minnesota Statutes 2004, section 356.302, subdivision 7, is amended to read:

Subd. 7. **Covered retirement plans.** This section applies to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(2) the unclassified state employees retirement program of the Minnesota State Retirement System, established by chapter 352D;

(3) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353;

(4) the Teachers Retirement Association, established by chapter 354;

(5) the Duluth Teachers Retirement Fund Association, established by chapter 354A;

~~(6) the Minneapolis Teachers Retirement Fund Association, established by chapter 354A;~~

~~(7)~~ (6) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

~~(8)~~ (7) the Minneapolis Employees Retirement Fund, established by chapter 422A;

~~(9)~~ (8) the state correctional employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

~~(10)~~ (9) the State Patrol retirement plan, established by chapter 352B;

~~(11)~~ (10) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;

~~(12)~~ (11) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E; and

~~(13)~~ (12) the judges' retirement plan, established by sections 490.121 to 490.132.

Sec. 36. Minnesota Statutes 2004, section 356.303, subdivision 4, is amended to read:

Subd. 4. **Covered retirement plans.** This section applies 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 local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;

(10) the Teachers Retirement Association, established by chapter 354;

(11) the Duluth Teachers Retirement Fund Association, established by chapter 354A;

~~(12) the Minneapolis Teachers Retirement Fund Association, established by chapter 354A;~~

~~(13)~~ (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

~~(14)~~ (13) the Minneapolis Employees Retirement Fund, established by chapter 422A; and

~~(15)~~ (14) the judges' retirement fund, established by sections 490.121 to 490.132.

Sec. 37. Minnesota Statutes 2004, section 356.315, is amended by adding a subdivision to read:

Subd. 1a. **Coordinated plan members.** The applicable benefit accrual rate is 1.5 percent.

Sec. 38. Minnesota Statutes 2004, section 356.315, is amended by adding a subdivision to read:

Subd. 2b. **Certain coordinated program members.** The applicable benefit accrual rate is 1.9 percent.

Sec. 39. Minnesota Statutes 2004, section 356.42, subdivision 3, is amended to read:

Subd. 3. **Covered retirement plans.** The postretirement adjustment provided in this section applies to the following retirement funds:

- (1) the general employees retirement plans of the Public Employees Retirement Association;
- (2) the public employees police and fire plan of the Public Employees Retirement Association;
- (3) the teachers retirement association;
- (4) the State Patrol retirement plan;
- (5) the state employees retirement plan of the Minnesota State Retirement System;
- ~~(6) the Minneapolis Teachers Retirement Fund Association established under chapter 354A;~~
- ~~(7) (6)~~ the St. Paul Teachers Retirement Fund Association established under chapter 354A; and
- ~~(8) (7)~~ the Duluth Teachers Retirement Fund Association established under chapter 354A.

Sec. 40. Minnesota Statutes 2004, section 356.465, subdivision 3, is amended to read:

Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

- (1) the general state employees retirement plan of the Minnesota State Retirement System established under chapter 352;
- (2) the correctional state employees retirement plan of the Minnesota State Retirement System established under chapter 352;
- (3) the State Patrol retirement plan established under chapter 352B;
- (4) the legislators retirement plan established under chapter 3A;
- (5) the judges retirement plan established under chapter 490;
- (6) the general employees retirement plan of the Public Employees Retirement Association established under chapter 353;
- (7) the public employees police and fire plan of the Public Employees Retirement Association established under chapter 353;
- (8) the teachers retirement plan established under chapter 354;
- (9) the Duluth Teachers Retirement Fund Association established under chapter 354A;
- (10) the St. Paul Teachers Retirement Fund Association established under chapter 354A;
- ~~(11) the Minneapolis Teachers Retirement Fund Association established under chapter 354A;~~

~~(12)~~ (11) the Minneapolis employees retirement plan established under chapter 422A;

~~(13)~~ (12) the Minneapolis Firefighters Relief Association established under chapter 423C;

~~(14)~~ (13) the Minneapolis Police Relief Association established under chapter 423B; and

~~(15)~~ (14) the local government correctional service retirement plan of the Public Employees Retirement Association established under chapter 353E.

Sec. 41. Minnesota Statutes 2004, section 423A.02, subdivision 1b, is amended to read:

Subd. 1b. **Additional amortization state aid.** (a) Annually, on October 1, the commissioner of revenue shall allocate the additional amortization state aid transferred under section 69.021, subdivision 11, to:

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

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

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

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

(c) Beginning October 1, 2000, and annually thereafter, the commissioner shall allocate the state aid, including any state aid in excess of the limitation in subdivision 4, on the following basis:

(1) 64.5 percent to the municipalities to which section 353.665, subdivision 8, paragraph (b), or 353A.09, subdivision 5, paragraph (b), apply for distribution in accordance with paragraph (b) and subject to the limitation in subdivision 4;

(2) 34.2 percent to the city of Minneapolis to fund any unfunded actuarial accrued liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the preceding December 31 for the Minneapolis Police Relief Association or the Minneapolis Fire Department Relief Association; and

(3) 1.3 percent to the city of Virginia to fund any unfunded actuarial accrued liability in the actuarial valuation prepared under sections 356.215 and 356.216 as of the preceding December 31 for the Virginia Fire Department Relief Association.

If there is no unfunded actuarial accrued liability in both the Minneapolis Police Relief Association and the Minneapolis Fire Department Relief Association as disclosed in the most recent actuarial valuations for the relief associations prepared under sections 356.215 and 356.216, the commissioner shall allocate that 34.2 percent of the

aid as follows: 49 percent to the ~~Minneapolis Teachers Retirement Fund~~ Association, 21 percent to the St. Paul Teachers Retirement Fund Association, and 30 percent as additional funding to support minimum fire state aid for volunteer firefighters relief associations. If there is no unfunded actuarial accrued liability in the Virginia Fire Department Relief Association as disclosed in the most recent actuarial valuation for the relief association prepared under sections 356.215 and 356.216, the commissioner shall allocate that 1.3 percent of the aid as follows: 49 percent to the ~~Minneapolis Teachers Retirement Fund~~ Association, 21 percent to the St. Paul Teachers Retirement Fund Association, and 30 percent as additional funding to support minimum fire state aid for volunteer firefighters relief associations. The allocation must be made by the commissioner at the same time and under the same procedures as specified in subdivision 3. With respect to the ~~Minneapolis Teachers Retirement Fund Association or the St. Paul Teachers Retirement Fund Association~~, annually, beginning on July 1, 2005, if the applicable teacher's association five-year average time-weighted rate of investment return does not equal or exceed the performance of a composite portfolio assumed passively managed (indexed) invested ten percent in cash equivalents, 60 percent in bonds and similar debt securities, and 30 percent in domestic stock calculated using the formula under section 11A.04, clause (11), the aid allocation to that retirement fund under this section ceases until the five-year annual rate of investment return equals or exceeds the performance of that composite portfolio.

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

Sec. 42. **FULL FUNDING DATE.**

Notwithstanding any other law to the contrary, for the Teachers Retirement Association, the established date for full funding is June 30, 2037.

Sec. 43. **MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION EMPLOYEE JOB PREFERENCE.**

(a) An employee of the Minneapolis Teachers Retirement Fund Association has an employment preference for subsequent employment by the Teachers Retirement Association, the Minnesota State Retirement System, or the Public Employees Retirement Association equivalent to the preference provided to armed forces veterans under state law and Department of Employee Relations practice.

(b) A person other than the chief administrator, employed by the former Minneapolis Teachers Retirement Fund Association on July 1, 2006, and remained so employed on June 30, 2007, must be retained by the Teachers Retirement Association as a member of the administrative staff of the plan as of July 1, 2007, in a position compatible with the person's education and experience with salary and benefits that are comparable to that of the person's prior Minneapolis Teachers Retirement Fund Association employment.

(c) The obligation of the Teachers Retirement Association under paragraph (b) expires June 30, 2008.

Sec. 44. **MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION ARTICLES AND BYLAWS; REPEAL; APPLICABILITY.**

(a) The articles of incorporation and bylaws of the Minneapolis Teachers Retirement Fund Association are repealed and have application only as provided in paragraph (b) and in Minnesota Statutes, section 354.70, subdivision 6.

(b) The articles of incorporation and bylaws of the Minneapolis Teachers Retirement Fund Association only apply to members of the former Minneapolis Teachers Retirement Fund Association with service credit in the plan on or before June 30, 2006, and apply solely for purposes of determining the retirement annuity for or benefit on behalf of a member of the basic program of that retirement plan.

(c) No annuity adjustment or increase under article 30 of the articles of incorporation of the Minneapolis Teachers Retirement Fund Association is applicable or payable after June 30, 2006.

Sec. 45. **REPEALER.**

Minnesota Statutes 2004, sections 354A.051; 354A.105; 354A.23, subdivision 1; and 354A.28, are repealed effective June 30, 2006.

Sec. 46. **EFFECTIVE DATE.**

Sections 1 to 45 are effective July 1, 2006."

Delete the title and insert:

"A bill for an act relating to retirement; modifying the postretirement adjustment amount calculation; merging the Minneapolis Teachers Retirement Fund Association and the Teachers Retirement Association; adjusting contribution rates; making technical changes; providing a benefit increase; appropriating money; amending Minnesota Statutes 2004, sections 11A.18, subdivision 9; 128D.10; 352.116, subdivision 1a; 352.72, subdivision 2; 352B.30, subdivision 2; 353.30, subdivision 5; 353.71, subdivision 2; 354.05, subdivisions 2, 13; 354.42, subdivisions 2, 3; 354.55, subdivision 11; 354A.011, subdivisions 15a, 27; 354A.021, subdivision 1; 354A.092; 354A.093, subdivision 1; 354A.095; 354A.096; 354A.12, subdivisions 1, 2, 2a, 3a, 3b, 3c, 3d; 354A.30; 354A.31, subdivision 7; 354A.32, subdivision 1; 354A.37, subdivision 2; 354A.39; 354A.40, subdivision 1; 354A.41; 356.20, subdivision 2; 356.214, subdivision 1; 356.215, subdivision 11; 356.30, subdivisions 1, 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.315, by adding subdivisions; 356.42, subdivision 3; 356.465, subdivision 3; 423A.02, subdivision 1b; Minnesota Statutes 2005 Supplement, sections 354.44, subdivision 6; 354A.31, subdivision 4; 356.215, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 128D; 354; repealing Minnesota Statutes 2004, sections 354A.051; 354A.105; 354A.23, subdivision 1; 354A.28."

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

The report was adopted.

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

H. F. No. 2585, A bill for an act relating to public safety; authorizing access to the CIBRS by the Department of Corrections' Fugitive Apprehension Unit; amending Minnesota Statutes 2005 Supplement, section 299C.40, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. **[299A.59] NOTICE OF MULTIPLE LAW ENFORCEMENT OPERATIONS CONFLICTS.**

(a) Notwithstanding section 299C.405, the Department of Public Safety may employ a secure subscription service designed to promote and enhance officer safety during tactical operations by and between federal, state, and local law enforcement agencies by notifying law enforcement agencies of conflicts where multiple law enforcement operations may be occurring on the same subject or vehicle or on or near the same location. The notification may include warrant executions, surveillance activities, SWAT activities, undercover operations, and other investigative operations.

(b) Data created, collected, received, maintained, or disseminated by this system is classified as criminal investigative data as defined in section 13.82, subdivision 7."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing the Department of Public Safety to employ a secure subscription service designed to enhance officer safety during tactical operations;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 2812, A bill for an act relating to public safety; establishing procedures to secure blood testing of individuals whose bodily fluids contact peace officers; proposing coding for new law in Minnesota Statutes, chapter 626.

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

The report was adopted.

Dauids from the Committee on Agriculture and Rural Development to which was referred:

H. F. No. 2846, A bill for an act relating to eminent domain; defining public use or purpose; prohibiting the use of eminent domain for economic development; requiring clear and convincing evidence for certain takings; providing for attorney fees and other additional elements of compensation; making other changes in the exercise of eminent domain; amending Minnesota Statutes 2004, sections 117.025; 117.075, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 117.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Subd. 3. **Extraterritorial use prohibited.** No condemning authority may exercise the power of eminent domain outside of its jurisdictional boundaries unless the governing body of the local unit of government where the property proposed to be condemned is located consents to the proposed use of eminent domain powers by the condemning authority."

Page 4, delete lines 20 to 29

Page 5, line 26, delete "or billboards"

Page 5, delete section 7, and insert:

"Sec. 7. **[117.186] COMPENSATION FOR LOSS OF GOING CONCERN.**

**Subdivision 1. Going concern defined.** For purposes of this section, "going concern" means the benefits that accrue to a business or trade as a result of its location, reputation for dependability, skill or quality, customer base, good will, or any other circumstances resulting in probable retention of old or acquisition of new patronage.

**Subd. 2. Compensation for loss of going concern.** If a business or trade is destroyed by a taking, the owner shall be compensated for loss of going concern, unless the condemning authority establishes any of the following by clear and convincing evidence:

(1) the loss is not caused by the taking of the property or the injury to the remainder;

(2) the loss can be reasonably prevented by relocating the business or trade in the same or a similar and reasonably suitable location as the property that was taken, or by taking steps and adopting procedures that a reasonably prudent person of a similar age and under similar conditions as the owner, would take and adopt in preserving the going concern of the business or trade; or

(3) compensation for the loss of going concern will be duplicated in the compensation otherwise awarded to the owner.

**Subd. 3. Procedure.** In all cases where an owner will seek compensation for loss of a going concern, the damages, if any, shall in the first instance be determined by the commissioners under section 117.105 as part of the compensation due to the owner. The owner shall notify the condemning authority of the owner's intent to claim compensation for loss of going concern within 60 days of the first hearing before the court, as provided in section 117.075. The commissioner's decision regarding any award for loss of going concern may be appealed by any party, in accordance with section 117.145."

Page 6, after line 16, insert:

"Sec. 8. **[117.1865] COMPENSATION FOR LOSS OF ACCESS.**

An owner, as defined in section 117.025, may bring an action for damages and must be compensated by the governmental entity if the owner establishes that the governmental entity's action permanently eliminated 51 percent or more of the points of access to and exit from the place of business, and that as a result the owner has a loss of revenues of 51 percent or more. Determination of the loss must be based on a comparison of revenues in the year immediately prior to the project resulting in the loss of access and one year immediately following completion of the project."

Renumber the sections in sequence

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

The report was adopted.

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

H. F. No. 2847, A bill for an act relating to retirement; merging the Minneapolis Teachers Retirement Fund Association and the Teachers Retirement Association; adjusting contribution rates; making technical changes; providing a benefit increase; appropriating money; amending Minnesota Statutes 2004, sections 128D.10; 354.05, subdivisions 2, 13; 354.42, subdivisions 2, 3; 354A.011, subdivisions 15a, 27; 354A.021, subdivision 1; 354A.092; 354A.093, subdivision 1; 354A.095; 354A.096; 354A.12, subdivisions 1, 2, 2a, 3a, 3b, 3c, 3d; 354A.30; 354A.32, subdivision 1; 354A.39; 354A.40, subdivision 1; 354A.41; 356.20, subdivision 2; 356.214, subdivision 1; 356.215, subdivision 11; 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.315, by adding subdivisions; 356.42, subdivision 3; 356.465, subdivision 3; 423A.02, subdivision 1b; Minnesota Statutes 2005 Supplement, sections 354.44, subdivision 6; 354A.31, subdivision 4; 356.215, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 128D; 354; repealing Minnesota Statutes 2004, sections 354A.051; 354A.105; 354A.23, subdivision 1; 354A.28.

Reported the same back with the following amendments:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 2004, section 127A.50, subdivision 1, is amended to read:

Subdivision 1. **Aid adjustment.** Beginning in fiscal year 1998 and each year thereafter, the commissioner of education shall adjust state aid payments to school operating funds for Independent School District No. 625; and Independent School District No. 709; and Special School District No. 1 by the net amount of clauses (1) and (2), for Special School District No. 1 by the net amount of clauses (1), (2), and (4), and for all other districts, including charter schools, but excluding any education organizations that are prohibited from receiving direct state aids under section 123A.26 or 125A.75, subdivision 7, by the net amount of clauses (1), (2), ~~and (3),~~ and (4):

(1) a decrease equal to each district's share of the fiscal year 1997 adjustment effected under Minnesota Statutes 1996, section 124.2139;

(2) an increase equal to one percent of the salaries paid to members of the general plan of the Public Employees Retirement Association in fiscal year 1997, multiplied by 0.35 for fiscal year 1998 and 0.70 each year thereafter;

(3) a decrease equal to 2.34 percent of the salaries paid to members of the Teachers Retirement Association in fiscal year 1997; and

(4) an increase equal to 0.5 percent of the salaries paid to members of the Teachers Retirement Association in fiscal year 2007.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008."

Page 5, line 23, delete "2006" and insert "2007"

Page 10, line 31, after "consolidation" insert ", with the exception of any future guaranteed or investment-related postretirement adjustments which must be paid after July 1, 2006, in accordance with paragraph (b)"

Page 10, line 33, delete "December 31" and insert "June 30"

Page 11, line 15, delete "State Board of Investment" and insert "Teachers Retirement Association" and delete "State Board"

Page 11, line 16, delete "of Investment" and insert "Teachers Retirement Association"

Page 20, line 20, delete "2036" and insert "2037"

Page 40, line 4, delete "1.5" and insert "1.4"

Page 43, delete section 42

Page 43, line 29, delete "8" and insert "9"

Page 44, line 10, delete "1" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before "appropriating" insert "making state aid adjustment;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 2858, A bill for an act relating to public safety; regulating international marriage brokers; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Public Safety Policy and Finance.

The report was adopted.

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

H. F. No. 2862, A bill for an act relating to elections; moving the state primary from September to August and making conforming changes; amending Minnesota Statutes 2004, sections 10A.31, subdivision 6; 10A.321; 10A.322, subdivision 1; 10A.323; 204B.33; 204D.03, subdivision 1; 205.065, subdivision 1; 205A.03, subdivision 2.

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.

Nornes from the Committee on Higher Education Finance to which was referred:

H. F. No. 2892, A bill for an act relating to higher education; authorizing the Minnesota State Colleges and Universities Board of Trustees to construct an academic building in Mankato.

Reported the same back with the following amendments:

Page 1, line 10, after the period, insert "A facility endowment must be created with nonstate money for operating costs of the building."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 3073, A bill for an act relating to property; modifying mechanic's lien provisions; modifying certain probate and trust provisions and clarifying the administrative powers of personal representatives to sell, mortgage, or lease property of a decedent; making clarifying, technical, and conforming changes to the Minnesota Common Interest Ownership Act; amending Minnesota Statutes 2004, sections 514.10; 524.3-301; 524.3-715; 524.3-803; Minnesota Statutes 2005 Supplement, sections 253B.23, subdivision 2; 515B.1-102; 515B.2-101; 515B.2-110; 515B.2-112; 515B.2-121; 515B.3-115; 515B.3-117; 515B.4-101; 515B.4-102.

Reported the same back with the following amendments:

Page 21, lines 27 and 32, strike "five" and insert "ten"

Page 31, after line 8, insert:

"Sec. 15. Minnesota Statutes 2005 Supplement, section 548.27, is amended to read:

**548.27 FILING AND STATUS OF FOREIGN JUDGMENTS.**

~~(a)~~ A certified copy of any foreign judgment may be filed in the office of the court administrator of any district court of this state. ~~Subject to paragraph (b),~~ The court administrator shall treat the foreign judgment in the same manner as a judgment of any district court or the Supreme Court of this state, ~~and~~. The time period provided in section 548.09 for the continuation of the lien on real property, the rate of interest accrual provided in section 549.09, the time period provided in section 550.01 for the enforcement of the judgment, and the requirements of sections 508.63 and 508A.63 apply to foreign judgments filed pursuant to this section. For purposes of sections 508.63, 508A.63, 548.09, 549.09, and 550.01, the date of entry of a foreign judgment is the original date of entry in the foreign jurisdiction. Upon the filing of a certified copy of a foreign judgment in the office of the court administrator of district court of a county, it may not be filed in another district court in the state. A judgment so filed has the same effect and is subject to the same procedures, defenses and proceedings for reopening, vacating, or staying as a judgment of a district court or the Supreme Court of this state, and may be enforced or satisfied in like manner.

~~(b) If the creditor wants the foreign state's life span or interest rate applied to the judgment, the creditor or creditor's attorney must file an affidavit attesting to the foreign state's life span or interest rate, and a subsequent affidavit each time the interest rate or life span changes. Absent such an affidavit, Minnesota's life span and interest rate shall be applied to the judgment."~~

Renumber the sections in sequence

Correct the title numbers accordingly

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. 3076, A bill for an act relating to business organizations; regulating business corporations; clarifying terms; updating terminology to include new forms of business activity; including references to limited liability companies and their governance attributes where appropriate; regulating limited liability companies; clarifying terms; amending Minnesota Statutes 2004, sections 302A.011, subdivisions 7, 8, 12, 21, 25, 28, 31, 41, 45, 46, 58, by adding subdivisions; 302A.111, subdivision 3, by adding a subdivision; 302A.115, subdivisions 1, 5; 302A.135, by adding a subdivision; 302A.241, by adding a subdivision; 302A.401, subdivision 3; 302A.417, subdivision 7; 302A.441, subdivision 1; 302A.447, subdivision 1; 302A.461, subdivision 2; 302A.471, subdivisions 1, 3, 4; 302A.553, subdivision 1; 302A.601, subdivisions 1, 2; 302A.611, subdivision 1; 302A.613, subdivisions 1, 2; 302A.621, subdivisions 1, 2, 3, 5, 6, by adding a subdivision; 302A.626, subdivision 1; 302A.661, subdivisions 1, 4; 322B.03, subdivisions 6, 12, 19a, 20, 23, 28, 36a, 45a; 322B.115, subdivision 3, by adding a subdivision; 322B.12, subdivision 1; 322B.15, by adding a subdivision; 322B.23; 322B.31, subdivision 2; 322B.35, subdivision 1; 322B.63, subdivision 1; 322B.66, by adding a subdivision; 322B.686, subdivision 2; 322B.70, subdivisions 1, 2; 322B.71, subdivision 1; 322B.72; 322B.74; 322B.75, subdivisions 2, 3; 322B.755, subdivision 3; 322B.76; 322B.77, subdivisions 1, 4; 322B.80, subdivision 1; Minnesota Statutes 2005 Supplement, sections 302A.011, subdivision 4; 322B.02; proposing coding for new law in Minnesota Statutes, chapters 302A; 322B; repealing Minnesota Statutes 2004, section 302A.011, subdivision 2.

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

The report was adopted.

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

H. F. No. 3258, A bill for an act relating to health; requiring reporting on notification that is required before an abortion is performed on a minor or certain other women; providing civil penalties; amending Minnesota Statutes 2004, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 145.

Reported the same back with the following amendments:

Page 2, line 13, delete "county" and insert "judicial district"

Page 2, line 14, delete ", if different from the female's residence"

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.

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

H. F. No. 3288, A bill for an act relating to public safety; making the chair of the Metropolitan Council or designee a member of the Statewide Radio Board; amending Minnesota Statutes 2005 Supplement, section 403.36, subdivision 1.

Reported the same back with the following amendments:

Page 1, strike line 18

Page 1, line 19, strike "(7)" and insert "(6)"

Page 1, line 20, delete "(8)" and insert "(7)"

Page 1, line 21, reinstate the stricken language and delete the new language

Page 2, lines 1, 4, 7, 10, 13, 16, and 17, reinstate the stricken language and delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 3341, A bill for an act relating to the legislature; providing legislators and staff the option of health coverage that includes a health savings account; amending Minnesota Statutes 2004, section 43A.18, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs.

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 3353, A bill for an act relating to game and fish; requiring rulemaking to allow all-terrain vehicle use on privately owned land during legal shooting hours of a deer season.

Reported the same back with the following amendments:

Page 1, line 5, after "VEHICLE" insert "OR SNOWMOBILE"

Page 1, lines 8, 11, and 12, after "vehicle" insert "or snowmobile"

Amend the title as follows:

Page 1, line 2, after "vehicle" insert "or snowmobile"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs.

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 3360, A bill for an act relating to health; changing the governance structure of the Minnesota Comprehensive Health Association; providing a health insurance exemption from the insurance premiums tax; repealing the assessment for the Minnesota Comprehensive Health Association; appropriating money; amending Minnesota Statutes 2004, sections 62A.02, by adding a subdivision; 62E.02, subdivision 23; 62E.091; 62E.10, subdivisions 1, 2, 3, 6, 7; 62E.11, subdivisions 9, 10; 62E.13, subdivision 3a, by adding a subdivision; 62E.14, subdivisions 1, 6; Minnesota Statutes 2005 Supplement, section 62E.13, subdivision 2; repealing Minnesota Statutes 2004, sections 62E.11, subdivisions 5, 6, 13; 62E.13, subdivision 1.

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

The report was adopted.

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

H. F. No. 3380, A bill for an act relating to local government; authorizing political subdivisions to establish accounts to pay for postemployment benefits owed to officers and employees; proposing coding for new law in Minnesota Statutes, chapter 353.

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

The report was adopted.

Olson from the Committee on Local Government to which was referred:

H. F. No. 3383, A bill for an act relating to the city of Grand Rapids; authorizing issuance of certain capital improvement bonds.

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

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 3402, A bill for an act relating to insurance; health; regulating loss ratios; regulating small employer coverages; establish a state match for certain health savings plans; appropriating money; amending Minnesota Statutes 2004, sections 62A.02, subdivision 3, by adding a subdivision; 62A.021, subdivision 1; 62L.03, subdivision 3; 290.0672, subdivision 1; Minnesota Statutes 2005 Supplement, section 62L.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2004, section 62E.11, subdivisions 9, 10.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 31, before "premium" insert "individual"

Page 3, line 5, after "ratio" insert "guarantee"

Page 3, line 27, after "expense" insert a comma and after "audit" insert "report"

Page 4, line 5, delete "Assessments by the reinsurance"

Page 4, delete lines 6 to 9 and insert "When determining a loss ratio for the purposes of loss ratio guarantee, the insurer shall divide the total of the claims incurred, plus preferred provider organization expenses, case management, and utilization review expenses, plus reinsurance premiums less reinsurance recoveries by the premiums earned less state and local taxes less other assessments."

Page 4, line 11, delete "will" and insert "must"

Page 6, after line 36, insert:

"Sec. 3. Minnesota Statutes 2004, section 62A.65, subdivision 3, is amended to read:

Subd. 3. **Premium rate restrictions.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the following requirements:

(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.

(b) Premium rates may vary based upon the ages of covered persons only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

(c) A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) for each geographic region that is rural, the index rate for that region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area; and

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.

(e) In developing its index rates and premiums for a health plan, a health carrier shall take into account only the following factors:

(1) actuarially valid differences in rating factors permitted under paragraphs (a) and (b); and

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph (c).

(f) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

(g) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

(h) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risks associated with the enrollee populations, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

(i) An insurer may, as part of a loss ratio guarantee filing under section 62A.02, subdivision 3a, include a rating practices guarantee as provided in this paragraph. The rating practices guarantee must be in writing and must guarantee that the policy form will be offered, sold, issued, and renewed only with premium rates and premium rating practices that comply with subdivisions 2, 3, 4, and 5. The rating practices guarantee must be accompanied by an actuarial memorandum that demonstrates that the premium rates and premium rating system used in connection with the policy form will satisfy the guarantee. The guarantee must guarantee refunds of any excess premiums to policyholders charged premiums that exceed those permitted under subdivision 2, 3, 4, or 5. An insurer that complies with this paragraph in connection with a policy form is exempt from the requirement of prior approval by the commissioner under paragraphs (c), (f), and (h)."

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 3415, A bill for an act relating to crime victims; requiring victim of criminal sexual conduct notification when the prosecutor declines prosecution or dismisses charges; amending Minnesota Statutes 2004, section 611A.0315.

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

The report was adopted.

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

H. F. No. 3418, A bill for an act relating to water; requiring reports by drainage authorities to the Board of Water and Soil Resources; creating a work group; proposing coding for new law in Minnesota Statutes, chapter 103E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **DITCH BUFFER TASK FORCE.**

The Board of Water and Soil Resources shall convene a task force to address the recommendations and findings identified in the February 2006, Public Drainage Ditch Buffer Study, including but not limited to:

(1) clarification of the point of beginning for measuring the required grass strip;

(2) enhancing the ability of drainage authorities to establish and maintain grass strips;

(3) developing methods and models for drainage records modernization;

(4) developing a best management practices manual and training for public drainage systems and authorities;

(5) annual reporting by drainage authorities; and

(6) identifying barriers and promoting incentives for buffer strip implementation regarding federal, state, and local programs and requirements.

The recommendations must be done in consultation with farm groups, watershed districts, soil and water conservation districts, counties, industry, and conservation organizations, as well as federal agencies implementing voluntary buffer programs. State agencies participating shall include the Minnesota Department of Agriculture, Minnesota Pollution Control Agency, and Minnesota Department of Natural Resources. The board shall report the results to the senate and house committees with jurisdiction over public drainage systems by January 15, 2007."

Delete the title and insert:

"A bill for an act relating to water; creating a task force on public drainage ditch buffers."

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

The report was adopted.

Olson from the Committee on Local Government to which was referred:

H. F. No. 3446, A bill for an act relating to the city of Pennock; authorizing the city to acquire a certain parcel of real estate and appurtenant building and to expend city funds to improve the building; authorizing the city to convey the parcel to a private entity to be operated as a commercial establishment.

Reported the same back with the following amendments:

Page 1, line 19, before the period, insert "EXPIRATION"

Page 1, line 21, after "enactment" insert "and expires December 31, 2016"

With the recommendation that when so amended the bill pass.

The report was adopted.

Olson from the Committee on Local Government to which was referred:

H. F. No. 3477, A bill for an act relating to local government; establishing timelines for municipal action on release of letters of credit; amending Minnesota Statutes 2004, section 462.358, subdivision 2a.

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

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 3658, A bill for an act relating to health; authorizing business organizations to obtain certificates of authority to operate as health maintenance organizations; providing for hospital pricing transparency and provider pricing fairness; authorizing small health plan purchasing pools; providing for a health insurance tax; regulating provider disclosures of reimbursement; amending Minnesota Statutes 2004, sections 62D.02, subdivision 4, by

adding a subdivision; 62D.03, subdivision 1; 62D.05, subdivision 1; 62J.81, subdivision 1; 297I.01, subdivision 10; Minnesota Statutes 2005 Supplement, sections 62J.052; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; repealing Minnesota Statutes 2004, sections 62J.17; 62J.25.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 576, 822, 1368, 1948, 2892, 3073, 3076, 3288, 3446 and 3477 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Gunther, Klinzing and Brod introduced:

H. F. No. 3777, A bill for an act relating to education; removing early childhood family education teachers from definition of public employee; amending Minnesota Statutes 2005 Supplement, section 179A.03, subdivision 14.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Davids, Solberg, Pelowski, Blaine, Simpson, Eken, Dorman and Gunther introduced:

H. F. No. 3778, A resolution memorializing Congress to support H. R. 3318, the Railroad Antitrust and Competition Enhancement Act.

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

Urdahl, Ozment, Cybart and Johnson, J., introduced:

H. F. No. 3779, A bill for an act relating to adults-only businesses; requiring notice to be given to a city or county of intent to conduct adults-only businesses in certain circumstances; authorizing cities and counties certain zoning authority as it relates to adults-only businesses; proposing coding for new law in Minnesota Statutes, chapter 617.

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

McNamara introduced:

H. F. No. 3780, A bill for an act relating to workers' compensation; modifying appeal procedures; modifying notice of coverage provisions; amending Minnesota Statutes 2004, section 176.421, subdivision 4; Minnesota Statutes 2005 Supplement, section 176.185, subdivision 1.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Tingelstad; Loeffler; Severson; Kahn; McNamara; Liebling; Haws; Hosch; Welti; Johnson, S.; Beard; Dempsey; Peterson, N.; Wardlow and Demmer introduced:

H. F. No. 3781, A bill for an act relating to state government; requiring the Legislative Coordinating Commission to oversee legislative training forums; establishing a schedule for consideration of legislation; limiting the content of budget bills; specifying conference committee procedures; appropriating money for expenses of a governor-elect, and for 2007 legislative forums; proposing coding for new law in Minnesota Statutes, chapters 3; 4.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Urdahl and Juhnke introduced:

H. F. No. 3782, A bill for an act relating to education; increasing funding for basic library system support grants; amending Laws 2005, First Special Session chapter 5, article 6, section 1, subdivision 2.

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

Buesgens introduced:

H. F. No. 3783, A bill for an act relating to education; extending the period of time covered by a renewed contract for a sponsor's authorization for a charter school; amending Minnesota Statutes 2005 Supplement, section 124D.10, subdivision 6.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Hamilton and Garofalo introduced:

H. F. No. 3784, A bill for an act relating to employment; redefining the base appropriation for extended employment services for persons with severe disabilities; appropriating money; amending Laws 2005, First Special Session chapter 1, article 3, section 2, subdivision 4.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Abeler, Goodwin and Powell introduced:

H. F. No. 3785, A bill for an act relating to health; requiring licensed hospitals to submit an annual community benefits report; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Tingelstad introduced:

H. F. No. 3786, A resolution memorializing the President, Congress, and the United States Postal Service to maintain current levels of service.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Hosch and Knoblach introduced:

H. F. No. 3787, A bill for an act relating to education finance; authorizing Independent School District No. 750, Rocori, to lease administrative space under certain conditions.

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

Anderson, B.; Dempsey and Garofalo introduced:

H. F. No. 3788, A bill for an act relating to taxation; modifying the property tax abatement process as it applies to certain electric generating facilities; amending Minnesota Statutes 2004, sections 116J.993, subdivision 3; 469.1813, subdivisions 1, 6b, 8, 9, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 469.1813, subdivision 6.

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

Westerberg, Brod and Larson introduced:

H. F. No. 3789, A bill for an act relating to state government; authorizing the Minnesota Amateur Sports Commission to renew leases for certain real property; amending Laws 1998, chapter 404, section 15, subdivision 2, as amended.

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

Cybart, Ozment, Powell, McNamara, Wilkin, Wardlow, Atkins, Hansen and Sieben introduced:

H. F. No. 3790, A bill for an act relating to capital investment; appropriating money for land purchase for Dakota County Technical College; authorizing the issuance of general obligation bonds.

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

Loeffler and Tingelstad introduced:

H. F. No. 3791, A bill for an act relating to state government; establishing a schedule for consideration of legislation; appropriating money for expenses of a governor-elect and 2007 legislative forums; proposing coding for new law in Minnesota Statutes, chapters 3; 4.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Davids introduced:

H. F. No. 3792, A bill for an act relating to government data practices; modifying the calculation of fees for copies of government data; amending Minnesota Statutes 2005 Supplement, section 13.03, subdivision 3.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Davids introduced:

H. F. No. 3793, A bill for an act relating to energy; requiring that 25 percent of retail electricity and liquid fuel sold in the state be derived from renewable sources by 2025; amending Minnesota Statutes 2004, section 216B.1691, subdivision 2; Minnesota Statutes 2005 Supplement, section 239.7911.

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

Davids introduced:

H. F. No. 3794, A bill for an act relating to energy; requiring any person selling three or more fuel octane grades to replace the middle grade with E85; amending Minnesota Statutes 2004, section 239.751, by adding a subdivision.

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

Davids and Huntley introduced:

H. F. No. 3795, A bill for an act relating to human services; establishing allowances for counties that overspend certain waived services allotments under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Hoppe introduced:

H. F. No. 3796, A bill for an act relating to public safety; expanding venue for the crime of aiding an offender; amending Minnesota Statutes 2004, section 609.495, by adding a subdivision.

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

Howes and Moe introduced:

H. F. No. 3797, A bill for an act relating to natural resources; restricting the use of four by four trucks on public lands; amending Minnesota Statutes 2004, section 84.803, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Loeffler, Rukavina, Dorman, Lenczewski, Abrams, Scalze and Lesch introduced:

H. F. No. 3798, A bill for an act relating to taxation; property; providing that the property tax statement must contain additional information on targeting; amending Minnesota Statutes 2005 Supplement, section 276.04, subdivision 2.

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

Cox, Hilstrom, Heidgerken, Hilty and Dempsey introduced:

H. F. No. 3799, A bill for an act relating to education finance; authorizing a levy for school districts in statutory operating debt; proposing coding for new law in Minnesota Statutes, chapter 126C.

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

Eastlund; Johnson, J.; Abeler; Erickson; Greiling; Slawik; Buesgens; Holberg and Sykora introduced:

H. F. No. 3800, A bill for an act relating to education; establishing the Minnesota Child, Family, and School Communications Protection Act; providing for rulemaking; establishing a fee; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 125B.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Atkins, Hansen, Wardlow and Wilkin introduced:

H. F. No. 3801, A bill for an act relating to highways; authorizing sale of trunk highway bonds for interchange at highway 55 and Yankee Doodle Road; appropriating money.

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

Simon; Ruud; Peterson, N.; Sykora and Powell introduced:

H. F. No. 3802, A bill for an act relating to health; modifying the nursing home construction moratorium by creating an additional exception for a new facility for persons with eating disorders to be located in Hennepin or Dakota County; amending Minnesota Statutes 2004, section 144A.071, subdivision 3.

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

Samuelson, Huntley, Abeler, Tingelstad and Otremba introduced:

H. F. No. 3803, A bill for an act relating to health; requiring the mandatory reporting of use of tetrahydrocannabinol and alcohol by pregnant women; clarifying a human rights provision; amending Minnesota Statutes 2004, sections 253B.02, subdivision 2; 363A.03, subdivision 12; 595.02, subdivision 1; 626.5561, subdivisions 1, 2; repealing Minnesota Statutes 2004, section 626.5563, subdivisions 1, 2, 3, 4, 5.

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

Kahn; Holberg; Murphy; Hilty; DeLaForest; Kelliher; Slawik; Johnson, J.; Simon and Abrams introduced:

H. F. No. 3804, A bill for an act relating to government data; regulating genetic information held by government entities and other persons; requiring reports; amending Minnesota Statutes 2004, section 176.231, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 144; 484.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Vandever; Krinkie; Scalze; Nelson, P., and Erhardt introduced:

H. F. No. 3805, A bill for an act relating to highways; designating the Shawn Silvera Memorial Highway; amending Minnesota Statutes 2004, section 161.14, by adding a subdivision.

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

Buesgens introduced:

H. F. No. 3806, A bill for an act relating to education; authorizing charter schools to lease or purchase district buildings; authorizing use of state money to purchase land and buildings; amending Minnesota Statutes 2004, sections 123B.51, subdivision 5; 124D.10, subdivision 17; 124D.11, subdivision 7.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Buesgens introduced:

H. F. No. 3807, A bill for an act relating to education; eliminating teacher majority requirement on board of directors; extending admission preference to children of teachers, staff, and board members; extending conflict of interest provisions to nonprofit entities; authorizing use of state money to purchase land and buildings; amending Minnesota Statutes 2004, sections 124D.10, subdivisions 4a, 9, 23a; 124D.11, subdivision 7; Minnesota Statutes 2005 Supplement, section 124D.10, subdivision 4.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Newman, Brod and Cox introduced:

H. F. No. 3808, A bill for an act relating to driving while impaired; creating a felony penalty for impaired driving following a prior conviction for criminal vehicular homicide involving impaired driving; amending Minnesota Statutes 2004, section 169A.24, subdivision 1.

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

Marquart, Lanning and Eken introduced:

H. F. No. 3809, A bill for an act relating to natural resources; extending the Heartland Trail; amending Minnesota Statutes 2004, section 85.015, subdivision 12.

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

Penas introduced:

H. F. No. 3810, A bill for an act relating to agriculture; appropriating money to the Board of Animal Health for tuberculosis testing in cattle.

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

Penas introduced:

H. F. No. 3811, A bill for an act relating to natural resources; appropriating money to the commissioner of natural resources for depopulating deer within tuberculosis quarantine areas.

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

Soderstrom, Paymar, Ellison, Ruth, Eastlund, Gunther and Gazelka introduced:

H. F. No. 3812, A bill for an act relating to appropriations; appropriating money to fund an offender reentry program.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Soderstrom; Paymar; Ellison; Nelson, P., and Eastlund introduced:

H. F. No. 3813, A bill for an act relating to corrections; appropriating money to fund an offender reentry pilot project.

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

Fritz introduced:

H. F. No. 3814, A bill for an act relating to taxes; authorizing the city of Medford to impose a local sales and use tax.

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

Beard, Walker and Gunther introduced:

H. F. No. 3815, A bill for an act relating to horse racing; occupation licenses; amending Minnesota Statutes 2004, section 240.08, subdivision 2.

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

Clark introduced:

H. F. No. 3816, A bill for an act relating to taxation; providing a tax credit for certain mattress manufacturers that meet flame retardant standards; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Clark introduced:

H. F. No. 3817, A bill for an act relating to economic development; modifying the purpose of the Minnesota Investment Fund; adding a new condition for the evaluation of Minnesota Investment Fund projects; amending Minnesota Statutes 2004, section 116J.8731, subdivisions 1, 4.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Greiling, Huntley and Abeler introduced:

H. F. No. 3818, A bill for an act relating to human services; expanding reimbursement for mental health services; amending Minnesota Statutes 2004, sections 256B.0623, subdivision 8; 256B.0625, subdivision 43, by adding a subdivision; 256B.0943, subdivisions 1, 2, by adding a subdivision; 256B.761; Minnesota Statutes 2005 Supplement, sections 256B.0625, subdivisions 38, 46; 256L.035; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Nelson, M., and Mahoney introduced:

H. F. No. 3819, A bill for an act relating to employment; requiring written agreements to establish existence of independent contractor relationship; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Sertich; Rukavina; Huntley; Thissen; Mahoney; Scalze; Welti; Poppe; Solberg; Nelson, M.; Peterson, A.; Hornstein; Mullery; Kelliher and Greiling introduced:

H. F. No. 3820, A bill for an act relating to state government; appropriating money for purposes of the Nongovernmental Pharmaceutical Contracting Alliance.

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

Sertich and Rukavina introduced:

H. F. No. 3821, A bill for an act relating to the legislature; authorizing certain legislative employees to organize and to select representatives to negotiate collective bargaining agreements; amending Minnesota Statutes 2004, sections 43A.18, subdivision 6; 43A.24, subdivision 2; 179A.01.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Hornstein, Simon, Ellison, Kahn and Latz introduced:

H. F. No. 3822, A bill for an act relating to state government; prohibiting state investment in companies with equity ties to Sudan; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 11A.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Samuelson, Abeler, Tingelstad and Otremba introduced:

H. F. No. 3823, A bill for an act relating to human services; requiring long-term care insurance to cover licensed adult foster care; adjusting a provider payment rate.

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

Vandever introduced:

H. F. No. 3824, A bill for an act relating to civil actions; moving mortgage redemption sales to the end of the current redemption period; eliminating the redemption rights of the mortgagee; amending Minnesota Statutes 2004, sections 580.03; 580.032, subdivision 4; 580.04; 580.06; 580.10; 580.12; 580.23, subdivisions 1, 2; 580.25; 580.26; 580.27; 580.28; 581.06; 581.10; 582.032; 582.041, subdivision 5; 582.042, subdivision 5; 582.05; 582.27, subdivision 1; 582.30, subdivision 2; 582.32, subdivisions 3, 5, 9; Minnesota Statutes 2005 Supplement, sections 580.23, subdivision 4; 580.24; proposing coding for new law in Minnesota Statutes, chapters 580; 582.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Simpson and Hilty introduced:

H. F. No. 3825, A bill for an act relating to watershed districts; setting the requirements for request by residents of a watershed district for an audit of a watershed district by the state auditor; amending Minnesota Statutes 2004, section 103D.355, subdivision 2.

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

Newman introduced:

H. F. No. 3826, A bill for an act relating to child support; authorizing the public authority to redirect child support payments; amending Minnesota Statutes 2004, sections 518.5513, subdivision 5; 518.57, subdivision 1.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Marquart and Gunther introduced:

H. F. No. 3827, A bill for an act relating to taxes; exempting certain high school league tournaments from the sales tax on admissions; amending Minnesota Statutes 2004, section 297A.70, subdivision 11.

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

Clark introduced:

H. F. No. 3828, A bill for an act relating to economic development; requiring reporting from recipients of bioscience and biotechnology subsidies; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Latz, Simon, Sykora and Abrams introduced:

H. F. No. 3829, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature; appropriating money for a railroad switching yard in McLeod County; authorizing the issuance of general obligation bonds.

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

Nelson, M., and Mahoney introduced:

H. F. No. 3830, A bill for an act relating to employment; establishing a task force to study day labor and temporary employment in Minnesota; requiring a report.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Peterson, A., and Koenen introduced:

H. F. No. 3831, A bill for an act relating to elections; eliminating requirement that voting systems accessible for individuals with disabilities be used in local elections; amending Minnesota Statutes 2005 Supplement, section 206.57, subdivision 5.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Hilty introduced:

H. F. No. 3832, A bill for an act relating to education finance; authorizing the school district to recognize its operating levy early.

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

Hilty introduced:

H. F. No. 3833, A bill for an act relating to elections; modifying the postelection review process; proposing coding for new law in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 2004, section 204C.50, subdivisions 3, 4, 5, 6; Minnesota Statutes 2005 Supplement, section 204C.50, subdivisions 1, 2.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Hosch introduced:

H. F. No. 3834, A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 750, Rocori.

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

Hosch introduced:

H. F. No. 3835, A bill for an act relating to education finance; appropriating money for a grant to Independent School District No. 750, Rocori.

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

Hansen and Atkins introduced:

H. F. No. 3836, A bill for an act relating to commerce; creating a tree care licensing and regulation task force; requiring a report.

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

Peterson, A., and Sieben introduced:

H. F. No. 3837, A bill for an act relating to health; eliminating the second inspection fee and the statewide hospitality fee for elementary and secondary schools; amending Minnesota Statutes 2005 Supplement, section 157.16, subdivisions 3, 3a.

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

Moe introduced:

H. F. No. 3838, A bill for an act relating to local government aid; changing the city aid base for certain cities; amending Minnesota Statutes 2005 Supplement, section 477A.011, subdivision 36.

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

Clark introduced:

H. F. No. 3839, A bill for an act relating to consumer protection; prohibiting Bisphenol-A and Phthalates in products for young children; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Peppin, Buesgens, Holberg, Erickson, Vandev eer, DeLaForest and Zellers introduced:

H. F. No. 3840, A bill for an act proposing an amendment to the Minnesota Constitution, by adding an article XV; providing for limits on state and local spending and tax increases.

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

Garofalo and Cox introduced:

H. F. No. 3841, A bill for an act relating to labor; declaring a public policy; adopting record keeping requirements; requiring an affidavit; requiring a sign on certain vehicles; proposing coding for new law in Minnesota Statutes, chapter 177.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Samuelson introduced:

H. F. No. 3842, A bill for an act relating to human services; modifying the scholarship program for employees of home and community-based service providers; amending Minnesota Statutes 2005 Supplement, section 256B.0918, subdivisions 1, 3, 4; Laws 2005, First Special Session chapter 4, article 9, section 5, subdivision 8.

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

Koenen; Davids; Peterson, A.; Heidgerken and Otremba introduced:

H. F. No. 3843, A bill for an act relating to agriculture; providing an income tax credit for sales or rentals of agricultural assets to beginning farmers; providing an income tax credit for beginning farmer financial management programs; modifying the beginning farmer program administered by the Rural Finance Authority; amending Minnesota Statutes 2004, section 290.06, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 41B.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development.

Meslow introduced:

H. F. No. 3844, A bill for an act relating to public safety; recodifying and restructuring the law on expungements of criminal records; expanding eligibility for expungements; proposing coding for new law as Minnesota Statutes, chapter 609B; repealing Minnesota Statutes 2004, sections 609A.01; 609A.02, subdivisions 1, 2, 4; 609A.03, subdivisions 1, 2, 3, 4, 5, 5a, 6, 8, 9; Minnesota Statutes 2005 Supplement, sections 609A.02, subdivision 3; 609A.03, subdivision 7.

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

Soderstrom introduced:

H. F. No. 3845, A bill for an act relating to commerce; regulating auctioneers; appropriating money; amending Minnesota Statutes 2004, sections 45.011, subdivision 1; 330.02; 330.025; 330.03; 330.09; 330.11, subdivision 2; 336.2-328; Minnesota Statutes 2005 Supplement, sections 82.23; 330.01; proposing coding for new law in Minnesota Statutes, chapter 330.

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

Kelliher, Greiling, Mahoney, Huntley, Clark, Thissen, Walker and Solberg introduced:

H. F. No. 3846, A bill for an act relating to health; appropriating money for an HIV information and referral service.

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

Hilty introduced:

H. F. No. 3847, A bill for an act relating to local government; clarifying certain procedures in Pine County.

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

Marquart and Lanning introduced:

H. F. No. 3848, A bill for an act relating to higher education; authorizing disclosure of certain information to parents; amending Minnesota Statutes 2005 Supplement, section 13.32, subdivision 3.

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

Hilstrom introduced:

H. F. No. 3849, A bill for an act relating to corrections; clarifying imposition of local correction fees; amending Minnesota Statutes 2004, section 609.102, subdivision 2.

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

Ozment and Davids introduced:

H. F. No. 3850, A bill for an act relating to alcoholic beverages; allowing a farm winery to produce wines and fortified wines; increasing the amount of non-Minnesota produce that may be used in a farm winery operation; allowing a phase-in for start-up operations; amending Minnesota Statutes 2004, sections 340A.101, subdivision 11, by adding a subdivision; 340A.315.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development.

Carlson; Peterson, S., and Lesch introduced:

H. F. No. 3851, A bill for an act relating to education; including blindness within the definition of disability; directing the education commissioner to incorporate references to blindness into the definition of "visually impaired" in rule; amending Minnesota Statutes 2004, section 125A.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Wagenius; Cox; Ozment; Peterson, A.; Scalze and Kelliher introduced:

H. F. No. 3852, A bill for an act relating to energy; prohibiting recovery of certain costs of electric service; barring issuance of certificate of need by Public Utilities Commission under certain circumstances; amending Minnesota Statutes 2004, sections 216B.1645, by adding a subdivision; 216B.243, by adding a subdivision.

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

Kohls introduced:

H. F. No. 3853, A bill for an act relating to economic development; creating a new salaried position as a federal procurement assistance specialist; providing funding for a database for a grant clearinghouse Web site; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Klinzing introduced:

H. F. No. 3854, A bill for an act relating to education; raising K-12 academic achievement through increased student participation in advanced placement and international baccalaureate programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 120B.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Wardlow; Lieder; Marquart; Severson; Nelson, P.; Buesgens; Simpson; Powell; Charron; Zellers; Lanning; Hilty; Anderson, B.; Johnson, S.; Thissen; Walker; Ruud; Hansen; Atkins; Peterson, A.; Olson; Cybart; Paulsen; Wilkin; Seifert; Kahn; Dempsey; Tingelstad; Demmer and Johnson, R., introduced:

H. F. No. 3855, A bill for an act relating to veterans; authorizing the placement of a plaque in the Court of Honor on the Capitol grounds honoring Minnesota's recipients of the Congressional Medal of Honor.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Westrom introduced:

H. F. No. 3856, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature; authorizing the issuance of general obligation bonds; appropriating money for Central Lakes Regional Sanitary District sewer system.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Lanning introduced:

H. F. No. 3857, A bill for an act relating to employment; authorizing employers to use electronic means to provide earnings statements; amending Minnesota Statutes 2004, section 181.032.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Hackbarth introduced:

H. F. No. 3858, A bill for an act relating to motor vehicles; modifying provisions related to abandoned vehicles, towers, and impound lots; establishing abandoned vehicle account; requiring a study and report; appropriating money; amending Minnesota Statutes 2004, sections 115A.908, subdivision 2; 168B.06, subdivision 1; 168B.07, subdivision 1; 168B.08, subdivision 4; 168B.087, subdivision 1; 169.829, subdivision 2; 169.86, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168B.

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

Paulsen introduced:

H. F. No. 3859, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 12; including certain special session days as legislative days; amending Minnesota Statutes 2004, sections 3.011; 3.012.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Charron introduced:

H. F. No. 3860, A bill for an act relating to education; pursuing educational reform that fosters innovation, accelerates change, and implements systemwide improvement in high school students' achievement in science, technology, engineering, and mathematics; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

The bill was read for the first time and referred to the Committee on Education Policy and Reform.

Magnus introduced:

H. F. No. 3861, A bill for an act relating to taxation; modifying native prairie taxation provisions; amending Minnesota Statutes 2004, sections 272.02, subdivision 12; 273.13, subdivision 23.

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

Hilstrom introduced:

H. F. No. 3862, A bill for an act relating to public safety; appropriating money to the Board of Public Defense to implement recommendations from the CHIPS working group.

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

Johnson, J., and Ellison introduced:

H. F. No. 3863, A bill for an act relating to crimes; making it criminal sexual conduct in the third or fourth degree when certain nonconsensual sexual conduct involving cosmetic services occurs; amending Minnesota Statutes 2004, sections 595.02, subdivision 1; 609.341, subdivision 7, by adding a subdivision; 609.344, subdivision 1; 609.345, subdivision 1.

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

Kelliher introduced:

H. F. No. 3864, A bill for an act relating to transportation; allowing restriction of engine brakes by a municipality.

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

Emmer and Hilty introduced:

H. F. No. 3865, A bill for an act relating to elections; prohibiting any changes in polling places between primary and general elections for the same offices; providing an exception; amending Minnesota Statutes 2004, section 205A.11, subdivision 2.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Emmer and Hilty introduced:

H. F. No. 3866, A bill for an act relating to elections; permitting the transcription by election judges of machine-unreadable ballot cards under certain circumstances; amending Minnesota Statutes 2005 Supplement, section 206.90, subdivision 8.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Holberg introduced:

H. F. No. 3867, A bill for an act relating to data practices; clarifying the length of time allowed for giving notice; amending Minnesota Statutes 2004, section 13.072, subdivision 1.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Holberg introduced:

H. F. No. 3868, A bill for an act relating to data practices; modifying records management requirements; changing emergency records preservation requirements; amending Minnesota Statutes 2004, section 138.17, subdivisions 7, 8.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Murphy and Smith introduced:

H. F. No. 3869, A bill for an act relating to crime victims; appropriating money to commissioner of public safety to be distributed to Victim Intervention Program, Inc.

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

Mahoney and Bradley introduced:

H. F. No. 3870, A bill for an act relating to economic development; modifying the base appropriation for employment programs for people who are deaf or hard-of-hearing; amending Laws 2005, First Special Session chapter 1, article 3, section 2, subdivision 4.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

## **CONSENT CALENDAR**

Seifert moved that the Consent Calendar be continued. The motion prevailed.

**MOTIONS AND RESOLUTIONS**

Thissen moved that the name of Slawik be added as an author on H. F. No. 61. The motion prevailed.

Thissen moved that the name of Latz be added as an author on H. F. No. 132. The motion prevailed.

Otremba moved that the name of Sieben be added as an author on H. F. No. 1160. The motion prevailed.

Abeler moved that the name of Ruud be added as an author on H. F. No. 1850. The motion prevailed.

Sieben moved that the name of Slawik be added as an author on H. F. No. 2691. The motion prevailed.

Dorman moved that the name of Blaine be added as an author on H. F. No. 2883. The motion prevailed.

Seifert moved that the name of Blaine be added as an author on H. F. No. 2903. The motion prevailed.

Smith moved that the name of Tingelstad be added as an author on H. F. No. 2916. The motion prevailed.

Severson moved that the name of Ruud be added as an author on H. F. No. 2921. The motion prevailed.

Pelowski moved that the name of Welti be added as an author on H. F. No. 3066. The motion prevailed.

Slawik moved that the name of Latz be added as an author on H. F. No. 3259. The motion prevailed.

Hoppe moved that the name of Sieben be added as an author on H. F. No. 3272. The motion prevailed.

Gunther moved that the name of Hilstrom be added as an author on H. F. No. 3327. The motion prevailed.

Buesgens moved that the name of Cybart be added as an author on H. F. No. 3380. The motion prevailed.

Gunther moved that the names of Bradley and Tingelstad be added as authors on H. F. No. 3396. The motion prevailed.

Paymar moved that the name of Ruud be added as an author on H. F. No. 3401. The motion prevailed.

Thissen moved that the name of Davnie be added as an author on H. F. No. 3465. The motion prevailed.

Hansen moved that the name of Davnie be added as an author on H. F. No. 3479. The motion prevailed.

Buesgens moved that the name of Severson be added as an author on H. F. No. 3504. The motion prevailed.

Urdahl moved that the names of Fritz and Moe be added as authors on H. F. No. 3659. The motion prevailed.

Dauids moved that the name of Moe be added as an author on H. F. No. 3666. The motion prevailed.

Dill moved that the name of Moe be added as an author on H. F. No. 3671. The motion prevailed.

Davnie moved that the name of Moe be added as an author on H. F. No. 3672. The motion prevailed.

Demmer moved that the name of Moe be added as an author on H. F. No. 3675. The motion prevailed.

Davnie moved that the name of Moe be added as an author on H. F. No. 3680. The motion prevailed.

Hamilton moved that the name of Demmer be added as an author on H. F. No. 3683. The motion prevailed.

Davnie moved that the name of Hilstrom be added as an author on H. F. No. 3685. The motion prevailed.

Hortman moved that the name of Moe be added as an author on H. F. No. 3686. The motion prevailed.

Hansen moved that the name of Kahn be added as an author on H. F. No. 3705. The motion prevailed.

Smith moved that the name of Demmer be added as an author on H. F. No. 3713. The motion prevailed.

Hornstein moved that the names of Cox and Kahn be added as authors on H. F. No. 3717. The motion prevailed.

Hornstein moved that the names of Paymar and Kahn be added as authors on H. F. No. 3718. The motion prevailed.

Hornstein moved that the name of Kahn be added as an author on H. F. No. 3720. The motion prevailed.

Eken moved that the name of Moe be added as an author on H. F. No. 3733. The motion prevailed.

Nelson, M., moved that the name of Kahn be added as an author on H. F. No. 3736. The motion prevailed.

Howes moved that the name of Loeffler be added as an author on H. F. No. 3754. The motion prevailed.

Tingelstad moved that the name of Loeffler be added as an author on H. F. No. 3762. The motion prevailed.

Tingelstad moved that the name of Loeffler be added as an author on H. F. No. 3763. The motion prevailed.

Howes moved that the name of Moe be added as an author on H. F. No. 3776. The motion prevailed.

Powell moved that H. F. No. 3086 be recalled from the Committee on Public Safety Policy and Finance and be re-referred to the Committee on Civil Law and Elections. The motion prevailed.

Tingelstad moved that H. F. No. 3123 be recalled from the Committee on Jobs and Economic Opportunity Policy and Finance and be re-referred to the Committee on Governmental Operations and Veterans Affairs. The motion prevailed.

Tingelstad moved that H. F. No. 3124 be recalled from the Committee on Jobs and Economic Opportunity Policy and Finance and be re-referred to the Committee on Governmental Operations and Veterans Affairs. The motion prevailed.

Bradley moved that H. F. No. 3551 be recalled from the Committee on Jobs and Economic Opportunity Policy and Finance and be re-referred to the Committee on Health Policy and Finance. The motion prevailed.

Powell moved that H. F. No. 3590 be recalled from the Committee on Health Policy and Finance and be re-referred to the Committee on Governmental Operations and Veterans Affairs. The motion prevailed.

Bradley moved that H. F. No. 3597 be recalled from the Committee on Health Policy and Finance and be re-referred to the Committee on Jobs and Economic Opportunity Policy and Finance. The motion prevailed.

Bradley moved that H. F. No. 3697 be recalled from the Committee on Health Policy and Finance and be re-referred to the Committee on Civil Law and Elections. The motion prevailed.

Hackbarth moved that H. F. No. 3858 be recalled from the Committee on Public Safety Policy and Finance and be re-referred to the Committee on Transportation. The motion prevailed.

Hilstrom introduced:

House Resolution No. 21, A House resolution endorsing the AKC Canine Good Citizen Program and supporting its effort to promote responsible dog ownership in the state of Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

#### ADJOURNMENT

Seifert moved that when the House adjourns today it adjourn until 3:00 p.m., Thursday, March 23, 2006. The motion prevailed.

Seifert moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Thursday, March 23, 2006.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives