

## STATE OF MINNESOTA

## EIGHTY-FIRST SESSION — 1999

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 FIFTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 4, 1999

The House of Representatives convened at 9:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Pastor Lynn Holm, Calvary Baptist Church, Lake City, 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	Dorman	Holberg	Lindner	Paulsen	Sykora
Abrams	Dorn	Holsten	Luther	Pawlenty	Tingelstad
Anderson, B.	Entenza	Howes	Mahoney	Paymar	Tomassoni
Anderson, I.	Erhardt	Huntley	Mares	Pelowski	Trimble
Bakk	Erickson	Jaros	Marko	Peterson	Tuma
Biernat	Finseth	Jennings	McCollum	Pugh	Tunheim
Bishop	Folliard	Johnson	McElroy	Rest	Van Dellen
Boudreau	Fuller	Juhnke	McGuire	Reuter	Vandever
Bradley	Gerlach	Kahn	Milbert	Rifenberg	Wagenius
Broecker	Gleason	Kalis	Molnau	Rostberg	Wejman
Buesgens	Goodno	Kelliher	Mulder	Rukavina	Wenzel
Carlson	Gray	Kielkucki	Mullery	Schumacher	Westerberg
Carruthers	Greenfield	Knoblach	Murphy	Seagren	Westfall
Cassell	Greiling	Krinkie	Ness	Seifert, J.	Westrom
Chaudhary	Gunther	Kubly	Nornes	Seifert, M.	Wilkin
Clark, J.	Haake	Kuisle	Olson	Skoe	Winter
Clark, K.	Haas	Larsen, P.	Opatz	Skoglund	Wolf
Daggett	Hackbarth	Larsen, D.	Orfield	Smith	Workman
Davids	Harder	Leighton	Osskopp	Solberg	Spk. Sviggum
Dawkins	Hasskamp	Lenczewski	Osthoff	Stang	
Dehler	Hausman	Leppik	Otremba	Storm	
Dempsey	Hilty	Lieder	Ozment	Swenson	

A quorum was present.

Rhodes was excused.

Stanek was excused until 10:05 a.m. Munger was excused until 10:30 a.m. Mariani was excused until 11:00 a. m. Koskinen was excused until 12:30 p.m.

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

**REPORTS OF CHIEF CLERK**

S. F. No. 1639 and H. F. No. 1890, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Mahoney moved that the rules be so far suspended that S. F. No. 1639 be substituted for H. F. No. 1890 and that the House File be indefinitely postponed. The motion prevailed.

**REPORTS OF STANDING COMMITTEES**

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

H. F. No. 1180, A bill for an act relating to retirement; various public pension plans; expanding the membership of the state correctional employees retirement plan to include certain Minnesota extended treatment options program employees; downsizing the early retirement reduction rates for various public safety plans; grandparenting public employee police and fire plan coverage for certain Rice county correctional employees; requiring Rice county to repay certain police state aid amounts; providing employer penalties for pension plan membership certification failures or errors; providing special retirement coverage for certain state fire marshal employees; requiring a study; clarifying various Minneapolis employees retirement plan survivor benefit provisions; increasing the number of vendors for certain tax-sheltered annuities for educational employees; modifying various benefit provisions for certain Minnesota state college and university system employees; authorizing the establishment of volunteer rescue squad relief associations by Kandiyohi county and the city of Litchfield; merging the pre-March 1, 1999, local police and paid fire consolidation accounts into the public employees police and fire plan; extending the minimum volunteer firefighter fire state aid amount to post-1993 relief association members; providing a targeted early retirement incentive program for certain employees of the metropolitan council; making miscellaneous changes in the legislators retirement plan, the Minnesota state college and university system individual retirement account plan, the Minnesota state retirement system, and the teachers retirement association; reducing the membership of the legislative commission on pensions and retirement; amending Minnesota Statutes 1998, sections 3.85, subdivisions 3 and 12; 3A.02, subdivision 1b; 43A.27, subdivision 3; 69.021, subdivisions 7 and 10; 69.031, subdivision 5; 122A.46, subdivision 2; 136F.48; 352.03, subdivision 1; 352.90; 352.91, by adding a subdivision; 352.93, subdivision 2a; 352B.08, subdivision 2a; 353.01, subdivisions 2b, 10, and 16; 353.64, subdivision 1; 353.65, subdivisions 2 and 3; 353.651, subdivision 4; 353A.083, by adding a subdivision; 354.05, subdivision 40; 354.06, subdivision 1; 354.10, subdivision 4; 354.445; 354.66, subdivisions 1b, 1c, and 3; 354B.24, subdivision 3; 354B.25, subdivisions 2, 3, and 5; 354C.11; 354C.12, subdivision 4; 356.19, by adding a subdivision; 356.215, subdivision 4g; 356.24, subdivision 1; 356A.01, subdivisions 7 and 8; 422A.06, subdivisions 3 and 6; 422A.101, subdivision 4; 422A.18, subdivision 2; 422A.22, subdivisions 4 and 5; 422A.23; and 423A.02, subdivisions 1b, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 352; 353; 354B; and 422A; proposing coding for new law as Minnesota Statutes, chapter 425B; repealing Minnesota Statutes 1998, sections 353.65, subdivision 3a; and 422A.16, subdivision 3a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

**"ARTICLE 1****CORRECTIONAL EMPLOYEES RETIREMENT PLAN CHANGES**

Section 1. Minnesota Statutes 1998, section 352.90, is amended to read:

352.90 [POLICY.]

It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who may be required to retire at an early age because they lose the mental or physical capacity required

to maintain the safety, security, discipline, and custody of inmates at state correctional facilities or of patients at the Minnesota security hospital or at the Minnesota sexual psychopathic personality treatment center or of patients in the Minnesota extended treatment options on-campus program at Cambridge.

Sec. 2. Minnesota Statutes 1998, section 352.91, is amended by adding a subdivision to read:

Subd. 3e. [MINNESOTA EXTENDED TREATMENT OPTIONS PROGRAM; CAMBRIDGE.] "Covered correctional service" means service by a state employee in one of the following employment positions with the Minnesota extended treatment options on-campus program at Cambridge if at least 75 percent of the employee's working time is spent in direct contact with patients who are in the Minnesota extended treatment options program and if service in such a position is certified to the executive director by the commissioner of human services, unless the person elects to retain current retirement coverage under section 3:

- (1) behavior analyst I;
- (2) human services support specialist;
- (3) mental retardation residential program lead;
- (4) psychologist II;
- (5) recreation program assistant;
- (6) recreation therapist assistant;
- (7) recreation therapist senior;
- (8) registered nurse senior;
- (9) skills development specialist; and
- (10) social worker senior.

Sec. 3. [TEMPORARY PROVISION; ELECTION TO RETAIN RETIREMENT COVERAGE.]

(a) An employee in a position specified as qualifying under Minnesota Statutes, section 352.91, subdivision 3e, may elect to retain coverage under the general employees retirement plan of the Minnesota state retirement system or may elect to transfer coverage and contribute to the correctional employees retirement plan. An employee electing to participate in the correctional employees retirement plan shall begin making contributions to the correctional plan beginning the first full pay period after July 1, 1999, or the first full pay period following filing of their election to transfer coverage to the correctional employees retirement plan, whichever is later. The election to retain coverage or to transfer coverage must be made in writing by the person on a form prescribed by the executive director of the Minnesota state retirement system and must be filed with the executive director no later than December 31, 1999.

(b) An employee failing to make an election by December 15, 1999, must be notified by certified mail by the executive director of the Minnesota state retirement system of the deadline to make a choice. A person who does not submit an election form must continue coverage in the general employees retirement plan and forfeits all rights to transfer retirement coverage to the correctional employees retirement plan.

(c) The election to retain coverage in the general employees retirement plan or the election to transfer retirement coverage to the correctional employees retirement plan is irrevocable once it is filed with the executive director.

Sec. 4. [COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN PERSONS.]

Subdivision 1. [ELECTION OF PRIOR STATE SERVICE COVERAGE.] (a) An employee who has future retirement coverage transferred to the correctional employees retirement plan under section 3, and who does not elect to retain general state employees retirement plan coverage, is entitled to elect to obtain prior service credit for eligible state service performed on or after July 1, 1997, and before the first day of the first full pay period beginning after December 31, 1999. All prior service credit must be purchased.

(b) Eligible state service is any period of service on or after the date which the employee started employment with the Minnesota extended treatment options program in a position specified in Minnesota Statutes, section 352.91, subdivision 3e, in which at least 75 percent of the employee's working time is determined to have been spent in direct contact with Minnesota extended treatment options program patients or July 1, 1997, whichever is later, and the date the employee joined the correctional employees plan.

(c) The department of human services shall certify eligible state service to the executive director of the Minnesota retirement system.

Subd. 2. [PAYMENT FOR PRIOR SERVICE.] (a) An employee electing to obtain prior service credit under subdivision 1 must pay an additional employee contribution for that prior service. The additional member contribution is the contribution differential percentage applied to the actual salary paid to the employee during the period of the prior eligible state service, plus interest at the rate of six percent per annum, compounded annually. The contribution differential percentage is the difference between 5.5 percent of salary and the applicable employee contribution rate of the general state employees retirement plan during the prior eligible state service.

(b) The additional member contribution must be paid only in a lump sum. Payment must accompany the election to obtain prior service credit. No election or payment may be made by the person or accepted by the executive director after June 30, 2001.

Subd. 3. [TRANSFER OF ASSETS.] Assets must be transferred from the general state employees retirement plan to the correctional employees retirement plan in an amount equal to the present value of benefits earned under the general employees retirement plan for each employee transferring to the correctional employees retirement plan, as determined by the actuary retained by the legislative commission on pensions and retirement in accordance with Minnesota Statutes, section 356.215, multiplied by the accrued liability funding ratio of active members as derived from the most recent actuarial valuation prepared by the commission-retained actuary. The transfer of assets must be made within 45 days after the employee elects to transfer coverage to the correctional employees retirement plan.

Subd. 4. [EFFECT OF THE ASSET TRANSFER.] Upon the transfer of assets in subdivision 3, service credit in the general state employees plan of the Minnesota state retirement system is forfeited and may not be reinstated. The service credit and transferred assets must be credited to the correctional employees retirement plan.

Subd. 5. [COUNSELING.] (a) The commissioners of human services and employee relations and the executive director of the Minnesota state retirement system have the joint responsibility of providing affected employees with appropriate and timely retirement and related benefit counseling.

(b) Counseling must include the anticipated impact of the retirement coverage change on the person's future retirement benefit amounts, future retirement eligibility, future applicability of mandatory retirement laws, and future postemployment insurance coverage.

(c) The commissioner of human services must consult with the appropriate collective bargaining agents of the affected employees regarding the content, form, and timing of the counseling required by this section.

Sec. 5. [TRANSITIONAL PROVISION; RETENTION OF CERTAIN RIGHTS.]

(a) Nothing in sections 1 to 6 may be considered to restrict the entitlement of a person under state law to repay a previously taken refund of employee or member contributions to a Minnesota public pension plan if all qualifying requirements are met.

(b) The period of correctional employees retirement plan contributions, plus interest, must be restored upon the repayment of the appropriate refund amount if the service was correctional employees retirement plan covered service on the date when the service was rendered or on the date when the refund was taken.

Sec. 6. [EARLY RETIREMENT INCENTIVE.]

This section applies to an employee who has future retirement coverage transferred to the correctional employee retirement plan under section 3 and who is at least 55 years old on the effective date of section 3. That employee may participate in a health insurance early retirement incentive available under the terms of a collective bargaining agreement, notwithstanding any provision of the collective bargaining agreement that limits participation to persons who select the option during the payroll period in which they become 55 years old. A person selecting the health insurance early retirement incentive under this section must retire by the later of December 31, 2000, or within the pay period following the time at which the person has at least three years of covered correctional service, including any purchased service credit. An employee meeting this criteria who wishes to extend the person's employment must do so under Minnesota Statutes, section 43A.34, subdivision 3.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective on the first day of the first full pay period beginning after July 1, 1999.

ARTICLE 2

PUBLIC SAFETY EMPLOYEE PENSION  
PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] (a) A person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall, as long as the person remains in either position, continue membership in the fund.

(b) A person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date, and if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, ~~shall continue membership in~~ continues to be a member of the fund, whether or not that person has the power of arrest by warrant and is licensed by the peace officers standards and training board after that date. A person who was employed as a correctional officer by Rice county before July 1, 1998, for the duration of employment in the correctional position held on July 1, 1998, continues to be a member of the public employees police and fire plan, whether or not the person has the power of arrest by warrant and is licensed by the peace officers standards and training board after that date.

(c) A person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall become a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date.

(d) Any other employee serving on a full-time basis as a police officer as defined in subdivision 2 or as a firefighter as defined in subdivision 3 on or after July 1, 1961, shall become a member of the public employees police and fire fund.

(e) An employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer.

(f) An employee serving on less than a full-time basis as a firefighter shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter.

(g) A police officer or firefighter employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10 shall not become a member of the public employees police and fire fund.

Sec. 2. Minnesota Statutes 1998, section 353.651, subdivision 4, is amended to read:

Subd. 4. [EARLY RETIREMENT.] Any police officer or firefighter member who has become at least 50 years old and who has at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by ~~two-tenths~~ one-tenth of one percent for each month that the member is under age 55 at the time of retirement.

Sec. 3. [353.652] [SOCIAL SECURITY BENEFIT OFFSET IN CERTAIN INSTANCES.]

(a) If a public employee continues in retirement plan coverage by the public employees police and fire retirement plan by virtue of section 1 and subsequently is covered by the federal old age, survivors, and disability insurance program for service as a Rice county correctional officer, the retirement annuity of the person under section 353.651 or the disability benefit of the person under section 353.656 must be reduced dollar-for-dollar for the social security benefit that the person is entitled to receive by virtue of Rice county correctional service rendered after the effective date of section 1.

(b) To be effective, the retirement annuity or disability benefit application form for a Rice county correctional employee must include signed, written permission by the person for the public employees retirement association to obtain the necessary information from the federal old age, survivors, and disability insurance program to implement the offset provision in paragraph (a).

Sec. 4. [353.90] [PENALTY FOR MEMBERSHIP MISCERTIFICATIONS AND CERTIFICATION FAILURES.]

(a) If the board of trustees of the public employees retirement association, upon the recommendation of the executive director, determines that a governmental subdivision has certified a public employee for membership in the public employees police and fire retirement plan when the public employee was not eligible for that retirement plan coverage, the public employee must be covered by the correct retirement plan for subsequent service, the public employee retains the coverage for the period of the misclassification, and the governmental subdivision shall pay in a lump sum the difference in the actuarial present value of the retirement annuities to which the public employee would have been entitled if the public employee was properly classified. The government subdivision payment is payable within 30 days of the board's determination. If unpaid, it must be collected under section 353.28. The lump-sum payment must be deposited in the public employees retirement fund.

(b) If the executive director of the public employees retirement association determines that a governmental subdivision has failed to certify a person for retirement plan membership and coverage under this chapter, in addition to the procedures under section 353.27, subdivision 4, 9, 10, 11, 12, 12a, or 12b, the director shall charge a fine of \$25 for each membership certification failure.

Sec. 5. Minnesota Statutes 1998, section 353A.083, is amended by adding a subdivision to read:

Subd. 4. [PRE-1999 CONSOLIDATIONS.] For any consolidation account in effect on July 1, 1999, the public employees police and fire fund benefit plan applicable to consolidation account members who have elected or will elect that benefit plan coverage under section 353A.08 is the most recent change adopted by the applicable municipality under subdivision 1, 2, or 3, unless the applicable municipality approves the extension of the post-June 30, 1999, public employees police and fire fund benefit plan to the consolidation account.

Sec. 6. [COLLECTION OF POLICE STATE AID OVERPAYMENTS.]

(a) As police state aid that was received by Rice county on account of correctional officers who were improperly included in retirement coverage by the public employees police and fire plan, the total of the following amounts must be deducted in 20 equal annual installments from any police state aid payable to Rice county under Minnesota Statutes, chapter 69:

<u>Amount</u>	<u>Year</u>
<u>\$11,543</u>	<u>1994</u>
<u>19,096</u>	<u>1995</u>
<u>39,111</u>	<u>1996</u>
<u>19,170</u>	<u>1997</u>
<u>13,764</u>	<u>1998</u>

(b) Rice county correctional officers who are members of the public employees police and fire plan may not be included in the police officer certification under Minnesota Statutes, section 69.011, subdivision 2, paragraph (b), and the employer contributions to the public employees police and fire fund on behalf of those correctional employees may not be included in the employer police retirement coverage prior calendar year obligation for the determination of excess police state aid under Minnesota Statutes, section 69.021, subdivision 10, unless the correctional officer is a peace officer as defined in Minnesota Statutes, section 69.011, subdivision 1, paragraph (g).

Sec. 7. [EFFECTIVE DATE.]

(a) Sections 2 and 6 are effective on July 1, 1999. Sections 1, 3, and 5 are effective on the day following final enactment. Section 4 is effective on August 1, 2000.

(b) If all consolidation accounts in effect on March 1, 1999, are merged with the public employees police and fire fund after July 1, 1999, section 5 is repealed as of June 30, 1999.

### ARTICLE 3

#### SPECIAL RETIREMENT COVERAGE FOR CERTAIN STATE FIRE MARSHAL EMPLOYEES

Section 1. [352.87] [STATE FIRE MARSHAL DIVISION EMPLOYEES.]

Subdivision 1. [ELIGIBILITY.] A member of the general plan who is employed by the department of public safety, state fire marshal division, as a deputy state fire marshal, fire/arson investigator, who elects special benefit coverage under subdivision 8, is entitled to retirement benefits or disability benefits, as applicable, as stated in this section for eligible service under this section rendered after July 1, 1999, for which allowable service credit is received. The covered member must be at least age 55 to qualify for the retirement annuity specified in subdivision 3.

Subd. 2. [RETIREMENT ANNUITY ELIGIBILITY.] A person specified in subdivision 1 who meets all eligibility requirements specified in this chapter applicable to general plan members is eligible for retirement benefits as specified in subdivision 3.

Subd. 3. [RETIREMENT ANNUITY FORMULA.] A person specified in subdivision 1 will have a retirement annuity applicable for allowable service credit under this section calculated by multiplying the employee's average salary, as defined in section 352.115, subdivision 2, by the percentage specified in section 356.19, subdivision 2a, for each year or portions of a year of allowable service credit. No reduction for retirement prior to normal retirement age, as specified in section 352.01, subdivision 25, applies to service to which this section applies.

Subd. 4. [NON-JOB-RELATED DISABILITY BENEFITS.] An eligible member described in subdivision 1, who is less than 55 years of age and who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while not engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 15 years of service qualifying under this section and waiving the minimum age requirement. If the eligible member becomes disabled under this subdivision with more than 15 years of service covered under this section, the eligible member is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the minimum age requirement.

Subd. 5. [JOB-RELATED DISABILITY BENEFITS.] An eligible member defined in subdivision 1, who is less than 55 years of age and who becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury while engaged in covered employment, is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 assuming the member has 20 years of service qualifying under this section and waiving the minimum age requirement. An eligible member who becomes disabled under this subdivision with more than 20 years of service credited under this section is entitled to a disability benefit amount equivalent to an annuity computed under subdivision 3 based on all years of service credited under this section and waiving the age requirement.

Subd. 6. [DISABILITY BENEFIT COORDINATION.] If the eligible employee is entitled to receive a disability benefit as provided in subdivision 4 or 5 and has allowable service credit under this section for less service than the length of service upon which the disability benefit in subdivision 4 or 5 is based, and also has allowable service in the general plan not includable in this section, the employee is entitled to a disability benefit or deferred retirement annuity based on the general plan service not includable in this section only for the service that, when combined with the service includable in this section, exceeds the number of years on which the disability benefit provided in subdivision 4 or 5 is based. The benefit recipient under subdivision 4 or 5 who also has credit for regular plan service must in all respects qualify under section 352.113 to be entitled to receive a disability benefit based on the general plan service not includable in this section, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on general plan service not includable in this section must be augmented as provided in section 352.72, subdivision 2, while the employee is receiving a disability benefit under this section.

Subd. 7. [ADDITIONAL CONTRIBUTIONS.] The special retirement annuity and disability coverage under this section must be financed by an employee contribution of 2.78 percent of covered salary and an employer contribution of 4.20 percent of covered salary. These contributions are in addition to the contributions required by section 352.04, subdivisions 2 and 3, and must be made in the manner provided for in section 352.04, subdivisions 4 to 6.

Subd. 8. [ELECTION OF COVERAGE.] To be covered by this section, an employee of the department of public safety described in subdivision 1 who is employed in a position described in that subdivision on or after July 1, 1999, must file a notice with the executive director of the Minnesota state retirement system on a form prescribed by the executive director stating whether or not the employee elects to be covered by this section. Notice must be filed by September 1, 1999, or within 90 days of employment, whichever is later. Elections are irrevocable during any period of covered employment. A failure to file a timely notice is deemed a waiver of coverage by this section.



Sec. 2. Minnesota Statutes 1998, section 356.19, is amended by adding a subdivision to read:

Subd. 2a. [COORDINATED MEMBERS.] The applicable benefit accrual rate is 2.0 percent.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

#### ARTICLE 4

#### MNSCU INDIVIDUAL RETIREMENT ACCOUNT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state and;

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

~~(ii)~~ (iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established ~~pursuant to~~ under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a ~~deceased retired employee who received an annuity under a state retirement program~~ person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the ~~employee's~~ retiree's death.

(d) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 2. Minnesota Statutes 1998, section 136F.48, is amended to read:

136F.48 [EMPLOYER-PAID HEALTH INSURANCE.]

(a) This section applies to a person who:

(1) ~~retires from the Minnesota state college and university system, the technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty,~~ with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) ~~was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of those systems~~ the Minnesota state college and university system;

(3) begins drawing a retirement benefit from the individual retirement account plan or an annuity from the teachers retirement association, the Minnesota state retirement system, or from a first class city teacher plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

(f) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

### Sec. 3. [352.1155] [NO ANNUITY REDUCTION.]

Subdivision 1. [ELIGIBILITY.] Except as indicated in subdivision 4, the annuity reduction provisions of section 352.115, subdivision 10, do not apply to a person who:

(1) retires from the Minnesota state college and university system with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

(3) begins drawing an annuity from the Minnesota state retirement system general plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

Subd. 2. [APPROVAL REQUIREMENTS.] Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to a one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

Subd. 3. [SERVICE CREDIT PROHIBITION.] Notwithstanding any law to the contrary, a person eligible under this section may not, based on employment to which the waiver in this section applies, earn further service credit in a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

Subd. 4. [EXEMPTION LIMIT.] For a person eligible under this section who earns more than \$35,000 in a calendar year from reemployment in the Minnesota state college and university system following retirement, the annuity reduction provisions of section 352.115, subdivision 10, apply only to income over \$35,000.

Subd. 5. [CONTINUING RIGHTS.] A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 4. Minnesota Statutes 1998, section 354.445, is amended to read:

354.445 [NO ANNUITY REDUCTION.]

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the Minnesota state college and university system, technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member or as an unclassified administrator in one of these systems that system;

(3) begins drawing an annuity from the teachers retirement association; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not, based on employment to which the waiver in this section applies, earn further service credit in the teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B as a result of service under this section a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

(d) For a person eligible under paragraphs (a) and (b) who earns more than \$35,000 in a calendar year from employment after retirement ~~in the system from which the person retired~~ due to employment in the Minnesota state college and university system, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over \$35,000.

(e) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 5. Minnesota Statutes 1998, section 354.66, subdivision 1b, is amended to read:

Subd. 1b. [DISTRICT, DEFINED.] For purposes of this section, the term "district" means a school district, ~~the community or the Minnesota state college system and the state university system.~~

Sec. 6. Minnesota Statutes 1998, section 354.66, subdivision 1c, is amended to read:

Subd. 1c. [PARTICIPATION.] (a) Except as indicated in paragraph (b), participation in the part-time mobility program must be based on a full fiscal year and the employment pattern of the teacher during the most recent fiscal year.

(b) For a teacher in the Minnesota state college and university system who teaches only during the first semester in an academic year and retires immediately after the first semester, participation in the part-time mobility program must be based on one-half of a full fiscal year and the employment pattern of the teacher during the most recent one-half of the most recent fiscal year.

Sec. 7. Minnesota Statutes 1998, section 354.66, subdivision 3, is amended to read:

Subd. 3. [PART-TIME TEACHING POSITION, DEFINED.] (a) For purposes of this section, the term "part-time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time teacher with identical education and experience with the employing unit.

~~The compensation of a teacher in the state colleges and universities system may exceed the 80 percent limit if the teacher does not teach just one of the three quarters in the system's full school year, provided no additional services are performed while the teacher participates in the program.~~ (b) For a teacher to which subdivision 1c, paragraph (b), applies, "part-time teaching position" means a teaching position within the district in which the teacher is employed for at least 25 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 40 percent of the compensation established by the board for a full-time teacher, with identical education and experience with the employing unit.

Sec. 8. Minnesota Statutes 1998, section 354B.24, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ADDITIONAL CONTRIBUTIONS.] (a) In addition to contributions required by subdivision 2, a plan participant on an approved sabbatical leave ~~may shall~~ make an optional additional a member contribution. ~~The optional additional member may not exceed based on the applicable member contribution rate specified in section 354B.23, subdivision 1, applied to the difference between the amount of salary actually received during the sabbatical leave and the amount of full-time salary actually received for a comparable period of an identical length to the member would have received if not on sabbatical leave that occurred during the fiscal year immediately preceding the sabbatical leave.~~

(b) Any ~~optional~~ additional member contribution must be made ~~before the last day of the fiscal year next following the fiscal year in which the sabbatical leave terminates.~~ The optional additional member contribution may not include interest through payroll deduction as though the member were employed full time.

(c) When an ~~optional~~ additional member contribution is made, the employing unit must make the employer contribution at the rate ~~set forth~~ specified in section 354B.23, subdivision 3, on the salary that was the basis for the ~~optional~~ additional member contribution under paragraph (a).

(d) An employer contribution required under this section must be made no later than 60 days after the date on which the optional additional member contribution was made.

Sec. 9. Minnesota Statutes 1998, section 354B.25, subdivision 2, is amended to read:

Subd. 2. [~~ANNUITY CONTRACTS AND CUSTODIAL ACCOUNTS~~ INVESTMENT OPTIONS.] (a) The plan administrator shall arrange for the purchase of ~~fixed annuity contracts, variable annuity contracts, a combination of fixed and variable annuity contracts, or custodial accounts from financial institutions which have been selected by the state board of investment under subdivision 3, as the investment vehicle for the retirement coverage of plan participants and to provide retirement benefits to plan participants. Custodial accounts from financial institutions shall include open-end investment companies registered under the federal Investment Company Act of 1940, as amended~~ investment products.

(b) The ~~annuity contracts or accounts~~ investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board ~~and deemed acceptable by the applicable financial institution.~~

(c) ~~In addition to contracts and accounts from financial institutions,~~ The Minnesota supplemental investment fund established under section 11A.17 and administered by the state board of investment is one of the investment ~~options~~ products for the individual retirement account plan. Direct access must also be provided to lower expense and no load mutual funds, as those terms are defined by the federal Securities and Exchange Commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

(1) savings accounts at federally insured financial institutions;

(2) life insurance contracts and fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;

(3) investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(4) investment options from a firm that is a registered investment advisor under the federal Investment Advisors Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(5) investment options of a bank as defined in United States Code, title 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the federal Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 10. Minnesota Statutes 1998, section 354B.25, subdivision 3, is amended to read:

Subd. 3. [~~SELECTION OF FINANCIAL INSTITUTIONS.~~] (a) The ~~financial institutions~~ investment options provided for under subdivision 2 must be selected by the state board of investment. ~~Financial institutions include open-end investment companies registered under the federal Investment Company Act of 1940, as amended.~~

(b) The state board of investment may select up to five financial institutions to provide annuity contracts, custodial accounts, or a combination, as investment options for the individual retirement account plan in addition to the Minnesota supplemental investment fund. In making its selection, at a minimum, the state board of investment shall consider at least the following:

(1) the experience and ability of the financial institution to provide ~~retirement and death~~ benefits and products that are suited to meet the needs of plan participants;

(2) the relationship of those ~~retirement and death~~ benefits and products provided by the financial institution to their cost; ~~and~~

(3) the financial strength and stability of the financial institution; and

(4) the fees and expenses associated with the investment products in comparison to other products of similar risk and rates of return.

~~(b)~~ (b) After selecting a financial institution, the state board of investment must periodically review each financial institution ~~selected under paragraph (b) and the offered products~~. The periodic review must occur at least every three years. In making its review, the state board of investment may retain appropriate consulting services to assist it in its periodic review, establish a budget for the cost of the periodic review process, and charge a proportional share of these costs to the reviewed financial institution.

~~(c)~~ (c) Contracts with financial institutions under this section must be executed by the board and must be approved by the state board of investment before execution.

~~(d)~~ (d) The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out the provisions of this subdivision.

Sec. 11. Minnesota Statutes 1998, section 354B.25, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES.] (a) The reasonable and necessary administrative expenses of the individual retirement account plan ~~must~~ may be ~~paid by~~ charged to plan participants by the plan sponsor in the ~~following manner:~~

~~(1) from plan participants with amounts invested in the Minnesota supplemental investment fund, the plan administrator may charge an administrative expense assessment in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; and~~

~~(2) from plan participants with amounts through annuity contracts and custodial accounts purchased under subdivision 2, paragraph (a), the plan administrator may charge an administrative expense assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made form of an annual fee, an asset-based fee, a percentage of the contributions to the plan, or a combination thereof.~~

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 12. [354B.31] [IRAP PART-TIME TEACHER MOBILITY PROGRAM.]

Subdivision 1. [PARTICIPATION REQUIREMENTS.] A faculty member who has three years or more of service in the Minnesota state college and university system, by agreement with the board or with the authorized representative of the board, may be assigned to teaching service in a part-time teaching position under subdivision 2.

Subd. 2. [PART-TIME TEACHING POSITION; DEFINED.] For purposes of this section, "part-time teaching position" means a teaching position within the Minnesota state college and university system in which the teacher is employed for at least 50 full days or a fractional equivalent as prescribed in section 354.091, and for which the faculty member is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time faculty member with identical education and experience with the employing unit.

Subd. 3. [RETIREMENT CONTRIBUTIONS.] A faculty member assigned to a part-time position under this section shall continue to make employee contributions to the individual retirement account plan during the period of part-time employment on the same basis and in the same amounts as would have been paid if the person had been employed on a full-time basis provided that, prior to June 30 each year, the member and the board make that portion of the required employer contribution to the plan, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the person had been employed on a full-time basis and the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the plan on behalf of the person that is based on the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employee and employer contributions shall be based on the rates of contribution prescribed by section 354B.23. Employee contributions for part-time teaching service pursuant to this section shall not continue for more than ten years.

Subd. 4. [OTHER MEMBERSHIP PRECLUDED.] A faculty member entitled to make employee contributions for part-time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in, or make employee contributions to any other Minnesota public employee pension plan, except a volunteer firefighters relief association governed by sections 69.771 to 69.776.

Subd. 5. [INSURANCE.] If the board enters into an agreement authorized by this section, the board shall continue any insurance programs furnished or authorized to a full-time teacher on an identical basis and with identical sharing of costs for a part-time teacher pursuant to this section. However, the requirements of this subdivision may be modified by a collective bargaining agreement between the board and an exclusive representative pursuant to chapter 179A. Teachers as defined in section 136F.43 employed on a less than 75 percent time basis pursuant to this section are eligible for state-paid insurance benefits as if the teachers were employed full time.

Subd. 6. [ELIGIBILITY FOR CREDIT.] Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section qualify for employee contributions to the retirement plan for part-time teaching service under subdivision 4. Notwithstanding section 179A.03, subdivision 14, clauses (e) and (f), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, continue to be in the bargaining unit during the period of part-time employment under this section for purposes of compensation, fringe benefits, and the grievance procedure.

Subd. 7. [BOARD POWER NOT RESTRICTED.] This section does not limit the authority of the board to assign a teacher to a part-time teaching position which does not qualify for full accrual of service credit from, and employee contributions to, the retirement fund under this section.

Subd. 8. [SUBSTITUTE TEACHING.] Subdivision 4 does not prohibit a teacher who qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding sections 354.091 and 354.42, a teacher may not qualify for full accrual of service credit from and employee contributions to the retirement fund for other teaching service rendered for any part of any year for which the teacher qualifies for employee contributions to the retirement plan pursuant to this section.

Sec. 13. Minnesota Statutes 1998, section 354C.12, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE EXPENSES.] (a) The board of trustees of the Minnesota state colleges and universities is authorized to pay the necessary and reasonable administrative expenses of the supplemental retirement plan and may bill participants to recover these expenses. The administrative fees or charges must may be paid by charged to participants in the following manner: as an annual fee, an asset-based fee, a percentage of contributions to the plan, or a contribution thereof.

~~(1) from participants whose contributions are invested with the state board of investment, the plan administrator may recover administrative expenses in the manner authorized by the Minnesota state colleges and universities in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; or~~

~~(2) from participants where contributions are invested through contracts purchased from any other authorized source, the plan administrator may assess an amount of up to two percent of the employee and employer contributions.~~

(b) Any recovered or assessed amounts that are not needed for the necessary and reasonable administrative expenses of the plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in section 354B.25, subdivision 1a, on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective on July 1, 1999.

## ARTICLE 5

### EMPLOYER MATCHING CONTRIBUTION TAX-SHELTERED ANNUITY CHANGES

Section 1. Minnesota Statutes 1998, section 356.24, subdivision 1, is amended to read:

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

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

(i) to the state of Minnesota deferred compensation plan under section 352.96; or



(ii) in payment of the applicable portion of the premium on a tax-sheltered annuity contract qualified under section 403(b) of the Internal Revenue Code, if purchased from a qualified insurance company, or from a qualified investment entity, as defined in subdivision 1a, and if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year; or

(6) for personnel employed by the state university board or the community college board and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

~~(b)~~ Subd. 1a. [QUALIFIED INSURANCE COMPANY; QUALIFIED INVESTMENT ENTITIES; DEFINITIONS.] (a) A qualified insurance company is a company that:

(1) meets the definition in section 60A.02, subdivision 4;

(2) is licensed to engage in life insurance or annuity business in the state;

(3) is determined by the commissioner of commerce to have a rating within the top two rating categories by a recognized national rating agency or organization that regularly rates insurance companies; and

(4) is determined by the state board of investment to be among ~~the ten~~ up to 20 applicant insurance companies with competitive investment options and investment returns ~~on annuity products~~.

(b) A qualified investment entity is an open-end investment company that is:

(1) registered under the federal Investment Company Act of 1940;

(2) licensed to do business in the state;

(3) determined by the commissioner of commerce to be in sound financial standing; and

(4) determined by the state board of investment to be among up to five applicant investment entities with competitive investment options and investment returns.

(c) The state board of investment determination must be made on or before ~~January 1, 1993~~ July 1, 2000, and must be reviewed periodically. The state board of investment may retain actuarial services to assist it in this determination and in its periodic review. The state board of investment may annually establish a budget for its costs in any determination and periodic review processes. The state board of investment may charge a proportional share of all costs related to the periodic review to those qualified insurance companies and qualified investment entities currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids in a determination process to each company and investment entity selected by the state board of investment. All contracts must be approved before execution by the state board of investment. The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.

~~(e)~~ Subd. 1b. [VENDOR RESTRICTIONS.] A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under ~~paragraph (b), clause (5), subdivision 1~~ that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.

## Sec. 2. [COMMISSION STUDY.]

The legislative commission on pensions and retirement shall study the issue of the appropriate means to provide partially employer-funded, tax-sheltered savings opportunities for educational employees, including the establishment of a single comprehensive program structure for all applicable educational employers and the elimination of any restriction on investment vendors in providing partially employer-funded investment opportunities to educational employees.

## Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective May 15, 2000. Section 2 is effective on the day following final enactment.

## ARTICLE 6

MINNEAPOLIS EMPLOYEES RETIREMENT  
PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 422A.06, subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund consists of the assets held in the fund, ~~increased by including~~ amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, amounts paid by the state, and by income from investments. There must be paid from the fund the amounts required to be transferred to the retirement benefit fund, or the disability benefit fund, refunds of contributions, ~~death benefits payable on death before retirement that are not payable from the survivors' benefit fund~~ including the death-while-active refund specified in section 422A.22, subdivision 4, postretirement increases in retirement allowances granted under Laws 1965, chapter 688, or Laws 1969, chapter 859, and expenses of the administration of the retirement fund which were not charged by the retirement board against the income of the retirement benefit fund from investments as the cost of handling the investments of the retirement benefit fund.

Sec. 2. Minnesota Statutes 1998, section 422A.06, subdivision 6, is amended to read:

Subd. 6. [SURVIVOR'S BENEFIT FUND.] The survivor's benefit fund ~~shall consist~~ consists of the amount held for survivor benefits, increased by contributions for survivor benefits made by and for employees, including contributions made by the employer, by any municipal activity supported in whole or in part by revenue other than taxes or by any public corporation. A proportionate share of income from investments ~~shall~~ must be allocated to this fund. ~~There shall be paid from such fund the Survivor benefits specified in section 422A.23 except that the refund of net accumulated deductions from the salary of a contributing member shall upon death in service be paid from the deposit accumulation fund~~ must be paid from this fund.

Sec. 3. Minnesota Statutes 1998, section 422A.101, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL EMPLOYER CONTRIBUTION IN CERTAIN INSTANCES.] (a) If a participating employing unit, other than the state, has a negative asset balance in the deposit accumulation fund, the executive director shall bill the employing unit for the amount of the deficiency. Any amount billed must include six percent interest, compounded annually, for any year or portion of a year from the billing date until the date of payment.

(b) If assets in the deposit accumulation fund are insufficient to make a transfer to the retirement benefit fund, the city of Minneapolis shall pay the amount of that insufficiency to the retirement benefit fund within three days of certification of the insufficiency by the executive director of the fund. The city of Minneapolis may bill any other participating employing unit other than the state for its proportion of the amount paid. Any amount billed by the city under this paragraph must include interest as specified in paragraph (a).

Sec. 4. Minnesota Statutes 1998, section 422A.18, subdivision 2, is amended to read:

Subd. 2. [DISABILITY ALLOWANCE AMOUNT.] (a) The amount of disability allowance under this section shall be the amount of service allowance to which the employee would be entitled under section 422A.15, notwithstanding the age requirements expressed therein; or the lesser of the following amounts: 50 percent of the final average compensation, or an amount equal to two percent of final average compensation for each year of allowable service for the first ten years, and thereafter 2.5 percent of final average compensation per year of allowable service, including in the latter assumed service between the date the disability occurred and the 60th birthday of the employee.

~~If the amount of annuity (b) Annuities payable from the Minnesota postretirement investment fund to any class of annuitants is adjusted pursuant to section 422A.18, the amount of benefits payable from the disability benefit fund for that class of annuitants under this section shall also be adjusted at the same time and rate as retirement annuities in the retirement benefit fund.~~

Sec. 5. Minnesota Statutes 1998, section 422A.22, subdivision 4, is amended to read:

Subd. 4. [DEATH-WHILE-ACTIVE REFUND.] (a) Upon the death of ~~a contributing an active member while still in the service of the city, and before reaching the compulsory age of retirement before termination of service,~~ there shall be paid to such person the beneficiary or persons as beneficiaries designated by the member shall have nominated by written designation, on a form specified by the executive director and filed with the retirement board, in such form as the retirement board shall require, the net accumulated amount of employee deductions from salary, pay, or compensation, including interest, ~~to the member's credit on date of compounded annually to the date of the member's death. The amount must not include any contributions made by the employee or on the employee's behalf, or any interest or investment earnings on those contributions, which were allocated to the survivor benefit fund under section 422A.06, subdivision 6.~~

(b) ~~If the employee fails to make a designation, or if the person or persons beneficiary or beneficiaries designated by such the employee predeceases such the employee, the net accumulated amount of deductions from salary, pay, or compensation including interest, to the credit of such employee on date of death shall benefit specified in paragraph (a) must be paid to such the deceased employee's estate.~~

(c) A benefit payable under this subdivision is in addition to any applicable survivor benefit under section 422A.23.

Sec. 6. Minnesota Statutes 1998, section 422A.22, subdivision 5, is amended to read:

Subd. 5. [REPAYMENT OF REFUND.] Upon ~~reinstatement reemployment~~ of a former covered employee ~~to the service, in employment covered by the Minneapolis employees retirement fund, service credit for such past service or for any part thereof shall which was forfeited by taking a refund must be granted reinstated~~ only upon repayment of the amount of the separation refund, with interest, from the time of ~~separation payment of the refund until the date repaid.~~

Sec. 7. Minnesota Statutes 1998, section 422A.23, is amended to read:

422A.23 [SURVIVOR BENEFITS.]

Subdivision 1. [PAYMENT OF CITY INSTALLMENT ACCUMULATED AMOUNT.] (a) ~~If a contributing an active or deferred member dies after having been in the service with ten or more years of service credit, and before actual retirement, as determined by the retirement board, the present worth of the city's annual installments of \$60 then to the credit of the contributing member, shall be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member or, if there be no surviving spouse or surviving child or children, then to a person actually dependent on and receiving principal support from such member or surviving mother or father, or grandchildren, or surviving brother or sister, or surviving children of the deceased brother or sister of such member except as noted in paragraph (d), the individual specified in paragraph (b) is eligible to receive the benefit specified in paragraph (c).~~

(b) An individual eligible for the benefit specified in paragraph (c) is a beneficiary designated by the member on a form specified by the executive director. If the beneficiary designated by the member is not one of the class of persons named in the preceding sentence, such benefit from the accumulation of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child or children, to the dependent or dependents as those terms are herein defined, of the member, share and share alike; (4) if there be no surviving spouse, child or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the grandchildren, in equal shares; if there be no grandchildren, to the surviving brothers and sisters of the member, in equal shares; (6) if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; or (7) if there is none of the foregoing persons who survives the member, the accumulation of the city deposits shall be applied to the funeral expenses of the member failed to designate a beneficiary, or if the beneficiary or beneficiaries designated by the employee predeceases the employee, the benefit in paragraph (c) is payable to the deceased employee's estate.

(c) The benefit is a lump-sum payment of the present value of the city's or other contributing employer's annual installments of \$60 to the credit of the member.

(d) No benefit is payable under this subdivision if a monthly survivor benefit is paid on behalf of the deceased employee under another subdivision of this section.

Subd. 2. [SHORT-SERVICE SURVIVOR BENEFIT.] (a) If an active member dies prior to termination of service with at least 18 months but less than 20 years of service credit, the surviving spouse or surviving child or children is eligible to receive the survivor benefit specified in paragraph (b) or (c), as applicable. Payment of a benefit for any surviving child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of the surviving child. ~~For purposes of this subdivision, a surviving child is an unmarried child of the deceased member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college, or university.~~

(b) If the surviving spouse or surviving child benefit commenced before July 1, 1983, the surviving spouse benefit is increased from \$500 per month to \$750 per month and the surviving child benefit is \$225 per month, beginning with the first monthly payment payable after May 28, 1998. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed \$900 per month. The increased cost resulting from the benefit increases under this paragraph must be allocated to each employing unit listed in section 422A.101, subdivisions 1a, 2, and 2a, on the basis of the additional accrued liability resulting from increased benefits paid to the survivors of employees from that unit.

(c) If the surviving spouse or surviving child benefit commences after June 30, 1983, the surviving spouse benefit is 30 percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The surviving child benefit is ten percent of the member's average salary in effect over the last six months of allowable service preceding the month in which death occurs. The sum of surviving spouse and surviving child benefits payable under this paragraph shall not exceed 50 percent of the member's average salary in effect over the last six months of allowable service.

(d) Any surviving child benefit or surviving spouse benefit computed under paragraph (c) and in effect for the month immediately prior to May 28, 1998, is increased by 15 percent as of the first payment on or after May 28, 1998.

(e) Surviving child benefits under this subdivision terminate when the child no longer meets the definition of surviving child.

Subd. 5. [ADMINISTRATION.] Benefits ~~herein provided shall in this section following the death of an active employee or deferred member, as applicable, commence with on~~ the first day of the month following the month in which the active employee or deferred member dies and shall end with the last day of the month preceding the month in which eligibility ceases. ~~Eligibility for the benefits herein provided shall be determined by the retirement board~~

and its determination shall be final. Each beneficiary or parent or guardian of a dependent child or legal representative shall furnish such information as the board may deem deemed necessary by the executive director to determine eligibility for the benefits provided by this section, and must be submitted. Failure to furnish any required information shall be sufficient grounds for ~~the denial or discontinuance of benefits.~~ A determination made by the executive director may be appealed to the retirement board, whose determination is final. If the surviving spouse of the deceased active employee or deferred member becomes entitled to a retirement allowance by reason of membership in this fund, the surviving spouse ~~shall~~ is authorized to receive the retirement allowance in addition to the all applicable surviving spouse's benefit spouse benefits to which the surviving spouse is entitled as specified in this section and section 422A.22, subdivision 4, if applicable. The cost of all ~~monthly survivor's~~ benefits provided in this section ~~shall be~~ is an obligation of the members and of the city, any of its boards, departments, commissions or public corporations or other applicable employing units.

Subd. 6. [SURVIVOR BENEFIT EMPLOYEE CONTRIBUTION.] The retirement board shall create a reserve account for survivor's benefits from which shall be paid on an actuarial basis all survivor benefits due and payable. At the end of each fiscal year, as part of the annual actuarial valuation of the fund prepared by the commission-retained actuary, a determination of the normal cost of the benefits payable from the survivor's benefit account shall be made and the board shall reduce or increase the employee contribution rate ~~of one-fourth of one percent~~ if and when it is determined based on the annual actuarial valuation that the member contribution rate is in excess of or is less than the amount necessary to pay for 50 percent of the calculated normal cost of the survivor benefits provided in this section.

Subd. 7. [LONG-SERVICE ACTIVE AND DEFERRED MEMBER SURVIVOR COVERAGE.] (a) If the ~~contributing active or deferred member dies after having been in the service of the city 20 or more years, and before the effective date of retirement, as determined by the retirement board, the board shall pay with 20 or more years of service credit, a beneficiary, as defined in paragraph (b), is eligible to receive the benefit specified in paragraph (c).~~

(b) The beneficiary eligible for a benefit under paragraph (c) is the surviving spouse of the deceased employee. If there is no surviving spouse, the beneficiary may be a dependent surviving child of the member or dependent parent designated by the employee on a form prescribed by the executive director.

(c) The benefit payable to the beneficiary designated in paragraph (b) is a monthly allowance for life to the designated beneficiary of the employee. The monthly allowance herein provided for shall be is the actuarial equivalent of a single life service allowance specified in section 422A.15, subdivision 1, which would have been payable to the employee on the date of death, notwithstanding the age requirement stated in section 422A.15, subdivision 1. For purposes of this section, the amount of any excess contributions or voluntary additions by the member shall not be included in the calculations in determining the monthly allowance.

~~The survivor allowance under this subdivision shall be computed and determined under a procedure specified by the commission-retained actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the commission-retained actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.~~

(d) For benefits payable under this subdivision following the death of a deferred member, the benefit must be calculated as of the date of termination from service and increased by five percent per year until January 1, 1981, and by three percent per year thereafter, compounded annually.

Subd. 8. [SURVIVING CHILD; DEPENDENT DEFINITION.] The beneficiary designated by the employee shall be the surviving spouse of such employee. If there is no surviving spouse, the designated beneficiary may be a dependent surviving child or dependent parent of such employee as dependency is defined in sections 422A.01 to 422A.25. If the beneficiary designated by the employee is not of the class of persons provided for in this subdivision, or if the designated beneficiary predeceases the employee, a refund shall be made as provided for in section 422A.22, in lieu of a life income. If the employee does not elect to designate a beneficiary to receive a life income as herein provided, the designated beneficiary, if of the class of persons set forth in this subdivision, may elect within 60 days after the date of death of the employee to receive a life income computed and determined as though the employee

had retired on the date of death under the option 2 plan of retirement, as provided for in sections 422A.01 to 422A.25, and had designated such person as beneficiary. For purposes of subdivision 2, a surviving child is an unmarried child of the deceased member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college, or university. For purposes of subdivision 7, a dependent surviving child or dependent parent must meet the definition of dependent, as defined in section 422A.01, subdivision 12, at the time of the active or deferred member's death.

Subd. 9. [LUMP-SUM DEATH BENEFIT.] ~~If any employee who has contributed to the survivor's benefit account as herein provided dies before the effective date of retirement on a service or disability pension and is not survived by a beneficiary eligible to receive a monthly allowance as herein provided. If no monthly survivor benefit is payable under subdivision 2 or 7, there shall be paid from the survivor's survivor benefit account to a beneficiary designated by the employee on a form prescribed by the executive director a lump-sum death benefit of \$750 if death occurs prior to the end of the employee's tenth year of service credit or of \$1500 if the employee had prior to death completed ten or more calendar years of service credit. Upon reinstatement of a former employee to the service, credit for such past service or for any part thereof shall be granted only upon repayment of the amount of the separation refund, with interest, from the time of separation. Any benefit under this subdivision may be paid in addition to a benefit payable under subdivision 1.~~

Subd. 10. [BENEFIT INCREASES.] ~~If the amount of annuity payable from the Minnesota postretirement investment fund to any class of annuitants is adjusted pursuant to section 11A.18, the amount of benefits payable from the survivor's benefit fund pursuant to subdivisions 7 or 8 for that class of annuitants shall also be adjusted at the same time and rate. Annuities payable under this section must be adjusted at the same time and rate as retirement annuities in the retirement benefit fund.~~

Subd. 11. [EFFECT OF SPOUSE REMARRIAGE.] A monthly survivor benefit is must not suspended, be discontinued or terminated, or otherwise stopped due to a surviving spouse's remarriage.

Subd. 12. [DETERMINATION OF ANNUITY.] The survivor annuities payable under this section must be computed and determined under a procedure specified by the actuary retained by the legislative commission on pensions and retirement utilizing the appropriate mortality table based on the experience of the fund as recommended by that actuary and approved by the legislative commission on pensions and retirement and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 8. [422A.231] [COST ALLOCATION.]

(a) Notwithstanding any law to the contrary, all current and future contribution requirements due to this article are payable by the participating contributing employing units other than the state.

(b) In each actuarial valuation of the retirement fund, the actuary retained by the legislative commission on pensions and retirement shall include an exhibit on the impact of the benefit increases contained in this article on the survivor benefit fund. The actuary shall calculate the expected change in the present value of the future benefits payable from the survivor benefit fund attributable to this article, using the actuarial method and assumptions applicable to the Minneapolis employees retirement fund, from the prior actuarial valuation and shall compare that result with the actual change in the present value of future benefits payable from the survivor benefit fund attributable to this article from the prior actuarial valuation.

(c) The executive director shall assess each participating employer, other than the state, its proportional share of the net increase amount calculated under paragraph (b). The assessment must be made on the first business day of the following February, plus compound interest at an annual rate of six percent on the amount from the actuarial valuation date to the date of payment.

Sec. 9. [REPEALER.]

Minnesota Statutes 1998, section 422A.16, subdivision 3a, is repealed.

Sec. 10. [EFFECTIVE DATE.]

(a) This article is effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021.

(b) All sections of this article must be approved for the approval of any section to be effective.

#### ARTICLE 7

##### KANDIYOHI COUNTY AND LITCHFIELD CITY VOLUNTEER RESCUE SQUAD MEMBERS ADDED TO PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 1998, section 353D.01, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) Eligibility to participate in the defined contribution plan is available to:

(1) elected local government officials of a governmental subdivision who elect to participate in the plan under section 353D.02, subdivision 1, and who, for the elected service rendered to a governmental subdivision, are not members of the public employees retirement association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7; ~~and~~

(3) basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate under section 353D.02, subdivision 3; ~~and~~

(4) members of a municipal rescue squad associated with Litchfield in Meeker county, or of a county rescue squad associated with Kandiyohi county, if an independent nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance's relief association or comparable pension plan.

(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Service as an elected local government official only includes service for the governmental subdivision for which the official was elected by the public-at-large. Service as an elected local government official ceases and eligibility to participate terminates when the person ceases to be an elected official. An elected local government official does not include an elected county sheriff.

(c) Elected local government officials, physicians, ~~and~~ first response personnel and emergency medical service personnel, and rescue squad personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

(d) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

Sec. 2. Minnesota Statutes 1998, section 353D.02, is amended by adding a subdivision to read:

Subd. 4. [ELIGIBLE RESCUE SQUAD PERSONNEL.] The municipality or county, as applicable, associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause (4), may elect to participate in the plan. If the municipality or county, as applicable, elects to participate, the eligible personnel may elect to participate or decline to participate. An eligible individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual begins to provide service to the rescue squad, whichever is later. Elections under this subdivision by a government unit or individual are irrevocable. The municipality or county, as applicable, must specify by resolution eligibility requirements for rescue squad personnel which must be satisfied if the individual is to be authorized to make the election under this subdivision.

Sec. 3. Minnesota Statutes 1998, section 353D.03, subdivision 3, is amended to read:

Subd. 3. [AMBULANCE SERVICE, RESCUE SQUAD PERSONNEL CONTRIBUTION.] A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel who individually elect to participate. Personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel, or a municipality or county making contributions on behalf of rescue squad members who are volunteers or largely uncompensated personnel, may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service or rescue squad service contributions, as applicable.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective on the day following final enactment.

## ARTICLE 8

### MERGER INTO PERA-P&F OF LOCAL POLICE AND FIRE CONSOLIDATION ACCOUNTS

Section 1. Minnesota Statutes 1998, section 3.85, subdivision 12, is amended to read:

Subd. 12. [ALLOCATION OF ACTUARIAL COST.] (a) The commission shall assess each retirement plan specified in subdivision 11, paragraph (b), the compensation paid to the actuary retained by the commission for the actuarial valuation calculations, quadrennial projection valuations, and quadrennial experience studies. The assessment is 100 percent of the amount of contract compensation for the actuarial consulting firm retained by the commission for actuarial valuation calculations, including the public employees police and fire plan consolidation accounts of the public employees retirement association established before March 2, 1999, for which the municipality declined merger under section 353.665, subdivision 1, or established after March 1, 1999, annual experience data collection and processing, and quadrennial experience studies and quadrennial projection valuations.

The portion of the total assessment payable by each retirement system or pension plan must be determined as follows:

(1) Each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13), must pay the following indexed amount based on its total active, deferred, inactive, and benefit recipient membership:

up to 2,000 members, inclusive	\$2.55 per member
2,001 through 10,000 members	\$1.13 per member
over 10,000 members	\$0.11 per member



The amount specified is applicable for the assessment of the July 1, 1991, to June 30, 1992, fiscal year actuarial compensation amounts. For the July 1, 1992, to June 30, 1993, fiscal year and subsequent fiscal year actuarial compensation amounts, the amount specified must be increased at the same percentage increase rate as the implicit price deflator for state and local government purchases of goods and services for the 12-month period ending with the first quarter of the calendar year following the completion date for the actuarial valuation calculations, as published by the federal Department of Commerce, and rounded upward to the nearest full cent.

(2) The total per-member portion of the allocation must be determined, and that total per-member amount must be subtracted from the total amount for allocation. Of the remainder dollar amount, the following per-retirement system and per-pension plan charges must be determined and the charges must be paid by the system or plan:

(i) 37.87 percent is the total additional per-retirement system charge, of which one-seventh must be paid by each retirement system specified in subdivision 11, paragraph (b), clauses (1), (2), (6), (7), (9), (10), and (11).

(ii) 62.13 percent is the total additional per-pension plan charge, of which one-thirteenth must be paid by each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13).

(b) The assessment must be made following the completion of the actuarial valuation calculations and the experience analysis. The amount of the assessment is appropriated from the retirement fund applicable to the retirement plan. Receipts from assessments must be deposited in the state treasury and credited to the general fund.

Sec. 2. Minnesota Statutes 1998, section 69.021, subdivision 10, is amended to read:

Subd. 10. [REDUCTION IN POLICE STATE AID APPORTIONMENT.] (a) The commissioner of revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph (b), 6, and 7a, for eligible employer units by any excess police state aid.

(b) "Excess police state aid" is:

(1) for counties and for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all police officers are members of the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association;

(2) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police consolidation account governed by chapter 353A, and established before March 2, 1999, for which the municipality declined merger under section 353.665, subdivision 1, or established after March 1, 1999, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), plus the amount of the employer's total prior calendar year obligation under section 353A.09, subdivision 5, paragraphs (a) and (b), as certified by the executive director of the public employees retirement association;

(3) for municipalities in which police retirement coverage is provided by the public employees police and fire plan governed by sections 353.63 to 353.657, in which police retirement coverage was provided by a police consolidation account under chapter 353A before July 1, 1999, and for which the municipality has an additional municipal contribution under section 353.665, subdivision 8, paragraph (b), the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), plus the amount of any additional municipal contribution under section 353.665, subdivision 8, paragraph (b), until the year 2010, as certified by the executive director of the public employees retirement association;

(4) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police relief association governed by sections 69.77 and 423A.01, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the

amount of the financial requirements of the relief association certified to the applicable municipality during the prior calendar year under section 69.77, subdivisions 2b and 2c, reduced by the amount of member contributions deducted from the covered salary of the relief association during the prior calendar year under section 69.77, subdivision 2a, as certified by the chief administrative officer of the applicable municipality;

(4) (5) for the metropolitan airports commission, if there are police officers hired before July 1, 1978, with retirement coverage by the Minneapolis employees retirement fund remaining, the amount in excess of the commission's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount determined by expressing the commission's total prior calendar year contribution to the Minneapolis employees retirement fund under section 422A.101, subdivisions 2 and 2a, as a percentage of the commission's total prior calendar year covered payroll for commission employees covered by the Minneapolis employees retirement fund and applying that percentage to the commission's total prior calendar year covered payroll for commission police officers covered by the Minneapolis employees retirement fund, as certified by the chief administrative officer of the metropolitan airports commission; and

(5) (6) for the department of natural resources and for the department of public safety, the amount in excess of the employer's total prior calendar year obligation under section 352B.02, subdivision 1c, for plan members who are peace officers under section 69.011, subdivision 1, clause (g), as certified by the executive director of the Minnesota state retirement system.

(c) The employer's total prior calendar year obligation with respect to the public employees police and fire plan is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, subdivision 2, and the actual total prior calendar year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivision 3, but not to exceed for those firefighters the applicable following amounts:

Municipality	Maximum Amount
Albert Lea	\$54,157.01
Anoka	10,399.31
Apple Valley	5,442.44
Austin	49,864.73
Bemidji	27,671.38
Brooklyn Center	6,605.92
Brooklyn Park	24,002.26
Burnsville	15,956.00
Cloquet	4,260.49
Coon Rapids	39,920.00
Cottage Grove	8,588.48
Crystal	5,855.00
East Grand Forks	51,009.88
Edina	32,251.00
Elk River	5,216.55
Ely	13,584.16
Eveleth	16,288.27
Fergus Falls	6,742.00
Fridley	33,420.64
Golden Valley	11,744.61
Hastings	16,561.00
Hopkins	4,324.23
International Falls	14,400.69
Lakeville	782.35
Lino Lakes	5,324.00
Little Falls	7,889.41

Maple Grove	6,707.54
Maplewood	8,476.69
Minnetonka	10,403.00
Montevideo	1,307.66
Moorhead	68,069.26
New Hope	6,739.72
North St. Paul	4,241.14
Northfield	770.63
Owatonna	37,292.67
Plymouth	6,754.71
Red Wing	3,504.01
Richfield	53,757.96
Rosemount	1,712.55
Roseville	9,854.51
St. Anthony	33,055.00
St. Louis Park	53,643.11
Thief River Falls	28,365.04
Virginia	31,164.46
Waseca	11,135.17
West St. Paul	15,707.20
White Bear Lake	6,521.04
Woodbury	3,613.00
any other municipality	0.00

(d) The total amount of excess police state aid must be deposited in the excess police state-aid account in the general fund, administered and distributed as provided in subdivision 11.

Sec. 3. Minnesota Statutes 1998, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (a) The municipal treasurer shall, within 30 days after receipt, transmit the fire state aid to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality. If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the fire state aid to the relief association until the complete financial report is filed. If there is no relief association organized, or if the association has dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall deposit the money in the municipal treasury as provided for in section 424A.08 and the money may be disbursed only for the purposes and in the manner set forth in that section.

(b) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(1) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid must be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(2) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, including municipalities covered by section 353.665, the total state aid must be applied toward the municipality's employer contribution to the public employees police and fire fund under ~~section~~ sections 353.65, subdivision 3, and 353.665, subdivision 8, paragraph (b), if applicable; or

(3) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief

association as provided in clause (1), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (2), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (2) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association; or

(4) For a municipality in which police retirement coverage is provided in part by the public employees police and fire fund and in part by a local police consolidation account governed by chapter 353A and established before March 2, 1999, for which the municipality declined merger under section 353.665, subdivision 1, or established after March 1, 1999, the total police state aid must be applied towards the municipality's total employer contribution to the public employees police and fire fund and to the local police consolidation account under sections 353.65, subdivision 3, and 353A.09, subdivision 5.

(c) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund under section 353.65, subdivision 3.

(d) The designated metropolitan airports commission official, upon receipt of the police state aid for the metropolitan airports commission, shall apply the total police state aid first toward the commission's employer contribution for police officers to the Minneapolis employees retirement fund under section 422A.101, subdivision 2a, and, if there is any amount of police state aid remaining, shall apply that remainder toward the commission's employer contribution for police officers to the public employees police and fire plan under section 353.65, subdivision 3.

(e) The police state aid apportioned to the departments of public safety and natural resources under section 69.021, subdivision 7a, is appropriated to the commissioner of finance for transfer to the funds and accounts from which the salaries of peace officers certified under section 69.011, subdivision 2a, are paid. The commissioner of revenue shall certify to the commissioners of public safety, natural resources, and finance the amounts to be transferred from the appropriation for police state aid. The commissioners of public safety and natural resources shall certify to the commissioner of finance the amounts to be credited to each of the funds and accounts from which the peace officers employed by their respective departments are paid. Each commissioner must allocate the police state aid first for employer contributions for employees funded from the general fund and then for employer contributions for employees funded from other funds. For peace officers whose salaries are paid from the general fund, the amounts transferred from the appropriation for police state aid must be canceled to the general fund.

Sec. 4. Minnesota Statutes 1998, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following public employees shall not participate as members of the association with retirement coverage by the public employees retirement plan or the public employees police and fire retirement plan:

(1) elected public officers, or persons appointed to fill a vacancy in an elective office, who do not elect to participate in the association by filing an application for membership;

(2) election officers;

(3) patient and inmate personnel who perform services in charitable, penal, or correctional institutions of a governmental subdivision;

(4) employees who are hired for a temporary position under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision, but not those employees who are hired for an unlimited period but are serving a probationary period. If the period of employment extends beyond six consecutive months and the employee earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee under section 353.27, subdivision 4.

Membership eligibility of an employee who resigns or is dismissed from a temporary position and within 30 days accepts another temporary position in the same governmental subdivision is determined on the total length of employment rather than on each separate position. Membership eligibility of an employee who holds concurrent temporary and nontemporary positions in one governmental subdivision is determined by the length of employment and salary of each separate position;

(5) employees whose actual salary from one governmental subdivision does not exceed \$425 per month, or whose annual salary from one governmental subdivision does not exceed a stipulation prepared in advance, in writing, that the salary must not exceed \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration;

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

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

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

(9) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are part-time employees as defined by a governmental subdivision;

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

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

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

(13) foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens are eligible for membership from the date of the extension;

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

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

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

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

Sec. 5. Minnesota Statutes 1998, section 353.01, subdivision 10, is amended to read:

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

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

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

(b) Salary does not mean:

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

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 1998, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] (a) "Allowable service" means service during years of actual membership in the course of which employee contributions were made, periods covered by payments in lieu of salary deductions under section 353.35, and service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(b) "Allowable service" also means a period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(c) "Allowable service" also means a period of authorized leave of absence without pay that does not exceed one year, and during or for which a member obtained credit by payments to the fund made in place of salary deductions, provided that the payments are made in an amount or amounts based on the member's average salary on which deductions were paid for the last six months of public service, or for that portion of the last six months while the member was in public service, to apply to the period in either case immediately preceding commencement of the leave of absence. If the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion of the leave, the employee shall also, as a condition to the exercise of the election, pay to the fund an amount equivalent to both the required employer and additional employer contributions for the employee. The payment must be made within one year from the expiration of the leave of absence or within 20 days after termination of public service under subdivision 11a. The employer by appropriate action of its governing body, made a part of its official records, before the date of the first payment of the employee contribution, may certify to the association in writing its commitment to pay the employer and additional employer contributions from the proceeds of a tax levy made under section 353.28. Payments under this paragraph must include interest at an annual rate of 8.5 percent compounded annually from the date of the termination of the leave of absence to the date payment is made. An employee shall return to public service and receive a minimum of three months of allowable service to be eligible to pay employee and employer contributions for a subsequent authorized leave of absence without pay.

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

(e) "Allowable service" also means a period during which a member is on an authorized sick leave of absence, without pay, limited to one year. An employee who has received one year of allowable service shall return to public service and receive a minimum of three months of allowable service to receive allowable service for a subsequent authorized sick leave of absence.

(f) "Allowable service" also means an authorized temporary layoff under subdivision 12, limited to three months allowable service per authorized temporary layoff in one calendar year. An employee who has received the maximum service allowed for an authorized temporary layoff shall return to public service and receive a minimum of three months of allowable service to receive allowable service for a subsequent authorized temporary layoff.

(g) Notwithstanding any law to the contrary, "allowable service" also means a parental leave. The association shall grant a maximum of two months service credit for a parental leave, within six months after the birth or adoption, upon documentation from the member's governmental subdivision or presentation of a birth certificate or other evidence of birth or adoption to the association.

(h) "Allowable service" also means a period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service under section 192.262 and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. Payment must be made within five years of the date of discharge from the military service. The amount of these contributions must be in accord with the contribution rates and salary limitations, if any, in effect during the leave, plus interest at an annual rate of 8.5 percent compounded annually from the date of return to public service to the date payment is made. The matching employer contribution and additional employer contribution under section 353.27, subdivisions 3 and 3a, must be paid by the governmental subdivision employing the member upon return to public service if the member makes the employee contributions. The governmental subdivision involved may appropriate money for those payments. A member may not receive credit for a voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction, or call to active duty.

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

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

Sec. 7. Minnesota Statutes 1998, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] (a) A person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall, as long as the person remains in either position, continue membership in the fund.

(b) A person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date, and if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, shall continue membership in the fund whether or not that person has the power of arrest by warrant after that date.



(c) A person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall become a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date.

(d) Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund.

(e) An employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer.

(f) An employee serving on less than a full-time basis as a firefighter shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter.

(g) A police officer or firefighter employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund ~~and~~ any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, or any police officer or firefighter to whom section 353.665 applies who has not elected coverage by the public employees police and fire fund benefit plan as provided in section 353.665, subdivision 4, shall not become a member of the public employees police and fire fund.

Sec. 8. Minnesota Statutes 1998, section 353.65, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION RATE.] The employee contribution is an amount equal to ~~7.6~~ 6.2 percent of the total salary of the member. This contribution must be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, the member's employee contribution is based on the total salary received from all sources.

Sec. 9. Minnesota Statutes 1998, section 353.65, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION RATE.] The employer contribution shall be an amount equal to ~~11.4~~ 9.3 percent of the total salary of every member. This contribution shall be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

Sec. 10. [353.665] [MERGER OF CERTAIN CONSOLIDATION ACCOUNTS INTO PERA-P&F.]

Subdivision 1. [MERGER REQUIRED.] (a) Notwithstanding any law to the contrary, unless the applicable municipality elects otherwise under paragraph (b), every local police and fire consolidation account under chapter 353A in existence on March 1, 1999, becomes a part of the public employees police and fire plan and fund governed by sections 353.63 to 353.659 on July 1, 1999.

(b) If a municipality desires to retain its consolidation account or consolidation accounts, the governing body of the municipality must adopt a resolution to that effect and must file a copy of the resolution with the secretary of state, state auditor, legislative auditor, finance commissioner, revenue commissioner, executive director of the public employees retirement association, and executive director of the legislative commission on pensions and retirement. The retention resolution must be adopted and filed with all designated recipients before June 15, 1999.

Subd. 2. [TRANSFER OF LIABILITIES.] Unless the municipality has elected to retain the consolidation account under subdivision 1, paragraph (b), all current and future liabilities of a former local police or fire consolidation account are the liabilities of the public employees police and fire fund as of July 1, 1999.

Subd. 3. [TRANSFER OF ASSETS.] Unless the municipality has elected to retain the consolidation account under subdivision 1, paragraph (b), the assets of the former local police or fire consolidation account must be transferred. Upon transfer, the actuarial value of the assets of a former local police or fire consolidation account less an amount equal to the residual assets as determined under subdivision 7, paragraph (f), are the assets of the public employees police and fire fund as of July 1, 1999. The participation of a consolidation account in the Minnesota postretirement investment fund becomes part of the participation of the public employees police and fire fund in the Minnesota postretirement investment fund. The remaining assets, excluding the amounts for distribution under subdivision 7, paragraph (f), become an asset of the public employees police and fire fund. The public employees police and fire fund also must be credited as an asset with the amount of receivable assets under subdivision 7, paragraph (e).

Subd. 4. [BENEFIT COVERAGE FOR ACTIVE MEMBERS.] (a) A person who is a police officer or a firefighter who, as such, is an active member of a local police or fire consolidation account on June 30, 1999, and who has not previously elected benefit coverage under the relevant provisions of the public employees police and fire fund benefit plan under section 353A.08, subdivision 3, may elect benefit coverage under the relevant provisions of the public employees police and fire fund benefit plan. This election must be made in writing on a form prescribed by the executive director before September 1, 1999, and is irrevocable.

(b) If an eligible person makes no affirmative election of benefit coverage before September 1, 1999, the person retains the benefit coverage provided by the relief association benefit plan in effect on the effective date of the consolidation of the local police or fire consolidation account as reflected in the applicable provisions of chapter 353B and may elect benefit coverage under the relevant provisions of the public employees police and fire fund benefit plan when the person terminates active employment for purposes of receiving a service pension, disability benefit, or within 90 days of the date the member terminates active employment and defers receipt of a service pension, whichever applies.

(c) Notwithstanding any provision of section 353A.083 and any municipal action under authority of that section to the contrary, the provisions of the public employees police and fire fund benefit plan applicable to active members of the local police or fire consolidation accounts who elect the public employees police and fire fund benefit plan under paragraph (a) or section 353A.08, subdivision 3, are the applicable provisions of sections 353.63 to 353.659.

Subd. 5. [BENEFIT COVERAGE FOR RETIREES AND BENEFIT RECIPIENTS.] (a) A person who received a service pension, a disability pension or benefit, or a survivor benefit from a local police or fire consolidation account for the month of June 1999, and who has not previously elected participation in the Minnesota postretirement investment fund for any future postretirement adjustments rather than the postretirement adjustment mechanism or mechanisms of the relief association benefit plan under section 353A.08, subdivision 1, may elect participation in the Minnesota postretirement investment fund for any future postretirement adjustments or retention of the postretirement adjustment mechanism or mechanisms of the relief association benefit plan in effect on the effective date of the consolidation of the local police or fire consolidation account as reflected in the applicable provisions of chapter 353B. This election must be in writing on a form prescribed by the executive director and must be made before September 1, 1999.

(b) If an eligible person is a minor, the election must be made by the person's parent or legal guardian. If the eligible person makes no affirmative election under this subdivision, the person retains the postretirement adjustment mechanism or mechanisms of the relief association benefit plan in effect on the effective date of the consolidation of the local police or fire consolidation account as reflected in the applicable provisions of chapter 353B.

(c) The survivor benefit payable on behalf of any service pension or disability benefit recipient who elects participation in the Minnesota postretirement investment fund must be calculated under the relief association benefit plan in effect on the effective date of consolidation under chapter 353A as reflected in the applicable provisions of chapter 353B.

Subd. 6. [BENEFIT COVERAGE FOR DEFERRED MEMBERS.] A person who terminated, before July 1, 1999, active employment as a police officer or a firefighter that gave rise to membership in a local relief association that consolidated with the public employees police and fire plan under chapter 353A and that is merging under this section and had sufficient service credit to entitle the person to an eventual service pension retains the benefit plan in effect for the applicable local police or paid fire relief association in effect on the effective date of consolidation under chapter 353A as reflected in the applicable provisions of chapter 353B, except that the deferred member may elect before September 1, 1999, to participate, upon retirement, in the Minnesota postretirement investment fund. Any election to participate in the Minnesota postretirement investment fund is applicable to any survivor benefit attributable to a deferred member covered by this subdivision.

Subd. 7. [CALCULATION OF FINAL FUNDED STATUS.] (a) As of June 30, 1999, the actuary retained by the legislative commission on pensions and retirement shall determine the final funded status of local police and fire consolidation accounts under chapter 353A that the applicable municipalities have not elected to retain under subdivision 1, paragraph (b), as provided in this subdivision.

(b) The final funded status calculation must be made using the benefit plan provisions applicable to the consolidation account and the actuarial assumptions used for the June 30, 1998, actuarial valuation of the account.

(c) The actuary must calculate the total actuarial accrued liability of the consolidation account, which is the sum of the actuarial accrued liability for all consolidation account members who are not included in the participation of the account in the Minnesota postretirement investment fund calculated using the entry age normal actuarial cost method. If local legislation enacted during the 1999 regular session or any special session occurring before October 1, 1999, provides a benefit increase for one consolidation account member or more, whether the applicable municipality has given final approval to the local legislation yet or not, the total actuarial accrued liability calculation must include that benefit increase. The actuary also must calculate any account unfunded accrued liability or any account funding surplus. An account unfunded accrued liability is the actuarial accrued liability reduced by the amount of the current value of assets, if the resulting number is positive. An account funding surplus is the actuarial accrued liability reduced by the amount of the current value of assets, if the resulting number is negative.

(d) The actuary also must calculate the amortizable base for every consolidation account. The amortizable base is the present value of future benefits for all account members who are not included in the participation of the account in the Minnesota postretirement investment fund reduced by the present value of 19 percent of future covered salary and further reduced by the current value of account assets other than its participation in the Minnesota postretirement investment fund, after adjustment for fiscal year 1999 net mortality gains and losses and for the net actuarial affect of the election of postretirement adjustment coverage under subdivision 5.

(e) If the amortizable base under paragraph (d) is a positive number, the receivable assets are an amount equal to the amortizable base number.

(f) If the amortizable base under paragraph (d) is a negative number, the actuary must calculate the residual asset amount. The residual asset amount is:

(1) one-half of the amount by which the current assets of the account exceed 100 percent of the total actuarial accrued liability up to that percentage of the total actuarial accrued liability that equals the public employees police and fire fund funded ratio on June 30, 1999; and

(2) the amount by which the current assets of the account exceed that percentage of the total actuarial accrued liability that equals the public employees police and fire fund funded ratio on June 30, 1999. Following the calculation of the residual asset amount for each applicable municipality and the verification of the amount by the legislative auditor, the executive director of the public employees retirement association shall pay the applicable residual asset amount with interest equal to the average yield on the invested treasurer's cash fund from July 1, 1999, to the first of the month in which the payment is issued to each qualifying municipality. The residual asset amount must first be applied to reduce or eliminate the unfunded actuarial accrued liability of any other consolidation account of the municipality, and any remaining balance must be used by the municipality to defray fire department

expenditure items if the residual asset amount was derived from a fire consolidation account or to defray police department expenditure items if the residual asset amount was derived from a police consolidation account. Before the residual asset amount payment is made by the public employees retirement association, following a public hearing on the issue, the governing body of the applicable municipality must formulate and adopt a plan for the expenditure of the residual amount and must file that plan in the form of a municipal resolution with the state auditor and with the executive director of the public employees retirement association. The residual asset amount must be deposited in a special fund or account in the municipal treasury established for that purpose. The special fund or account must be invested and any investment return attributable to the residual asset amount must be credited to that special fund or account and its disbursement similarly restricted. The special fund or account must be audited periodically by the state auditor.

(g) Any amount applied to another consolidation account of the municipality under paragraph (f) must be credited to that consolidation account before the determination of the additional municipal contribution with respect to the recipient consolidation account under subdivision 8, paragraph (b).

Subd. 8. [MEMBER AND EMPLOYER CONTRIBUTIONS.] (a) Effective on the first day of the first full pay period following June 30, 1999, the employee contribution rate for former merging consolidation account active members is the rate specified in section 353.65, subdivision 2, and the regular municipal contribution rate on behalf of former consolidation account active members is the rate specified in section 353.65, subdivision 3.

(b) The municipality associated with a former merging local consolidation account that had a positive value amortizable base calculation under subdivision 7, paragraph (d), must make an additional municipal contribution to the public employees police and fire plan for the period from January 1, 2000, to December 31, 2009. The amount of the additional municipal contribution is the amount calculated by the actuary retained by the legislative commission on pensions and retirement and certified by the executive director of the public employees retirement association by which the amortizable base amount would be amortized on a level dollar annual end-of-the-year contribution basis, using an 8.5 percent interest rate assumption. The additional municipal contribution is payable on December 31 annually. Additional municipal contribution payments made after December 31 must be charged interest at the compound rate of 8.5 percent per annum from the preceding July 1.

Subd. 9. [BENEFIT PLAN COVERAGE.] Unless modified by an election authorized under subdivision 4, 5, or 6, the benefit plan election by any person or on behalf of any person under section 353A.08 remains binding. Former merging consolidation account members who elected the entirety of the public employees police and fire benefit plan are entitled to an applicable annuity or benefit under the provisions of sections 353.63 to 353.68 in effect on the day that the former merging consolidation account member terminated active service as a police officer or firefighter, whichever applies.

Subd. 10. [CONSOLIDATION ACCOUNT TERMINATION.] Unless the municipality has elected to retain the consolidation account under subdivision 1, paragraph (b), upon the payment of all residual asset amounts under subdivision 7 and the transfer of all liabilities and remaining assets under subdivisions 2 and 3, the merging local consolidation accounts under chapter 353A in existence on March 1, 1999, are terminated.

Sec. 11. Minnesota Statutes 1998, section 353A.09, subdivision 4, is amended to read:

Subd. 4. [MEMBER CONTRIBUTIONS.] Following the effective date of consolidation, the applicable member contribution rate and applicable salary rate to which the member contribution rate applies for persons who were formerly members of the relief association shall be determined as follows:

(1) if the person has elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable member contribution rate shall be that rate specified in Minnesota Statutes 1998, section 353.65, subdivision 2, and the applicable salary rate to which the member contribution rate applies shall be the actual salary of the person, as defined in section 353.01, subdivision 10; and

(2) if the person has not elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable member contribution rate shall be the rate specified in section 69.77, subdivision 2a, or the rate specified in the applicable general law, special law, or bylaw provision governing the relief association as of the date of the initiation of consolidation, whichever is greater, and the applicable salary rate to which the member contribution rate applies shall be the salary rate specified in the applicable general law, special law, or bylaw provision governing the relief association as of the date of the initiation of consolidation or the actual salary of the person, including overtime pay and any regularly occurring special payments but excluding lump sum annual leave payments, worker's compensation payments, and severance payments, whichever salary rate is greater.

The member contribution rate and applicable salary rate to which the member contribution rate applies shall be effective as of the first day of the first pay period occurring after the effective date of consolidation.

The chief administrative officer of the municipal police department or municipal fire department, whichever applies, shall cause the member contributions required under this subdivision to be deducted in the manner and subject to the terms provided in section 353.27, subdivision 4.

Sec. 12. Minnesota Statutes 1998, section 353A.09, subdivision 5, is amended to read:

Subd. 5. [REGULAR AND ADDITIONAL MUNICIPAL CONTRIBUTIONS.] (a) Following the effective date of consolidation, the applicable regular municipal contribution rate and applicable salary rate to which the regular municipal contribution rate applies on behalf of persons who were formerly members of the relief association shall be as follows:

(1) on behalf of persons who have elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be that specified in Minnesota Statutes 1998, section 353.65, subdivision 3, and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (1); and

(2) on behalf of persons who have not elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be 12 percent and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (2).

(b) Following the effective date of consolidation, the applicable additional municipal contribution amount shall be the sum of the following:

(1) the annual level dollar contribution as calculated by the actuary retained by the commission as of the effective date of consolidation which is required to amortize by December 31, 2010, that portion of the present value of future benefits computed on the basis of the benefit plan producing the largest present value of future benefits for each individual which remains after subtracting the present value of future member contributions as provided in subdivision 4, the present value of future regular municipal contributions as provided in clause (a), and the market value of the assets of the relief association transferred to the fund; and

(2) the amount of the annual contribution as calculated by the actuary retained by the commission as of the most recent actuarial valuation date which is required to amortize on a level annual dollar basis the amount of any net actuarial experience loss incurred during the year which ended as of the day immediately before the most recent actuarial valuation date by December 31 of the year occurring 15 years later.

(c) Regular municipal contributions shall be made in the manner provided in section 353.28. Additional municipal contributions shall be paid during the calendar year following the annual certification of the amount of the annual additional municipal contribution by the executive director of the public employees retirement association and, if made during the month of January, shall be payable without any interest, or if made after January 31, but before the next following December 31, shall be payable with interest for the period since January 1 at a rate which is equal to the preretirement interest rate assumption specified in section 356.215, subdivision 4d, applicable to the fund expressed as a monthly rate and compounded on a monthly basis or if made after December 31 of the year in

which the additional municipal contribution is due shall be payable with interest at a rate which is four percent greater than the highest interest rate assumption specified in section 356.215, subdivision 4d, expressed as a monthly rate and compounded monthly from January 1 of the year in which the additional municipal contribution is due until the date on which payment is made.

Sec. 13. Minnesota Statutes 1998, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [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, after the first actuarial valuation date occurring after June 1, 1989, 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 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 for the first actuarial valuation made after June 1, 1989, and each successive actuarial valuation is the first actuarial valuation date occurring after June 1, 2020.

(c) For any fund or plan other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, 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 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 4d 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 4d 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 4d 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 following 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 in the following manner:

(1) the public employees retirement association police and fire plan, the valuation assets in excess of the actuarial accrued liability serve to reduce 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; and

(2) the correctional employees retirement plan of the Minnesota state retirement system, and the state patrol retirement plan, an excess of valuation assets over actuarial accrued liability must be amortized in the same manner over the same period as an unfunded actuarial accrued liability but must serve to reduce the required contribution instead of increasing it.

Sec. 14. Minnesota Statutes 1998, 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 firefighter 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; ~~and~~

(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) municipalities that received amortization aid in 1999 and 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 on the basis of 64.5 percent to the public employees police and fire fund or local consolidation account, whichever applies, on behalf of municipalities to which section 353.665, subdivision 8, paragraph (b), applies for distribution in accordance with paragraph (b) and subject to the limitation in subdivision 4, 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 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. In the event that there is no unfunded actuarial accrued liability in both the Minneapolis police relief association and the Minneapolis fire department relief association, the commissioner shall allocate that 34.2 percent of the aid as follows: 49 percent to the Minneapolis teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), 21 percent to the St. Paul teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), and 30 percent as additional funding to support minimum fire state aid for volunteer firefighter relief associations, with the allocation made at the same time and under the same procedures in subdivision 3. In the event there is no actuarial accrued unfunded liability in the Virginia fire department relief association, the commissioner shall allocate that 1.3 percent of the aid as follows: 49 percent to the Minneapolis teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), 21 percent to the St. Paul teachers retirement fund association, if the association meets the investment performance requirement of paragraph (d), and 30 percent as additional funding to support minimum fire state aid for volunteer firefighter relief associations, with the allocation made at the same time and under the same procedures in subdivision 3.

(d) The association must have a five-year average, time-weighted rate of investment return equal to or in excess of the combined return for the same period of the state board of investment for the basic retirement funds and the Minnesota postretirement investment fund calculated using the formula promulgated under section 11A.04, clause (11).

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

Sec. 15. Minnesota Statutes 1998, section 423A.02, subdivision 2, is amended to read:

Subd. 2. [CONTINUED ELIGIBILITY.] A municipality that has qualified for amortization state aid under subdivision 1 on December 31, 1984, and has an additional municipal contribution payable under section 353A.09, subdivision 5, paragraph (b), as of the most recent December 31, continues upon application to be entitled to receive amortization state aid under subdivision 1 and supplementary amortization state aid under subdivision 1a, after the local police or salaried firefighters' relief association has been consolidated into the public employees police and fire fund. If a municipality loses entitlement for amortization state aid and supplementary amortization state aid in any year because of not having an additional municipal contribution, the municipality is not entitled to the aid amounts in any subsequent year. If the actuarial assumptions specified in section 356.215 are changed in 1997, and the change results in a municipality having an additional municipal contribution, and the municipality had previously lost entitlement for amortization aid and supplementary amortization due to not having an additional municipal contribution, then the municipality is again entitled to receive amortization aid and supplementary amortization aid in the same amount as it previously received: A municipality that received amortization aid in 1999 and is required to make an additional municipal contribution under section 353.665, subdivision 8, continues to qualify for the amortization state aid and the supplemental amortization aid for the duration of the required additional contribution.

Sec. 16. Minnesota Statutes 1998, section 423A.02, is amended by adding a subdivision to read:

Subd. 4. [LIMIT ON CERTAIN TOTAL AID AMOUNTS.] (a) The total of amortization aid, supplemental amortization aid, and additional amortization aid under this section payable to a municipality to which section 353.665, subdivision 8, paragraph (b), applies, may not exceed the amount of the additional municipal contribution payable by an individual municipality under section 353.665, subdivision 8, paragraph (b).



(b) Any aid amount in excess of the limit under this subdivision for an individual municipality must be redistributed to the other municipalities to which section 353.665, subdivision 8, paragraph (b), applies. The excess aid must be distributed in proportion to each municipality's additional municipal contribution under section 353.665, subdivision 8, paragraph (b).

(c) When the total aid for each municipality under this section equals the limit under paragraph (a), any aid in excess of the limit must be redistributed under subdivisions 1, 1a, and 1b.

Sec. 17. Minnesota Statutes 1998, section 423A.02, is amended by adding a subdivision to read:

Subd. 5. [TERMINATION OF STATE AID PROGRAMS.] The amortization state aid, supplemental amortization state aid, and additional amortization state aid programs terminate when the assets of the Minneapolis teachers retirement fund association equal the actuarial accrued liability of that plan and when the assets of the St. Paul teachers retirement fund association equal the actuarial accrued liability of that plan.

Sec. 18. [1999 PERA-P&F ACTUARIAL VALUATION.]

(a) As of July 1, 1999, no actuarial valuations are required of the local police and fire consolidation accounts in existence before March 1, 1999, and have not been retained under Minnesota Statutes, section 353.655, subdivision 1, paragraph (b).

(b) The actuary retained by the legislative commission on pensions and retirement shall prepare all calculations required under Minnesota Statutes, section 353.665, and shall present them to the commission in a separate report.

(c) The calculated actuarial accrued liability of the public employees police and fire plan for July 1, 1999, must contain all liabilities associated with the former local police and fire consolidation accounts affected by Minnesota Statutes, section 353.665.

(d) The asset value of the public employees police and fire plan for July 1, 1999, is the sum of the following:

(1) the current assets of the public employees police and fire plan as of June 30, 1999, without reference to any local consolidation accounts in existence on March 1, 1999;

(2) the amount of assets transferred from the Minnesota postretirement investment fund with respect to merged local consolidation accounts under Minnesota Statutes, section 353.665, subdivision 3;

(3) that portion of the market value of assets of the merged local consolidation accounts after subtracting the amount in clause (2) determined by multiplying the total by the ratio that the current asset value of public employee police and fire fund assets other than the participation in the Minnesota postretirement investment fund as of June 30, 1999, without reference to any merged local consolidation accounts in existence on March 1, 1999, bears to the market value of the same assets; and

(4) a receivable amount equal to the present value of the future additional municipal contributions required under Minnesota Statutes, section 353.665, subdivision 8, paragraph (b).

Sec. 19. [REPEALER.]

Minnesota Statutes 1998, section 353.65, subdivision 3a, is repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 7, 10, and 14 to 19 are effective on the day following final enactment. Section 13 is effective on July 1, 2000. Sections 8 and 9 are effective on the first day of the first full pay period that begins after June 30, 1999.

## ARTICLE 9

MINIMUM VOLUNTEER FIREFIGHTER  
STATE AID AMOUNT CHANGES

Section 1. Minnesota Statutes 1998, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF FIRE STATE AID TO MUNICIPALITIES AND RELIEF ASSOCIATIONS.]

(a) The commissioner shall apportion the fire state aid relative to the premiums reported on the Minnesota Firetown Premium Reports filed under this chapter to each municipality and/or firefighters' relief association.

(b) The commissioner shall calculate an initial fire state aid allocation amount for each municipality or fire department under paragraph (c) and a minimum fire state aid allocation amount for each municipality or fire department under paragraph (d). The municipality or fire department must receive the larger fire state aid amount.

(c) The initial fire state aid allocation amount is the amount available for apportionment as fire state aid under subdivision 5, without inclusion of any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3, allocated one-half in proportion to the population as shown in the last official statewide federal census for each fire town and one-half in proportion to the market value of each fire town, including (1) the market value of tax exempt property and (2) the market value of natural resources lands receiving in lieu payments under sections 477A.11 to 477A.14, but excluding the market value of minerals. In the case of incorporated or municipal fire departments furnishing fire protection to other cities, towns, or townships as evidenced by valid fire service contracts filed with the commissioner, the distribution must be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments. In the case of municipalities or independent fire departments qualifying for the aid, the commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the market value of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with the commissioner. If one or more fire departments are furnishing contracted fire service to a city, town, or township, only the population and market value of the area served by each fire department may be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the market value of each service area. The agreement must be in writing and must be filed with the commissioner.

(d) The minimum fire state aid allocation amount is the amount in addition to the initial fire state allocation amount that is derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3, and allocated to municipalities with volunteer firefighter relief associations based on the number of active volunteer firefighters who are members of the relief association as reported in the annual financial reporting for the calendar year 1993 to the office of the state auditor, but not to exceed 30 active volunteer firefighters, so that all municipalities or fire departments with volunteer firefighter relief associations receive in total at least a minimum fire state aid amount per 1993 active volunteer firefighter to a maximum of 30 firefighters. If a relief association did not exist in calendar year 1993, the number of active volunteer firefighters who are members of the relief association as reported in the annual financial reporting for calendar year 1998 to the office of the state auditor, but not to exceed 30 active volunteer firefighters, shall be used in this determination.

(e) The fire state aid must be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall, within 30 days of receipt of the fire state aid, transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

(f) The commissioner may make rules to permit the administration of the provisions of this section. Any adjustments needed to correct prior misallocations must be made to subsequent apportionments.

## Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment and applies to the first fire state aid and minimum fire state aid allocation occurring after that date.

## ARTICLE 10

METROPOLITAN COUNCIL TARGETED  
EARLY RETIREMENT INCENTIVE

## Section 1. [RETIREMENT INCENTIVE.]

The metropolitan council may offer its eligible employees, as specified in sections 2 and 3, the retirement incentive provided in section 4.

## Sec. 2. [INCLUSION.]

If the metropolitan council chooses to offer the retirement incentive under section 4, it must designate the positions or group of positions within the council divisions specified in section 3, clause (1), that will qualify for participation in its retirement incentive program and may exclude otherwise eligible employees. After initially designating the qualified positions or group of positions, the council may at any time modify its designation in order to further limit the qualified positions or group of positions.

## Sec. 3. [ELIGIBILITY.]

An employee of the metropolitan council is eligible to participate in the retirement incentive program if the employee:

(1) was employed in the environmental services, community development, or regional administration divisions of the council on January 1, 1999;

(2) notifies, on or after the effective date of this section, the council's regional administrator in writing of the employee's intention to retire, the plan or plans from which the individual will retire, and the employee's date of separation from employment with the council;

(3) is, on the date the council receives the employee's written notice of intention to retire, within the positions or group of positions then currently designated by the council under section 2;

(4) has, on the date of retirement, at least 25 years of combined allowable service in any covered fund or funds listed in Minnesota Statutes, section 356.30, subdivision 3;

(5) is, on the date of retirement, at least 55 years of age;

(6) is, upon retirement, immediately eligible for a retirement annuity from a defined benefit plan listed in Minnesota Statutes, section 356.30, subdivision 3; and

(7) has a retirement annuity accrual date in the applicable plan or plans on or after July 1, 1999, and before July 1, 2000.

## Sec. 4. [RETIREMENT INCENTIVE.]

Subdivision 1. [FORMULA INCREASE.] For an eligible employee who elects to participate in the retirement incentive program, the benefit accrual rate multiplier percentage or percentages used to calculate the retirement annuity from each defined benefit plan listed in Minnesota Statutes, section 356.30, subdivision 3, from which the

employee is eligible to receive a retirement annuity must be increased by .25 percentage points for each year of allowable service, and pro rata for completed months less than a full year, in the applicable plan or plans. If the eligible employee has more than 30 years of combined service in covered plans, the .25 percentage point increase applies only to the first 30 years of allowable service in such covered funds.

Subd. 2. [CERTIFICATION OF ELIGIBILITY.] Before applying the formula increase in subdivision 1, the applicable retirement plan or plans must receive a certification from the council's regional administrator that the employee meets the eligibility criteria in section 3, clauses (1) to (3).

Subd. 3. [PAYMENT OF ENHANCED RETIREMENT COST.] (a) If the metropolitan council chooses to offer a retirement incentive under this section, it must make an additional employer contribution or contributions as specified in paragraph (b) to the applicable retirement plan or plans from which the eligible individual retired under the incentive program.

(b) The additional employer contribution for the applicable employee to each applicable plan is an amount equal to the difference in the actuarial present value of the annuity payable by the plan for the employee, with and without the retirement incentive under subdivision 1. The actuarial present value calculations must be made by the chief administrative officer of the applicable retirement plan.

(c) An additional employer contribution under paragraph (b) must be paid within 60 days from the effective date of the applicable annuity for the eligible employee who elects to participate in the retirement incentive.

Sec. 5. [LIMIT ON REHIRING AND FUTURE SERVICES.]

The metropolitan council may not rehire or contract for services from an employee who retires under this article.

Sec. 6. [APPLICATION OF OTHER LAWS.]

Unilateral implementation of retirement incentives under this article by the metropolitan council is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective on the day following final enactment.

## ARTICLE 11

### MISCELLANEOUS PENSION CHANGES

Section 1. Minnesota Statutes 1998, section 3A.02, subdivision 1b, is amended to read:

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] (a) Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age of at least 60 years of 55 during the period June 1, 1999, until January 15, 2000, and of 60 thereafter and who is otherwise qualified in accordance with subdivision 1 is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to the retirement allowance specified in subdivision 1 reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the former member of the legislature deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the date the annuity begins to accrue until age 62.

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

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

(d) The executive director of the Minnesota state retirement system shall report to the legislative commission on pensions and retirement on the utilization of this provision on or before September 1, 2000.

Sec. 2. Minnesota Statutes 1998, section 122A.46, subdivision 2, is amended to read:

Subd. 2. [LEAVE OF ABSENCE.] The board of any district may grant an extended leave of absence without salary to any full- or part-time elementary or secondary teacher who has been employed by the district for at least five years and has at least ten years of allowable service, as defined in section 354.05, subdivision 13, or the bylaws of the appropriate retirement association or ten years of full-time teaching service in Minnesota public elementary and secondary schools. ~~The maximum~~ duration of an extended leave of absence ~~pursuant to~~ under this section must be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence ~~pursuant to~~ under this section shall be taken by mutual consent of the board and the teacher. If the school board denies a teacher's request, it must provide reasonable justification for the denial.

Sec. 3. Minnesota Statutes 1998, section 352.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP OF BOARD; ELECTION; TERM.] The policy-making function of the system is vested in a board of 11 members, ~~who must be~~ known as the board of directors. This board shall consist of three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters, four state employees elected by state employees covered by the system excluding employees in categories specifically authorized to designate or elect a member by this subdivision, one employee ~~of the transit operating division~~ of the metropolitan council's transit commission operations or its successor agency designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division, one member of the state patrol retirement fund elected by members of that fund at a time and in a manner fixed by the board, one employee covered by the correctional employees plan elected by employees covered by that plan, and one retired employee elected by disabled and retired employees of all plans administered by the system at a time and in a manner to be fixed by the board. Two state employee members, whose terms of office begin on the first Monday in May after their election, must be elected biennially. Elected members and the appointed member of the metropolitan council's ~~office of transit operations~~ hold office for a term of four years, ~~except the retired member whose term is two years~~, and until their successors are elected or appointed, and have qualified. An employee of the system is not eligible for membership on the board of directors. A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors. The term of any board member who is on leave for more than six months automatically ends on expiration of ~~this period~~ the term of office.

Sec. 4. Minnesota Statutes 1998, section 354.05, subdivision 40, is amended to read:

Subd. 40. [TIMELY RECEIPT.] An application, payment, return, claim, or other document that is not personally delivered to the association on or before the applicable due date is considered to be a timely receipt if ~~officially postmarked received~~ received on or before the due date or if delivered or filed under section 645.151.

Sec. 5. Minnesota Statutes 1998, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the association is vested in a board of eight trustees known as the board of trustees of the teachers retirement association. It is composed of the following persons: the commissioner of children, families, and learning, the commissioner of finance, a representative of the Minnesota school boards association, four members of the association elected by the members of the association, and one retiree elected by the retirees of the association. The five elected members of the board of trustees must be chosen by ~~mail~~ ballot in a manner fixed by the board of trustees of the association. In every odd-numbered year there shall be elected two

members of the association to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every other odd-numbered year one retiree of the association must be elected to the board of trustees for a term of ~~two~~ four years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the association. Each election must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy must be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the association at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree may be appointed by the board, or elected by the members of the association as a trustee, if the person is not a member or retiree of the association in good standing at the time of the appointment or election.

Sec. 6. Minnesota Statutes 1998, section 354.10, subdivision 4, is amended to read:

Subd. 4. [CHANGES IN DESIGNATED BENEFICIARIES.] Any beneficiary designated by a retiree or member under section 354.05, subdivision 22, may be changed or revoked by the retiree or member on a form provided by the executive director. A change or revocation made under this subdivision is valid only if the properly completed form is received by the association ~~postmarked~~ on or before the date of death of the retiree or the member. If a designated beneficiary dies before the retiree or member designating the beneficiary, and a new beneficiary is not designated, the retiree's or member's estate is the beneficiary.

Sec. 7. Minnesota Statutes 1998, section 354C.11, is amended to read:

354C.11 [COVERAGE.]

Subdivision 1. [AUTHORIZATION.] Personnel Individuals employed by the board of trustees of the Minnesota state colleges and universities ~~who are in the unclassified service of the state, and who have completed at least two years of employment by the board or a predecessor board with a full-time contract are participants authorized to participate~~ in the supplemental retirement plan, effective on the next following July 1, ~~if the person is employed in an eligible~~ after meeting eligibility requirements specified in subdivision 2.

Subd. 2. [ELIGIBILITY.] (a) An individual must participate in the supplemental retirement plan if the individual is employed by the board of trustees in the unclassified service of the state and has completed at least two years with a full-time contract of applicable unclassified employment with the board or an applicable predecessor board in any of the positions specified in paragraph (b).

(b) Eligible positions or employment classifications are:

- (1) an unclassified administrative position as defined in section 354B.20, subdivision 6, ~~or is employed in:~~
- (2) an employment classification included in one of the following collective bargaining units under section 179A.10, subdivision 2:
  - (1) (i) the state university instructional unit;
  - (2) (ii) the community college instructional unit;
  - (3) (iii) the technical college instructional unit; and
  - (4) (iv) the state university administrative unit; ~~or~~
- (3) an unclassified employee of the board included in the general professional unit or supervisory employees unit under section 179A.10, subdivision 2.

Subd. 3. [CONTINUING ELIGIBILITY AUTHORIZATION.] Once a person qualifies for participation in the supplemental retirement plan, all subsequent service by the person as an unclassified employee of the ~~state university board, the state board for community colleges, the higher education board, or the technical colleges board of trustees~~ in a position or employment classification listed in subdivision 2, paragraph (b), is covered by the supplemental retirement plan.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 and 3 to 7 are effective on the day following final enactment. Section 2 is effective on July 1, 1999.

## ARTICLE 12

### OTHER CHANGES

Section 1. Minnesota Statutes 1998, section 3.85, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP.] The commission consists of ~~six~~ seven members of the senate appointed by the subcommittee on committees of the committee on rules and administration and ~~six~~ seven members of the house of representatives appointed by the speaker. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. Members who are still legislators continue to serve at the end of the two-year term until successors are appointed. Vacancies that occur while the legislature is in session shall be filled like regular appointments. If the legislature is not in session, senate vacancies shall be filled by the last subcommittee on committees of the senate committee on rules and administration or other appointing authority designated by the senate rules, and house vacancies shall be filled by the last speaker of the house, or if the speaker is not available, by the last chair of the house rules committee.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment.

## ARTICLE 13

### PUBLIC PENSION PLAN BUILDING CONSTRUCTION OR ACQUISITION

Section 1. Minnesota Statutes 1998, section 353.03, subdivision 4, is amended to read:

Subd. 4. [OFFICES.] The commissioner of administration ~~shall~~ may make provision for suitable office space in the state capitol or other state office buildings, or at such other location in St. Paul as is determined by the commissioner for the use of the board of trustees and its executive director. The commissioner shall give the board at least four months notice for any proposed removal from their present location. Any and all rental charges shall be paid by the trustees from the public employees retirement fund.

Sec. 2. Minnesota Statutes 1998, section 354.06, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] A suitable office ~~shall~~ may be provided by the state through the proper officer for the use of the board and its executive director.

Sec. 3. [356.89] [PUBLIC PENSION FACILITIES.]

Subdivision 1. [BUILDING; RELATED FACILITIES.] The board of directors of the Minnesota state retirement system, the board of trustees of the public employees retirement association, and the board of trustees of the teachers retirement association, are authorized to expend or otherwise pledge pension funds or the proceeds of revenue bonds as provided in subdivision 3 for the common ownership, operation, and improvement of a building and related

facilities for the administration of their public pension systems. This authority includes the authority to purchase or lease land and facilities and the authority to design, construct, furnish, improve, and equip a building and related parking facilities to accommodate employees and visitors. The boards' planning, selection, design, and building of facilities are not subject to the capital improvements provisions of sections 16B.30 to 16B.33. The competitive acquisition process set forth in chapter 16C does not apply provided the process set forth in subdivision 2 is followed. Notwithstanding that no appropriation is made, the requirements of section 16B.335 apply to this project. The boards must obtain approval of the chair of the house ways and means committee and the chair of the senate state government finance committee to construct, lease, or acquire new space for the administration of their pension systems.

Subd. 2. [CONTRACTING PROCEDURES.] (a) The boards may enter into a contract for facilities with a contractor to furnish the architectural, engineering, and related services as well as the labor, materials, supplies, equipment, and related construction services on the basis of a request for qualifications and competitive responses received through a request for proposals process which must include the items listed in paragraphs (b) to (i).

(b) Prior to issuing a request for qualifications and a request for proposals, the boards, with the assistance of the department of administration, shall prepare performance criteria and specifications which shall include:

- (1) a general floor plan or layout indicating the general dimensions of the public building and space requirements;
- (2) design criteria for the exterior and site area;
- (3) performance specifications for all building systems and components to assure quality and cost efficiencies;
- (4) conceptual floor plans for systems space;
- (5) preferred types of interior finishes, styles of windows, lighting and outlets, doors, and features such as built-in counters and telephone wiring;
- (6) mechanical and electrical requirements;
- (7) special interior features required; and
- (8) completion schedule.

(c) The boards shall first solicit statements of qualifications from eligible contractors and select more than one qualified contractor based upon experience, technical competence, past performance, capability to perform, and other appropriate facts. Contractors selected under this process shall be, employ, or have as a partner, member, coventurer, or subcontractor, persons licensed and registered under chapter 326 to provide the services required to design and complete the project. The boards do not have to select any of the respondents if none reasonably fulfill the criteria set forth within.

(d) The contractors selected shall be asked to respond to a request for proposals. Responses must include site plans, design concept, elevation, statement of material to be used, floor layouts, a detailed development budget, and a total cost to complete the project. The proposal must indicate that the contractor obtained at least two proposals from subcontractors for each item of work and must set forth how the subcontractors were selected. The boards shall evaluate the proposals based upon design, cost, quality, aesthetics, and the best overall value to the state pension funds. The board need not select any of the proposals submitted and reserves the right to reject any and all proposals, and may terminate the process or revise the request for proposals and solicit new proposals if the boards determine that the best interests of the pension funds would be better served by doing so. Proposals submitted shall constitute nonpublic data until the contract is awarded.

(e) The contract selected must comply with sections 574.26 to 574.261. Prior to the execution of a final contract, the contractor selected shall certify a firm construction price and completion date.



(f) The boards may consider building sites in the city of St. Paul and surrounding suburbs.

(g) Any land, building, or facility leased, constructed, or acquired and any leasehold interest acquired under this section shall be held in common ownership in the name of the three retirement systems as tenants in common. Each retirement system fund shall consider its interest as a fixed asset of its pension fund in accordance with governmental accounting standards.

(h) The boards may lease to another governmental subdivision any portion of the funds' building and lands which is not required for their direct use upon such terms and conditions as they deem to be in the best interest of the pension funds. Any income accruing from such rentals shall be separately accounted for and utilized to offset ongoing administrative expenses and any excess shall be carried forward for future administrative expenses. The boards are also authorized to enter into lease agreements for the establishment of satellite offices should the boards find such offices to be necessary in order to assure their members reasonable access to their services. The boards also have the authority to request the commissioner of administration to lease any portion of their building not required for their direct use pursuant to the commissioner's authorities under section 16B.24.

(i) The boards shall formulate and adopt a written working agreement which shall set forth the nature of each retirement system's ownership interest, the duties and obligations of each system towards the construction, operation, and maintenance costs of their facilities, and the identification of one retirement fund to serve as manager for operating and maintenance purposes. The boards may contract with independent third parties for maintenance-related activities, services, and supplies, and may utilize the services of the department of administration where economically feasible to do so. In the event the boards cannot agree or resolve a dispute which relates to operations or maintenance of the facilities, they may request the commissioner of administration to appoint a representative from the department's real estate management division to serve as arbitrator of the dispute with authority to issue a written resolution of the dispute.

Subd. 3. [REVENUE BONDS AUTHORIZED.] The boards, or any of them, may issue revenue bonds in the principal amount necessary, in the opinion of the boards, to achieve the purposes described in subdivisions 1 and 2; to pay issuance costs and interest costs; and to establish necessary reserves to secure the bonds. The boards may issue bonds for the purpose of refunding bonds issued under this subdivision.

Subd. 4. [PROCEDURE.] The bonds authorized in subdivision 3 must be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, and the boards have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the boards. The bonds may be sold in one or more series. Different series may be backed by different revenue sources. No election is required.

Subd. 5. [NONLIABILITY OF STATE.] The state of Minnesota is not liable on bonds of the boards and the bonds are not a general or moral obligation of the state.

Subd. 6. [NONLIABILITY OF INDIVIDUALS.] Neither the members of the boards nor any person executing the bonds on behalf of the boards shall be personally liable on the bonds or subject to any personal liability or accountability by reason of executing them.

Sec. 4. [REPORT.]

The executive directors of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association must jointly report to the legislature by July 15, 2001, on a plan to consolidate administrative services for the three pension systems if the systems share a building.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; expanding the membership of the state correctional employees retirement plan to include certain Minnesota extended treatment options program employees; downsizing the early retirement reduction rates for various public safety plans; grandparenting public employee police and fire plan coverage for certain Rice county correctional employees; requiring Rice county to repay certain police state aid amounts; providing employer penalties for pension plan membership certification failures or errors; providing special retirement coverage for certain state fire marshal employees; requiring a study; clarifying various Minneapolis employees retirement plan survivor benefit provisions; increasing the number of vendors for certain tax-sheltered annuities for educational employees; modifying various benefit provisions for certain Minnesota state college and university system employees; authorizing the establishment of volunteer rescue squad relief associations by Kandiyohi county and the city of Litchfield; merging the pre-March 1, 1999, local police and paid fire consolidation accounts into the public employees police and fire plan; extending the minimum volunteer firefighter fire state aid amount to post-1993 relief association members; providing a targeted early retirement incentive program for certain employees of the metropolitan council; making miscellaneous changes in the legislators retirement plan, the Minnesota state college and university system individual retirement account plan, the Minnesota state retirement system, and the teachers retirement association; reducing the membership of the legislative commission on pensions and retirement; amending Minnesota Statutes 1998, sections 3.85, subdivisions 3 and 12; 3A.02, subdivision 1b; 43A.27, subdivision 3; 69.021, subdivisions 7 and 10; 69.031, subdivision 5; 122A.46, subdivision 2; 136F.48; 352.03, subdivision 1; 352.90; 352.91, by adding a subdivision; 353.01, subdivisions 2b, 10, and 16; 353.03, subdivision 4; 353.64, subdivision 1; 353.65, subdivisions 2 and 3; 353.651, subdivision 4; 353A.083, by adding a subdivision; 353A.09, subdivisions 4 and 5; 353D.01, subdivision 2; 353D.02, by adding a subdivision; 353D.03, subdivision 3; 354.05, subdivision 40; 354.06, subdivisions 1 and 7; 354.10, subdivision 4; 354.445; 354.66, subdivisions 1b, 1c, and 3; 354B.24, subdivision 3; 354B.25, subdivisions 2, 3, and 5; 354C.11; 354C.12, subdivision 4; 356.19, by adding a subdivision; 356.215, subdivision 4g; 356.24, subdivision 1; 422A.06, subdivisions 3 and 6; 422A.101, subdivision 4; 422A.18, subdivision 2; 422A.22, subdivisions 4 and 5; 422A.23; and 423A.02, subdivisions 1b, 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 352; 353; 354B; 356; and 422A; repealing Minnesota Statutes 1998, sections 353.65, subdivision 3a; and 422A.16, subdivision 3a."

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

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 2425, A bill for an act relating to landlord and tenant; recodifying the landlord and tenant law; amending Minnesota Statutes 1998, sections 72A.20, subdivision 23; 82.24, subdivision 7; 144.9504, subdivision 7; 144A.13, subdivision 2; 144D.06; 216C.30, subdivision 5; 299C.67, subdivisions 5 and 7; 299C.69; 327C.02, subdivision 2a; 327C.03, subdivision 4; 327C.10, subdivision 1; 327C.11, subdivision 1; 363.033; 462A.05, subdivision 15; 462C.05, subdivision 8; 469.156; 471A.03, subdivision 6; 481.02, subdivision 3; 484.013, subdivision 2; 487.17; 487.24; 488A.01, subdivisions 4a and 5; 488A.11; 488A.18, subdivisions 4 and 6; 491A.01, subdivision 9; 514.977; 515B.3-116; 515B.4-111; 576.01, subdivision 2; 609.33, subdivision 6; and 609.5317, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 504B; repealing Laws 1998, chapter 253, sections 1 to 79.

Reported the same back with the following amendments:

Page 47, lines 18, 27, and 28, delete "property" and insert "premises"

Page 47, lines 20 and 25, delete the second "property" and insert "premises"

Page 48, line 5, delete "property" and insert "premises"

Page 48, line 8, delete the second "property" and insert "premises"

Page 48, line 19, delete "property" and insert "premises" in both places

Page 49, lines 16 and 30, delete "property" and insert "premises"

Page 49, lines 6 and 15, delete the second "property" and insert "premises"

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

The report was adopted.

Bishop from the Committee on Ways and Means to which was referred:

S. F. No. 23, A bill for an act relating to family law; repealing the administrative process for support orders; establishing a child support magistrate system; amending Minnesota Statutes 1998, sections 357.021, subdivision 1a; 484.70, subdivision 1; 518.54, by adding a subdivision; 518.551, subdivisions 9, 12, 13, and 14; 518.575, subdivision 1; 518.616, subdivision 1; and 552.05, subdivision 10; Laws 1998, chapter 338, section 8; proposing coding for new law in Minnesota Statutes, chapters 484; and 518; repealing Minnesota Statutes 1998, sections 518.5511; and 518.5512.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### EXPEDITED ADMINISTRATIVE PROCEDURES AND JUDICIAL PROCESS

Section 1. Minnesota Statutes 1998, section 484.70, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The chief judge of the judicial district may appoint one or more suitable persons to act as referees. Referees shall hold office at the pleasure of the judges of the district court and shall be learned in the law, except that persons holding the office of referee on January 1, 1983, may continue to serve under the terms and conditions of their appointment. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3, and are not limited to assignment to family, probate, juvenile or special term court. ~~Part time referees holding office in the second judicial district pursuant to this subdivision shall cease to hold office on July 31, 1984.~~

Sec. 2. [484.702] [EXPEDITED CHILD SUPPORT HEARING PROCESS.]

Subdivision 1. [ESTABLISHMENT.] The supreme court shall establish an expedited child support hearing process to increase effectiveness in hearings related to the establishment, modification, or enforcement of child support and paternity orders. The process must be designed to handle child support and paternity matters within the time frames provided by Code of Federal Regulations, title 45, section 303.101.

Subd. 2. [ADMINISTRATION.] The state court administrator shall provide for the administration of the expedited child support hearing process in each judicial district.

Subd. 3. [APPOINTMENT OF CHILD SUPPORT MAGISTRATES.] The chief judge of each judicial district may appoint one or more suitable persons to act as child support magistrates for the expedited child support hearing process, with the confirmation of the supreme court. A child support magistrate appointed to serve in the expedited child support process, whether hired on a full-time, part-time, or contract basis, is a judicial officer under section 43A.02, subdivision 25, and is an employee of the state under section 3.732 for purposes of section 3.736 only.

Subd. 4. [TRAINING AND QUALIFICATIONS OF CHILD SUPPORT MAGISTRATES.] The supreme court must:

(1) provide training for individuals who serve as child support magistrates for the expedited child support hearing process;

(2) establish minimum qualifications for child support magistrates; and

(3) establish a policy for evaluating and removing child support magistrates.

Subd. 5. [RULES.] The supreme court, in consultation with the conference of chief judges, shall adopt rules to implement the expedited child support hearing process under this section.

Sec. 3. Minnesota Statutes 1998, section 484.72, is amended by adding a subdivision to read:

Subd. 6. [EXPEDITED CHILD SUPPORT PROCESS.] Notwithstanding subdivisions 1 and 4, hearings and proceedings conducted in the expedited child support process under section 484.702 may be reported by use of electronic recording equipment provided that the equipment meets the minimum standards promulgated by the state court administrator. Electronic recording equipment must be operated and monitored by a person who meets the minimum qualifications promulgated by the state court administrator.

Sec. 4. [518.178] [VISITATION AND SUPPORT REVIEW HEARING.]

Upon motion of either party, the court shall conduct a hearing to review compliance with the visitation and child support provisions set forth in a decree of dissolution or legal separation or an order that establishes child custody, visitation, and support rights and obligations of parents. The state court administrator shall prepare, and each court administrator shall make available, simplified pro se forms for reviewing visitation and child support disputes. The court may impose any visitation enforcement remedy available under sections 518.175 and 518.1751, and any support enforcement remedy available under section 518.551.

Sec. 5. [518.5513] [PUBLIC AUTHORITY PROCEDURES FOR CHILD AND MEDICAL SUPPORT ORDERS AND PARENTAGE ORDERS.]

Subdivision 1. [GENERAL.] The public authority may use the provisions of this section in cases in which support rights are assigned under section 256.741, subdivision 2, or where the public authority is providing services under an application for child support services.

Subd. 2. [ROLE OF NONATTORNEY EMPLOYEES; GENERAL PROVISIONS.] Under the direction of the county attorney, nonattorney employees of the public authority may:

(1) gather information, negotiate settlements, and prepare pleadings, including proposed orders, stipulations, and related documents, on behalf of the public authority;

(2) meet and confer with parties to a child support or paternity proceeding in person or by mail, telephone, electronic means, or any other method that facilitates communication and agreement; and

(3) exercise other powers on behalf of the public authority under this section as provided in subdivisions 3 to 6.

Subd. 3. [PREPARATION OF FINANCIAL WORKSHEET.] (a) In cases involving establishment or modification of a child support order, a nonattorney employee of the public authority shall prepare a financial worksheet that contains:

(1) names and addresses of the parties;

(2) social security numbers of the parties;

(3) number of members in household of each party and dependents of the parties;

(4) names and addresses of the parties' employers;

(5) net income of the parties as defined in section 518.551, subdivision 5, with the authorized deductions itemized;

(6) amounts and sources of any other earnings and income of the parties;

(7) health insurance coverage of parties; and

(8) any other information relevant to the determination of child or medical support under section 518.171 or 518.551, subdivision 5.

(b) In preparing the financial worksheet, the nonattorney employee of the public authority shall obtain any income information available to the public authority from the department of economic security and serve this information on the parties. The information must be filed with the court or family law magistrate at least five days before any hearing involving child support, medical support, or child care reimbursement issues.

Subd. 4. [DOCUMENTS BASED ON FINANCIAL WORKSHEET.] Under the direction of the county attorney, the nonattorney employee of the public authority shall prepare a document based on the information obtained from the financial worksheet that:

(1) calculates the amount of child support pursuant to section 518.551, subdivision 5, including the amount of child care expenses, if any, to be paid by the parties; and

(2) provides for medical support pursuant to section 518.171.

The document may be used as a basis for negotiating a settlement with the parties.

Subd. 5. [NONCONTESTED MATTERS.] Under the direction of the county attorney and based on agreement of the parties, nonattorney employees may prepare a stipulation, findings of fact, conclusions of law, and proposed order. The documents must be approved and signed by the county attorney as to form and content before submission to the court or family law magistrate for approval.

Subd. 6. [ADMINISTRATIVE AUTHORITY.] (a) Provided that a factual basis exists and no actions are pending in court and no court order has been issued involving the same parties or issues, the public authority may, without requirement of a court order:

(1) recognize and enforce orders of child support agencies of other states;

(2) subpoena the appropriate person to submit to blood or genetic testing for the purpose of establishing paternity;

(3) subpoena financial or other information needed to establish, modify, or enforce a child support order and request sanctions for failure to respond to a subpoena;

(4) upon notice to the obligor, obligee, and the appropriate court, direct the obligor or other payor to change the payee to the central collections unit under sections 518.5851 to 518.5853;

(5) order income withholding of child support under section 518.6111;

(6) secure assets to satisfy the debt or arrearage in cases in which there is a support debt or arrearage by:

(i) intercepting or seizing periodic or lump sum payments from state or local agencies, including reemployment insurance, workers' compensation payments, judgments, settlements, lotteries, and other lump-sum payments;

(ii) attaching and seizing assets of the obligor held in financial institutions or public or private retirement funds; and

(iii) imposing liens in accordance with section 548.091 and, in appropriate cases, forcing the sale of property and the distribution of proceeds;

(7) for the purpose of securing overdue support, increase the amount of the monthly support payments to include amounts for debts or arrearages pursuant to section 518.6111; and

(8) subpoena an employer or payor of funds to provide promptly information on the employment, compensation, and benefits of an individual employed by that employer as an employee or contractor, and to request sanctions for failure to respond to the subpoena as provided by law.

(b) Subpoenas may be served anywhere within the state and served outside the state in the same manner as prescribed by law for service of process of subpoenas issued by the district court of this state. When a subpoena under this subdivision is served on a third-party recordkeeper, written notice of the subpoena shall be mailed to the person who is the subject of the subpoenaed material at the person's last known address within three days of the day the subpoena is served. This notice provision does not apply if there is reasonable cause to believe the giving of the notice may lead to interference with the production of the subpoenaed documents.

(c) A person served with a subpoena may make a written objection to the public authority or court before the time specified in the subpoena for compliance. The public authority or the court shall cancel or modify the subpoena, if appropriate. The public authority shall pay the reasonable costs of producing the documents, if requested.

(d) Subpoenas are enforceable in the same manner as subpoenas of the district court. Upon motion of the county attorney, the court may issue an order directing the production of the records. Failure to comply with the court order may subject the person who fails to comply to civil or criminal contempt of court.

(e) The expedited procedures under this subdivision are subject to due process safeguards, including requirements for notice, opportunity to contest the action before a child support magistrate, judicial officer, or judge, and opportunity to appeal the order to the court.

(f) The county attorney must approve and sign orders and subpoenas under this subdivision.

#### Sec. 6. [TRANSITIONAL PROVISIONS.]

Judicial districts are encouraged to utilize the existing expertise of child support administrative law judges in appointing child support magistrates under section 2 in order to facilitate the transfer of these functions to the judicial branch. Child support magistrates are state employees in the judicial branch.

## ARTICLE 2

## ADMINISTRATIVE PROCESS REPEAL

Section 1. Minnesota Statutes 1998, section 13B.06, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Account" means a demand deposit account, checking or negotiable withdraw order account, savings account, time deposit account, or money market mutual fund.

(b) "Account information" means the type of account, the account number, whether the account is singly or jointly owned, and in the case of jointly owned accounts the name and address of the nonobligor account owner if available.

(c) "Financial institution" means any of the following that do business within the state:

(1) federal or state commercial banks and federal or state savings banks, including savings and loan associations and cooperative banks;

(2) federal and state chartered credit unions;

(3) benefit associations;

(4) life insurance companies;

(5) safe deposit companies; and

(6) money market mutual funds.

(d) "Obligor" means an individual who is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge~~ a child support magistrate, or the public authority.

(e) "Public authority" means the public authority responsible for child support enforcement.

Sec. 2. Minnesota Statutes 1998, section 168A.20, subdivision 4, is amended to read:

Subd. 4. [SATISFACTION OF LIEN FOR CHILD SUPPORT.] If the secured party is a public authority or a child support or maintenance obligee with a lien under section 168A.05, subdivision 8, upon either the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, or the execution by the owner of a written payment agreement determined to be acceptable by the court, ~~an administrative law judge~~ a child support magistrate, the public authority, or the obligee, within 15 days the secured party shall execute a release of security interest on the form prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

Sec. 3. Minnesota Statutes 1998, section 171.186, subdivision 1, is amended to read:

Subdivision 1. [SUSPENSION.] The commissioner shall suspend a person's driver's license or operating privileges without a hearing upon receipt of a court order or notice from a public authority responsible for child support enforcement that states that the driver is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by a court, ~~an administrative law judge~~ a child support magistrate, or the public authority responsible for child support enforcement, in accordance with section 518.551, subdivision 13.

Sec. 4. Minnesota Statutes 1998, section 171.186, subdivision 3, is amended to read:

Subd. 3. [DURATION.] A license or operating privilege must remain suspended and may not be reinstated, nor may a license be subsequently issued to the person, until the commissioner receives notice from the court, ~~an administrative law judge~~ a child support magistrate, or public authority responsible for child support enforcement that the person is in compliance with all current orders of support or written payment agreements regarding both current support and arrearages. A fee may not be assessed for reinstatement of a license under this section.

Sec. 5. Minnesota Statutes 1998, section 214.101, subdivision 1, is amended to read:

Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.] (a) For purposes of this section, "licensing board" means a licensing board or other state agency that issues an occupational license.

(b) If a licensing board receives an order from a court or ~~an administrative law judge~~ a child support magistrate or a notice from a public authority responsible for child support enforcement under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court or the public authority to be in arrears in child support or maintenance payments, or both, the board shall, within 30 days of receipt of the order or public authority notice, suspend the license as directed by the order or notice.

Sec. 6. Minnesota Statutes 1998, section 214.101, subdivision 4, is amended to read:

Subd. 4. [VERIFICATION OF PAYMENTS.] A board may not issue, reinstate, or renew a license of a person who has been suspended or is the subject of an order or notice under this section until it receives notification from the court, ~~administrative law judge~~ child support magistrate, or public authority that referred the matter to the board confirming that the applicant is not in arrears in either child support or maintenance payments, or confirming that the person is in compliance with a written payment plan regarding both current support and arrearages.

Sec. 7. Minnesota Statutes 1998, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. [TRANSMITTAL OF FEES TO STATE TREASURER.] (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. In a county in the eighth judicial district which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) ~~child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.5511, or in a proceeding under section 484.702;~~

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;



(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapter 260;

(6) forfeiture of property under sections 169.1217 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) The fees collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 8. Minnesota Statutes 1998, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. In the case of an obligor who changes employment and is required to provide health coverage for the child, a new employer that provides health care coverage shall enroll the child in the obligor's health plan upon receipt of an order or notice for health insurance, unless the obligor contests the enrollment. The obligor may contest the enrollment on the limited grounds that the enrollment is improper due to mistake of fact or that the enrollment meets the requirements of section 518.64, subdivision 2. If the obligor chooses to contest the enrollment, the obligor must do so no later than 15 days after the employer notifies the obligor of the enrollment, by doing all of the following:

(1) filing a request for contested hearing according to section ~~518.5511, subdivision 3a~~ 484.702;

(2) serving a copy of the request for contested hearing upon the public authority and the obligee; and

(3) securing a date for the contested hearing no later than 45 days after the notice of enrollment.

(b) The enrollment must remain in place during the time period in which the obligor contests the withholding.

An employer or union that is included under ERISA may not deny enrollment based on exclusionary clauses described in section 62A.048. Upon application of the obligor according to the order or notice, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the least costly health insurance plan otherwise available to the obligor that is comparable to a number two qualified plan. If the obligor is not enrolled in a health insurance plan, the employer or union shall also enroll the obligor in the chosen plan if enrollment of the obligor is necessary in order to obtain dependent coverage under the plan. Enrollment of dependents and the obligor shall be immediate and not dependent upon open enrollment periods. Enrollment is not subject to the underwriting policies described in section 62A.048.

(c) An employer or union that willfully fails to comply with the order is liable for any health or dental expenses incurred by the dependents during the period of time the dependents were eligible to be enrolled in the insurance program, and for any other premium costs incurred because the employer or union willfully failed to comply with the order. An employer or union that fails to comply with the order is subject to contempt under section 518.615 and is also subject to a fine of \$500 to be paid to the obligee or public authority. Fines paid to the public authority are designated for child support enforcement services.

(d) Failure of the obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 9. Minnesota Statutes 1998, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] (a) Upon motion of an obligee, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state, county, or municipal agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge, a child support magistrate, or the public authority, the administrative law judge, or the court~~ shall direct the licensing board or other licensing agency to suspend the license under section 214.101. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement regarding both current support and arrearages. The payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement regarding both current support and arrearages after the 90 days expires, the court's order becomes effective. If the obligor is a licensed attorney, the court shall report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

(b) If a public authority responsible for child support enforcement finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state, county, or municipal agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge, a child support magistrate, or the public authority, the court, an administrative law judge, or the public authority~~ shall direct the licensing board or other licensing agency to suspend the license under section 214.101. If the obligor is a licensed attorney, the public authority may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the public authority.

(c) At least 90 days before notifying a licensing authority or the lawyers professional responsibility board under paragraph (b), the public authority shall mail a written notice to the license holder addressed to the license holder's last known address that the public authority intends to seek license suspension under this subdivision and that the license holder must request a hearing within 30 days in order to contest the suspension. If the license holder makes a written request for a hearing within 30 days of the date of the notice, ~~either a court hearing or a contested administrative proceeding or a hearing under section 484.702~~ must be held ~~under section 518.5511, subdivision 4~~. Notwithstanding any law to the contrary, the license holder must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the license holder. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement regarding both current support and arrearages approved by the public authority within 90 days of the date of the notice, the public authority shall direct the licensing board or other licensing agency to suspend the obligor's license under paragraph (b), or shall report the matter to the lawyers professional responsibility board.

(d) ~~The administrative law judge, on behalf of~~ The public authority; or the court shall notify the lawyers professional responsibility board for appropriate action in accordance with the rules of professional responsibility conduct or order the licensing board or licensing agency to suspend the license if the judge finds that:

(1) the person is licensed by a licensing board or other state agency that issues an occupational license;

(2) the person has not made full payment of arrearages found to be due by the public authority; and

(3) the person has not executed or is not in compliance with a payment plan approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority.

(e) Within 15 days of the date on which the obligor either makes full payment of arrearages found to be due by the court or public authority or executes and initiates good faith compliance with a written payment plan approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority, the court, ~~an administrative law judge~~, a child support magistrate, or the public authority responsible for child support enforcement shall notify the licensing board or licensing agency or the lawyers professional responsibility board that the obligor is no longer ineligible for license issuance, reinstatement, or renewal under this subdivision.

(f) In addition to the criteria established under this section for the suspension of an obligor's occupational license, a court, ~~an administrative law judge~~, a child support magistrate, or the public authority may direct the licensing board or other licensing agency to suspend the license of a party who has failed, after receiving notice, to comply with a subpoena relating to a paternity or child support proceeding. Notice to an obligor of intent to suspend must be served by first class mail at the obligor's last known address. The notice must inform the obligor of the right to request a hearing. If the obligor makes a written request within ten days of the date of the hearing, a ~~contested administrative proceeding hearing~~ must be held ~~under section 518.5511, subdivision 4~~. At the hearing, the only issues to be considered are mistake of fact and whether the obligor received the subpoena.

(g) The license of an obligor who fails to remain in compliance with an approved payment agreement may be suspended. Notice to the obligor of an intent to suspend under this paragraph must be served by first class mail at the obligor's last known address and must include a notice of hearing. The notice must be served upon the obligor not less than ten days before the date of the hearing. If the obligor appears at the hearing and the judge determines that the obligor has failed to comply with an approved payment agreement, the judge shall notify the occupational licensing board or agency to suspend the obligor's license under paragraph (c). If the obligor fails to appear at the hearing, the public authority may notify the occupational or licensing board to suspend the obligor's license under paragraph (c).

Sec. 10. Minnesota Statutes 1998, section 518.551, subdivision 13, is amended to read:

Subd. 13. [DRIVER'S LICENSE SUSPENSION.] (a) Upon motion of an obligee, which has been properly served on the obligor and upon which there has been an opportunity for hearing, if a court finds that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority, the court shall order the commissioner of public safety to suspend the obligor's driver's license. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement regarding both current support and arrearages, which payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement regarding both current support and arrearages after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the court. An obligee may not bring a motion under this paragraph within 12 months of a denial of a previous motion under this paragraph.

(b) If a public authority responsible for child support enforcement determines that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the public authority.

(c) At least 90 days prior to notifying the commissioner of public safety according to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to seek suspension of the obligor's driver's license and that the obligor must request a hearing within 30 days in order to contest the suspension. If the obligor makes a written request for a hearing within 30 days of the date of the notice, ~~either a court hearing or a contested administrative proceeding must be held under section 518.5511, subdivision 4.~~ Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement regarding both current support and arrearages approved by the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the district court ~~or the administrative law judge~~ or child support magistrate shall order the commissioner of public safety to suspend the obligor's driver's license or operating privileges unless the court or ~~administrative law judge~~ child support magistrate determines that the obligor has executed and is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge, a child support magistrate,~~ or the public authority.

(e) An obligor whose driver's license or operating privileges are suspended may provide proof to the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements regarding both current support and arrearages. Within 15 days of the receipt of that proof, the public authority shall inform the commissioner of public safety that the obligor's driver's license or operating privileges should no longer be suspended.

(f) On January 15, 1997, and every two years after that, the commissioner of human services shall submit a report to the legislature that identifies the following information relevant to the implementation of this section:

- (1) the number of child support obligors notified of an intent to suspend a driver's license;
- (2) the amount collected in payments from the child support obligors notified of an intent to suspend a driver's license;
- (3) the number of cases paid in full and payment agreements executed in response to notification of an intent to suspend a driver's license;
- (4) the number of cases in which there has been notification and no payments or payment agreements;
- (5) the number of driver's licenses suspended; and
- (6) the cost of implementation and operation of the requirements of this section.

(g) In addition to the criteria established under this section for the suspension of an obligor's driver's license, a court, ~~an administrative law judge, a child support magistrate,~~ or the public authority may direct the commissioner of public safety to suspend the license of a party who has failed, after receiving notice, to comply with a subpoena relating to a paternity or child support proceeding. Notice to an obligor of intent to suspend must be served by first class mail at the obligor's last known address. The notice must inform the obligor of the right to request a hearing. If the obligor makes a written request within ten days of the date of the hearing, ~~a contested administrative proceeding must be held under section 518.5511, subdivision 4~~ hearing must be held. At the hearing, the only issues to be considered are mistake of fact and whether the obligor received the subpoena.

(h) The license of an obligor who fails to remain in compliance with an approved payment agreement may be suspended. Notice to the obligor of an intent to suspend under this paragraph must be served by first class mail at the obligor's last known address and must include a notice of hearing. The notice must be served upon the obligor

not less than ten days before the date of the hearing. If the obligor appears at the hearing and the judge determines that the obligor has failed to comply with an approved payment agreement, the judge shall notify the department of public safety to suspend the obligor's license under paragraph (c). If the obligor fails to appear at the hearing, the public authority may notify the department of public safety to suspend the obligor's license under paragraph (c).

Sec. 11. Minnesota Statutes 1998, section 518.551, subdivision 14, is amended to read:

Subd. 14. [MOTOR VEHICLE LIEN.] (a) Upon motion of an obligee, if a court finds that the obligor is a debtor for a judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the court shall order the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, in accordance with section 168A.05, subdivision 8, unless the court finds that the obligor is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement regarding both current support and arrearages, which agreement shall be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority within the 90-day period, the court's order becomes effective and the commissioner of public safety shall record the lien on any motor vehicle certificate of title subsequently issued in the name of the obligor. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

(b) If a public authority responsible for child support enforcement determines that the obligor is a debtor for judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the public authority shall direct the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, under section 168A.05, subdivision 8, on any motor vehicle certificate of title subsequently issued in the name of the obligor unless the public authority determines that the obligor is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority. The remedy under this subdivision is in addition to any other enforcement remedy available to the public agency.

(c) At least 90 days prior to notifying the commissioner of public safety pursuant to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to record a lien on any motor vehicle certificate of title subsequently issued in the name of the obligor and that the obligor must request a hearing within 30 days in order to contest the action. If the obligor makes a written request for a hearing within 30 days of the date of the notice, ~~either a court hearing or a contested administrative proceeding~~ must be held ~~under section 518.5511, subdivision 4~~. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice and the obligor does not execute or is not in compliance with a written payment agreement regarding both current support and arrearages approved by the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to record the lien under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the district court or ~~the administrative law judge~~ child support magistrate shall order the commissioner of public safety to record the lien unless the court or ~~administrative law judge~~ child support magistrate determines that the obligor has executed and is in compliance with a written payment agreement regarding both current support and arrearages determined to be acceptable by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority.

(e) An obligor may provide proof to the court or the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements regarding both current support and arrearages or that the value of the motor vehicle is less than the exemption provided under section 550.37. Within 15 days of the receipt of that proof, the court or public authority shall either execute a release of security interest under section 168A.20, subdivision 4, and mail or deliver the release to the owner or other authorized person or shall direct the commissioner of public safety not to enter a lien on any motor vehicle certificate of title subsequently issued in the name of the obligor in instances where a lien has not yet been entered.

(f) Any lien recorded against a motor vehicle certificate of title under this section and section 168A.05, subdivision 8, attaches only to the nonexempt value of the motor vehicle as determined in accordance with section 550.37. The value of a motor vehicle must be determined in accordance with the retail value described in the N.A.D.A. Official Used Car Guide, Midwest Edition, for the current year, or in accordance with the purchase price as defined in section 297B.01, subdivision 8.

Sec. 12. Minnesota Statutes 1998, section 518.553, is amended to read:

518.553 [PAYMENT AGREEMENTS.]

In proposing or approving proposed written payment agreements for purposes of section 518.551, the court, ~~an administrative law judge~~ a child support magistrate, or the public authority shall take into consideration the amount of the arrearages, the amount of the current support order, any pending request for modification, and the earnings of the obligor. The court, ~~administrative law judge~~ child support magistrate, or public authority shall consider the individual financial circumstances of each obligor in evaluating the obligor's ability to pay any proposed payment agreement and shall propose a reasonable payment agreement tailored to the individual financial circumstances of each obligor.

Sec. 13. Minnesota Statutes 1998, section 518.575, subdivision 1, is amended to read:

Subdivision 1. [MAKING NAMES PUBLIC.] At least once each year, the commissioner of human services, in consultation with the attorney general, shall publish a list of the names and other identifying information of no more than 25 persons who (1) are child support obligors, (2) are at least \$10,000 in arrears, (3) are not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, ~~an administrative law judge~~, a child support magistrate, or the public authority, (4) cannot currently be located by the public authority for the purposes of enforcing a support order, and (5) have not made a support payment except tax intercept payments, in the preceding 12 months.

Identifying information may include the obligor's name, last known address, amount owed, date of birth, photograph, the number of children for whom support is owed, and any additional information about the obligor that would assist in identifying or locating the obligor. The commissioner and attorney general may use posters, media presentations, electronic technology, and other means that the commissioner and attorney general determine are appropriate for dissemination of the information, including publication on the Internet. The commissioner and attorney general may make any or all of the identifying information regarding these persons public. Information regarding an obligor who meets the criteria in this subdivision will only be made public subsequent to that person's selection by the commissioner and attorney general.

Before making public the name of the obligor, the department of human services shall send a notice to the obligor's last known address which states the department's intention to make public information on the obligor. The notice must also provide an opportunity to have the obligor's name removed from the list by paying the arrearage or by entering into an agreement to pay the arrearage, or by providing information to the public authority that there is good cause not to make the information public. The notice must include the final date when the payment or agreement can be accepted.

The department of human services shall obtain the written consent of the obligee to make the name of the obligor public.

Sec. 14. Minnesota Statutes 1998, section 518.5853, subdivision 6, is amended to read:

Subd. 6. [TRANSMITTAL OF ORDER TO THE LOCAL AGENCY BY THE TRIBUNAL.] The tribunal shall transmit a copy of the order establishing or modifying the payment, and a copy of the automatic income withholding order, to the local child support agency within two working days of the approval of the order by the judge or ~~administrative law judge~~ child support magistrate or other person or entity authorized to sign the automatic withholding order.

Sec. 15. Minnesota Statutes 1998, section 518.6111, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] This section applies to all support orders issued by a court or an administrative tribunal and orders for or notices of withholding issued by the public authority according to section ~~518.5512, subdivision 5, paragraph (a), clause (4)~~ 518.5513, subdivision 6, paragraph (a), clause (5).

Sec. 16. Minnesota Statutes 1998, section 518.6111, subdivision 7, is amended to read:

Subd. 7. [SUBSEQUENT INCOME WITHHOLDING.] (a) This subdivision applies to support orders that do not contain provisions for income withholding.

(b) For cases in which the public authority is providing child support enforcement services to the parties, the income withholding under this subdivision shall take effect without prior judicial notice to the obligor and without the need for judicial or administrative hearing. Withholding shall result when:

(1) the obligor requests it in writing to the public authority;

(2) the obligee or obligor serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services; or

(3) the public authority commences withholding according to section ~~518.5512, subdivision 5, paragraph (a), clause (4)~~ 518.5513, subdivision 6, paragraph (a), clause (5).

(c) For cases in which the public authority is not providing child support services to the parties, income withholding under this subdivision shall take effect when an obligee requests it by making a written motion to the court and the court finds that previous support has not been paid on a timely consistent basis or that the obligor has threatened expressly or otherwise to stop or reduce payments.

(d) Within two days after the public authority commences withholding under this subdivision, the public authority shall send to the obligor at the obligor's last known address, notice that withholding has commenced. The notice shall include the information provided to the payor of funds in the notice of withholding.

Sec. 17. Minnesota Statutes 1998, section 518.6111, subdivision 8, is amended to read:

Subd. 8. [CONTEST.] (a) The obligor may contest withholding under subdivision 7 on the limited grounds that the withholding or the amount withheld is improper due to mistake of fact. If the obligor chooses to contest the withholding, the obligor must do so no later than 15 days after the employer commences withholding, by doing all of the following:

(1) file a request for ~~contested hearing according to section 518.5511, subdivision 3a~~ an expedited child support hearing under section 484.702, and include in the request the alleged mistake of fact;

(2) serve a copy of the request for contested hearing upon the public authority and the obligee; and

(3) secure a date for the contested hearing no later than 45 days after receiving notice that withholding has commenced.

(b) The income withholding must remain in place while the obligor contests the withholding.

(c) If the court finds a mistake in the amount of the arrearage to be withheld, the court shall continue the income withholding, but it shall correct the amount of the arrearage to be withheld.

Sec. 18. Minnesota Statutes 1998, section 518.6111, subdivision 14, is amended to read:

Subd. 14. [TERMINATION BY THE PUBLIC AUTHORITY.] If the public authority determines that income withholding is no longer applicable, the public authority shall notify the obligee and the obligor of intent to terminate income withholding.

Five days following notification to the obligee and obligor, the public authority shall issue a notice to the payor of funds terminating income withholding, without a requirement for a court order unless the obligee has requested a ~~contested hearing under section 518.5511, subdivision 3~~ an expedited child support hearing under section 484.702.

Sec. 19. Minnesota Statutes 1998, section 518.616, subdivision 1, is amended to read:

Subdivision 1. [COURT ORDER.] For any support order being enforced by the public authority, the public authority may seek a court order requiring the obligor to seek employment if:

- (1) employment of the obligor cannot be verified;
- (2) the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments; and
- (3) the obligor is not in compliance with a written payment plan.

Upon proper notice being given to the obligor, the court may enter a seek employment order if it finds that the obligor has not provided proof of gainful employment and has not consented to an order for income withholding under section 518.6111 or entered into a written payment plan approved by the court, ~~an administrative law judge,~~ a child support magistrate, or the public authority.

Sec. 20. Minnesota Statutes 1998, section 518.617, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] If a person against whom an order or decree for support has been entered under this chapter, chapter 256, or a comparable law from another jurisdiction, is in arrears in court-ordered child support or maintenance payments in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment plan approved by the court, ~~an administrative law judge~~ a child support magistrate, or the public authority, the person may be cited and punished by the court for contempt under section 518.64, chapter 588, or this section. Failure to comply with a seek employment order entered under section 518.616 is evidence of willful failure to pay support.

Sec. 21. Minnesota Statutes 1998, section 518.641, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS.] No adjustment under this section may be made unless the order provides for it and until the following conditions are met:

- (a) the obligee serves notice of the application for adjustment by mail on the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment;
- (b) the notice to the obligor informs the obligor of the date on which the adjustment in payments will become effective;



(c) after receipt of notice and before the effective day of the adjustment, the obligor fails to request a hearing on the issue of whether the adjustment should take effect, and ex parte, to stay imposition of the adjustment pending outcome of the hearing; or

(d) the public authority sends notice of its application for adjustment to the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment, and the notice informs the obligor of the date on which the adjustment will become effective and the procedures for contesting the adjustment according to section ~~518.5512~~ 484.702.

Sec. 22. Minnesota Statutes 1998, section 552.05, subdivision 4, is amended to read:

Subd. 4. [PROCESS TO REQUEST HEARING.] If the judgment debtor elects to request a hearing on any issue specified in subdivision 6, the judgment debtor shall complete the applicable portion of the exemption and right to hearing notice, sign it under penalty of perjury, and deliver one copy to the public authority within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption and right to hearing notice. Upon timely receipt of a request for hearing, funds not claimed to be exempt by the judgment debtor remain subject to the execution levy. Within seven days after the date postmarked on the envelope containing the executed request for hearing mailed to the public authority, or the date of personal delivery of the executed request for hearing to the public authority, the public authority shall either notify the financial institution to release the exempt portion of the funds to the judgment debtor or schedule ~~a contested administrative proceeding under section 518.5511~~ an expedited child support hearing under section 484.702 and notify the judgment debtor of the time and place of the scheduled hearing.

Sec. 23. Minnesota Statutes 1998, section 552.05, subdivision 5, is amended to read:

Subd. 5. [DUTIES OF PUBLIC AUTHORITY IF HEARING IS REQUESTED.] Within seven days of the receipt of a request for hearing or a claim of exemption to which the public authority does not consent, the public authority shall schedule ~~a contested administrative proceeding under section 518.5511~~ an expedited child support hearing under section 484.702. The hearing must be scheduled to occur within five business days. The public authority shall send written notice of the hearing date, time, and place to the judgment debtor by first class mail. The hearing may be conducted by telephone, audiovisual means or other electronic means, at the discretion of the administrative law judge. If the hearing is to be conducted by telephone, audiovisual means, or other electronic means, the public authority shall provide reasonable assistance to the judgment debtor to facilitate the submission of all necessary documentary evidence to the administrative law judge, including access to the public authority's facsimile transmission machine.

Sec. 24. [REPEALER.]

Minnesota Statutes 1998, sections 518.5511; and 518.5512, are repealed.

Sec. 25. [EFFECTIVE DATE; APPLICATION.]

This article is effective July 1, 1999."

Delete the title and insert:

"A bill for an act relating to family law; repealing the administrative process for support orders; establishing a child support magistrate system; authorizing child support and visitation review hearings; amending Minnesota Statutes 1998, sections 13B.06, subdivision 1; 168A.20, subdivision 4; 171.186, subdivisions 1 and 3; 214.101, subdivisions 1 and 4; 357.021, subdivision 1a; 484.70, subdivision 1; 484.72, by adding a subdivision; 518.171, subdivision 4; 518.551, subdivisions 12, 13, and 14; 518.553; 518.575, subdivision 1; 518.5853, subdivision 6; 518.6111, subdivisions 2, 7, 8, and 14; 518.616, subdivision 1; 518.617, subdivision 1; 518.641, subdivision 2; and 552.05, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 484; and 518; repealing Minnesota Statutes 1998, sections 518.5511; and 518.5512."

With the recommendation that when so amended the bill pass.

The report was adopted.

Bishop from the Committee on Ways and Means to which was referred:

S. F. No. 171, A bill for an act relating to commerce; providing an appropriation for an education campaign on mortgage flipping; establishing penalties; proposing coding for new law in Minnesota Statutes, chapter 82B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [82B.201] [CRIMINAL PENALTY.]

A person who violates any provision of this chapter is guilty of a gross misdemeanor.

Sec. 2. [APPROPRIATION.]

\$100,000 is appropriated from the real estate education, research, and recovery fund established under Minnesota Statutes, section 82.34, to the department of commerce for an educational campaign aimed at stopping the fraudulent practice known commonly as mortgage flipping. The department is directed to develop a public awareness campaign targeted to the communities hardest hit by this practice. The department is further directed to solicit contributions to this campaign from trade organizations, banks, mortgage companies, and foundations to supplement the program. The materials shall be prepared in multiple languages as necessary. The appropriation is available until expended.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; providing an appropriation for an education campaign on mortgage flipping; establishing criminal penalties for violations of statutory provisions regulating real estate appraisers; proposing coding for new law in Minnesota Statutes, chapter 82B."

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

The report was adopted.

Bishop from the Committee on Ways and Means to which was referred:

S. F. No. 685, A bill for an act relating to telecommunications; deregulating coin-operated or public pay telephones under state law; authorizing the public utilities commission to assess administrative penalties for anticompetitive activities by telecommunication providers; amending Minnesota Statutes 1998, section 237.5799; proposing coding for new law in Minnesota Statutes, chapter 237.

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

The report was adopted.

Bishop from the Committee on Ways and Means to which was referred:

S. F. No. 2052, A bill for an act relating to claims against the state; providing for payment of various claims; clarifying certain language concerning claims; authorizing determination of a lake control elevation; appropriating money; amending Minnesota Statutes 1998, sections 3.738, subdivision 2; and 3.739, subdivision 2a.

Reported the same back with the following amendments:

Page 4, line 5, delete everything after the headnote

Page 4, delete lines 6 to 12

Page 4, line 13, delete the paragraph coding

Page 4, line 20, delete everything after the period

Page 4, delete lines 21 to 24

With the recommendation that when so amended the bill pass.

The report was adopted.

### **SECOND READING OF SENATE BILLS**

S. F. Nos. 1639, 23, 171, 685 and 2052 were read for the second time.

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

The following House File was introduced:

Mares, Pawlenty, Sviggum, Pugh, Milbert and Kielkucki introduced:

H. F. No. 2433, A bill for an act relating to sports facilities; restructuring the metropolitan sports facilities commission as the Minnesota sports facilities commission; amending Minnesota Statutes 1998, sections 3.9741; 340A.504, subdivision 1; 469.071, subdivision 4; 473.121, subdivision 5a; 473.1623, subdivision 2; 473.164; 473.553, subdivisions 1, 2, 3, 4, 5, 6, and 7; repealing Minnesota Statutes 1998, sections 13.99, subdivision 98a; 473.551, subdivisions 10, 11, 12, 13, 14, 15, 16, and 17; 473.552; 473.553, subdivisions 9 and 14; 473.556, subdivisions 7, 14, and 17; 473.595, subdivisions 1a, 4, and 5; 473.598; and 473.599.

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

### **MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 70, A bill for an act relating to public safety; authorizing law enforcement agencies to sell forfeited firearms, ammunition, and firearm accessories to firearms dealers; allowing certain agencies to retain forfeited money for crime prevention use; amending Minnesota Statutes 1998, section 609.5315, subdivisions 1 and 2.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 174, A bill for an act relating to the Paynesville area hospital district; authorizing the district to annex the city of Richmond to the district.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2067, A bill for an act relating to juvenile justice; when an extended jurisdiction juvenile offender has stayed sentence executed for violation of stay no credit is granted for time in juvenile facility; amending Minnesota Statutes 1998, section 260.126, subdivision 5.

The Senate has appointed as such committee:

Senators Ranum, Pappas and Knutson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2225, A bill for an act relating to human services; appropriating money for the departments of human services and health, the veterans nursing homes board, the health-related boards, the emergency medical services board, the council on disability, the ombudsman for mental health and mental retardation, and the ombudsman for families; establishing the state board of physical therapy; amending Minnesota Statutes 1998, sections 13.99, subdivision 38a, and by adding a subdivision; 16A.76, subdivision 2; 16C.10, subdivision 5; 60A.15, subdivision 1; 62A.045; 62E.11, by adding a subdivision; 62J.69; 116L.02; 125A.08; 125A.21, subdivision 1; 125A.74, subdivisions 1 and 2; 144.065; 144.148; 144.1761, subdivision 1; 144.99, subdivision 1, and by adding a subdivision; 144A.073, subdivision 5; 144A.10, by adding subdivisions; 144A.46, subdivision 2; 144D.01, subdivision 4;

144E.001, by adding subdivisions; 144E.10, subdivision 1; 144E.11, by adding a subdivision; 144E.16, subdivision 4; 144E.18; 144E.27, by adding subdivisions; 144E.50, by adding a subdivision; 145.924; 145.9255, subdivisions 1 and 4; 145A.02, subdivision 10; 145.9255, subdivisions 1 and 4; 148.5194, subdivisions 2, 3, 4, and by adding a subdivision; 148.66; 148.67; 148.70; 148.705; 148.71; 148.72, subdivisions 1, 2, and 4; 148.73; 148.74; 148.75; 148.76; 148.78; 148B.32, subdivision 1; 150A.10, subdivision 1; 214.01, subdivision 2; 245.462, subdivisions 4 and 17; 245.4711, subdivision 1; 245.4712, subdivision 2; 245.4871, subdivisions 4 and 26; 245.4881, subdivision 1; 245A.04, subdivision 3a; 245A.08, subdivision 5; 245A.30; 245B.05, subdivision 7; 245B.07, subdivisions 5, 8, and 10; 246.18, subdivision 6; 252.28, subdivision 1; 252.291, by adding a subdivision; 252.32, subdivision 3a; 252.46, subdivision 6; 253B.045, by adding subdivisions; 253B.07, subdivision 1; 253B.185, by adding a subdivision; 254B.01, by adding a subdivision; 254B.03, subdivision 2; 254B.04, subdivision 1; 254B.05, subdivision 1; 256.01, subdivision 2; 256.015, subdivisions 1 and 3; 256.87, subdivision 1a; 256.955, subdivisions 3, 4, 7, 8, and 9; 256.9685, subdivision 1a; 256.969, subdivision 1; 256B.04, subdivision 16, and by adding a subdivision; 256B.042, subdivisions 1, 2, and 3; 256B.055, subdivision 3a; 256B.056, subdivision 4; 256B.057, subdivision 3, and by adding a subdivision; 256B.0575; 256B.061; 256B.0625, subdivisions 6a, 8, 8a, 13, 19c, 20, 26, 28, 30, 32, 35, and by adding subdivisions; 256B.0627, subdivisions 1, 2, 4, 5, 8, and by adding subdivisions; 256B.0635, subdivision 3; 256B.064, subdivisions 1a, 1b, 1c, 2, and by adding a subdivision; 256B.0911, subdivisions 6; 256B.0913, subdivisions 5, 10, 12, and 16; 256B.0917, subdivision 8; 256B.094, subdivisions 3, 5, and 6; 256B.37, subdivision 2; 256B.431, subdivisions 2i, 17, 26, and by adding a subdivision; 256B.434, subdivisions 3, 4, 13, and by adding a subdivision; 256B.435; 256B.48, subdivisions 1, 1a, 1b, and 6; 256B.50, subdivision 1e; 256B.501, subdivision 8a, and by adding a subdivision; 256B.5011, subdivisions 1 and 2; 256B.69, subdivisions 3a, 5b, 6a, 6b, and by adding subdivisions; 256B.692, subdivision 2; 256B.75; 256B.76; 256B.77, subdivisions 7a, 8, and by adding subdivisions; 256D.03, subdivisions 3, 4, and 8; 256D.051, subdivision 2a, and by adding a subdivision; 256D.053, subdivision 1; 256D.06, subdivision 5; 256F.03, subdivision 5; 256F.05, subdivision 8; 256F.10, subdivisions 1, 4, 6, 7, 8, 9, and 10; 256I.04, subdivision 3; 256I.05, subdivisions 1 and 1a; 256J.08, subdivisions 11, 24, 65, 82, 83, 86a, and by adding subdivisions; 256J.11, subdivisions 2 and 3; 256J.12, subdivisions 1a and 2; 256J.14; 256J.20, subdivision 3; 256J.21, subdivisions 2, 3, and 4; 256J.24, subdivisions 2, 3, 7, 8, 9, and by adding a subdivision; 256J.26, subdivision 1; 256J.30, subdivisions 2, 7, 8, and 9; 256J.31, subdivisions 5 and 12; 256J.32, subdivisions 4 and 6; 256J.33; 256J.34, subdivisions 1, 3, and 4; 256J.35; 256J.36; 256J.37, subdivisions 1, 1a, 2, 9, and 10; 256J.38, subdivision 4; 256J.42, subdivisions 1, 5, and by adding a subdivision; 256J.43; 256J.45, subdivision 1; 256J.46, subdivisions 1, 2, and 2a; 256J.47, subdivision 4; 256J.48, subdivisions 2 and 3; 256J.50, subdivision 1; 256J.515; 256J.52, subdivisions 1, 4, 8, and by adding a subdivision; 256J.55, subdivision 4; 256J.56; 256J.57, subdivision 1; 256J.62, subdivisions 1, 6, 7, 8, 9, and by adding a subdivision; 256J.67, subdivision 4; 256J.74, subdivision 2; 256J.76, subdivisions 1, 2, and 4; 256L.03, subdivisions 5 and 6; 256L.04, subdivisions 2, 7, 8, 11, and 13; 256L.05, subdivision 4, and by adding a subdivision; 256L.06, subdivision 3; 256L.07; 256L.15, subdivisions 1, 1b, 2, and 3; 257.071, subdivisions 1, 1a, 1c, 1d, 1e, 3, and 4; 257.66, subdivision 3; 257.75, subdivision 2; 257.85, subdivisions 2, 3, 4, 5, 6, 7, 9, and 11; 259.29, subdivision 2; 259.67, subdivisions 6 and 7; 259.73; 259.85, subdivisions 2, 3, and 5; 259.89, by adding a subdivision; 260.011, subdivision 2; 260.012; 260.015, subdivisions 2a, 13, and 29; 260.131, subdivision 1a; 260.133, subdivisions 1 and 2; 260.135, by adding a subdivision; 260.172, subdivision 1, and by adding a subdivision; 260.181, subdivision 3; 260.191, subdivisions 1, 1a, 1b, and 3b; 260.192; 260.221, subdivisions 1, 1a, 1b, 1c, 3, and 5; 326.40, subdivisions 2, 4, and 5; 518.10; 518.158, subdivisions 1 and 2; 518.551, by adding a subdivision; 518.5853, by adding a subdivision; 626.556, subdivisions 2, 3, 4, 7, 10, 10b, 10d, 10e, 10f, 10i, 10j, 11, 11b, 11c, and by adding a subdivision; and 626.558, subdivision 1; Laws 1995, chapter 178, article 2, section 46, subdivision 10; chapter 207, article 8, section 41, as amended; Laws 1997, chapter 203, article 9, section 19; Laws 1998, chapter 407, article 7, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 10; 62J; 116L; 137; 144; 144A; 144E; 148; 214; 245; 246; 252; 254A; 256; 256B; 256J; and 626; proposing coding for new law as Minnesota Statutes, chapter 256M; repealing Minnesota Statutes 1998, sections 62J.77; 62J.78; 62J.79; 144.0723; 144E.16, subdivisions 1, 2, 3, and 6; 144E.17; 144E.25; 144E.30, subdivisions 1, 2, and 6; 145.46; 256B.434, subdivision 17; 256B.501, subdivision 3g; 256B.5011, subdivision 3; 256B.74, subdivisions 2 and 5; 256D.051, subdivisions 6 and 19; 256D.053, subdivision 4; 256J.03; 256J.30, subdivision 6; 256J.53, subdivision 4; 256J.62, subdivisions 2, 3, and 5; 257.071, subdivisions 8 and 10; and 462A.208; Laws 1997, chapter 85, article 1, section 63; chapter 203, article 4, section 55; chapter 225, article 6, section 8; Laws 1998, chapter 407, article 2, section 104; Minnesota Rules, parts 4690.0100, subparts 4, 13, 15, 19, 20, 21, 22, 23, 24, 26, 27, and 29; 4690.0300; 4690.0400; 4690.0500; 4690.0600; 4690.0700; 4690.0800, subparts 1 and 2; 4690.0900;

4690.1000; 4690.1100; 4690.1200; 4690.1300; 4690.1600; 4690.1700; 4690.2100; 4690.2200, subparts 1, 3, 4, and 5; 4690.2300; 4690.2400, subparts 1, 2, and 3; 4690.2500; 4690.2900; 4690.3000; 4690.3700; 4690.3900; 4690.4000; 4690.4100; 4690.4200; 4690.4300; 4690.4400; 4690.4500; 4690.4600; 4690.4700; 4690.4800; 4690.4900; 4690.5000; 4690.5100; 4690.5200; 4690.5300; 4690.5400; 4690.5500; 4690.5700; 4690.5800; 4690.5900; 4690.6000; 4690.6100; 4690.6200; 4690.6300; 4690.6400; 4690.6500; 4690.6600; 4690.6700; 4690.6800; 4690.7000; 4690.7100; 4690.7200; 4690.7300; 4690.7400; 4690.7500; 4690.7600; 4690.7700; 4690.7800; 4690.8300, subparts 1, 2, 3, 4, and 5; and 4735.5000.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Samuelson, Berglin, Kiscaden, Junge and Oliver.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Goodno moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2225. The motion prevailed.

Mr. Speaker:

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

H. F. No. 2333, A bill for an act relating to education; prekindergarten through grade 12; providing for general education; special programs; lifework development; facilities and technology; education excellence; other programs; nutrition programs; libraries; education policy; and state agencies; appropriating money; amending Minnesota Statutes 1998, sections 13.46, subdivision 2; 43A.18, subdivision 4a; 119A.01, subdivisions 1 and 2; 120A.22, subdivision 5; 120A.24, subdivision 1; 120A.41; 121A.15, subdivision 1; 121A.23; 121A.45, subdivision 2; 122A.07, subdivision 1; 122A.18, by adding a subdivision; 122A.28; 122A.60, subdivision 3; 122A.61, subdivisions 1 and 2; 123A.05, subdivision 2; 123A.48, subdivision 10; 123B.195; 123B.36, subdivision 1; 123B.49, subdivision 4; 123B.53, subdivisions 4, 5, and 6; 123B.54; 123B.57, subdivision 4; 123B.61; 123B.75, by adding a subdivision; 123B.79, by adding a subdivision; 123B.92, subdivision 9; 123B.93; 124C.55, by adding a subdivision; 124D.10, subdivisions 3, 4, 5, 6, 10, 11, and by adding a subdivision; 124D.11, subdivisions 4, 6, 7, 8, and by adding a subdivision; 124D.453, subdivision 3; 124D.454; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.87; 124D.88, subdivision 3; 124D.94, subdivisions 3, 6, and 7; 125A.09, subdivision 4; 125A.50, subdivisions 2 and 5; 125A.75, subdivision 8; 125A.76, subdivisions 1, 4, and 5; 125A.79, subdivisions 1, 2, and by adding subdivisions; 125B.05, subdivision 3; 125B.20; 126C.05, subdivisions 1, 3, 15, and by adding a subdivision; 126C.10, subdivisions 1, 2, 3, 4, 10, 14, 19, 21, and by adding subdivisions; 126C.12; 126C.13, subdivisions 1 and 2; 126C.15; 126C.17, subdivisions 2, 5, and 6; 126C.40, subdivision 4; 126C.42, subdivisions 1 and 2; 126C.46; 126C.63, subdivisions 5 and 8; 126C.69, subdivisions 2 and 9; 127A.44, subdivision 2; 127A.45, subdivisions 2, 3, 4, 13, and by adding a subdivision; 127A.47, subdivisions 2 and 7; 127A.49, subdivisions 2 and 3; 128C.01, subdivisions 4 and 5; 128C.02, by adding a subdivision; 128C.12, subdivision 1; 128C.20; and 626.556, by adding a subdivision; Laws 1993, chapter 224, article 3, section 32, as amended; Laws 1995, First Special Session chapter 3, article 12, section 7, as amended; Laws 1996, chapter 412, article 1, section 35; Laws 1997, First Special Session chapter 4, article 1, section 61, subdivisions 1, 2, 3, as amended, and 4; article 2, section 51, subdivision 29, as amended; article 8, section 4; article 9, section 13; and Laws 1998, chapter 397, article 12, section 8; chapter 398, article 6, sections 38 and 39; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 124D; 125A; 125B;

128C; and 134; repealing Minnesota Statutes 1998, sections 120B.05; 122A.31, subdivision 4; 123B.05; 123B.64, subdivisions 1, 2, 3, and 4; 123B.92, subdivisions 2, 4, 6, 7, 8, and 10; 124D.112; 124D.113; 124D.116; 124D.24; 124D.25; 124D.26; 124D.27; 124D.28; 124D.29; 124D.30; 124D.32; 124D.453; 124D.65, subdivision 3; 124D.67; 124D.70; 124D.90; 125A.76, subdivision 6; 125A.77; 125A.79, subdivision 3; 126C.05, subdivision 4; 126C.06; 127A.45, subdivision 5; 134.155; 135A.081; Laws 1995, First Special Session chapter 3, article 3, section 11; Laws 1997, First Special Session chapter 4, article 1, section 62, subdivision 5; article 2, section 51, subdivision 10; article 3, section 5; and article 8, section 5; and Laws 1998, chapter 398, article 2, section 57.

PATRICK E. FLAHAVEN, Secretary of the Senate

Seagren moved that the House refuse to concur in the Senate amendments to H. F. No. 2333, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1471.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1471

A bill for an act relating to landlords and tenants; requiring certain limitations on tenant screening fees; proposing coding for new law in Minnesota Statutes, chapter 504.

April 28, 1999

The Honorable Allan H. Spear  
President of the Senate

The Honorable Steve Sviggum  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1471, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1471 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [504.301] [APPLICANT SCREENING FEE.]

Subdivision 1. [LIMIT ON NUMBER OF APPLICANT SCREENING FEES.] A landlord or the landlord's agent may not charge an applicant a screening fee when the landlord knows or should have known that no rental unit is available at that time or will be available within a reasonable future time.

Subd. 2. [RETURN OF APPLICANT SCREENING FEE.] If the landlord or the landlord's agent does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord or the landlord's agent shall return any amount of the screening fee that is not used for those purposes. The screening fee may be returned by mail, may be destroyed upon the applicant's request if paid by check, or may be made available for the applicant to retrieve.

Subd. 3. [DISCLOSURES TO APPLICANT.] A landlord or the landlord's agent, prior to taking an application fee from a prospective tenant, must disclose on the application form or orally the name, address, and telephone number of the tenant screening service the owner will use, unless the owner does not use a tenant screening service.

Subd. 4. [REMEDIES.] In addition to any other remedies, a landlord who violates this section is liable to the applicant for the application fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy.

Sec. 2. [REPEALER.]

Minnesota Statutes 1998, section 504.30, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to landlords and tenants; requiring certain limitations on tenant screening fees; proposing coding for new law in Minnesota Statutes, chapter 504; repealing Minnesota Statutes 1998, section 504.30, subdivision 5."

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

Senate Conferees: STEVE L. MURPHY, DAVE JOHNSON AND WARREN LIMMER.

House Conferees: JULIE STORM, PEG LARSEN AND GARY W. KUBLY.

Storm moved that the report of the Conference Committee on S. F. No. 1471 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1471, A bill for an act relating to landlords and tenants; requiring certain limitations on tenant screening fees; proposing coding for new law in Minnesota Statutes, chapter 504.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Broecker	Dawkins	Folliard	Haas	Huntley
Abrams	Buesgens	Dehler	Gerlach	Hackbarth	Jaros
Anderson, B.	Carlson	Dempsey	Gleason	Harder	Jennings
Anderson, I.	Carruthers	Dorman	Goodno	Hasskamp	Johnson
Bakk	Cassell	Dorn	Gray	Hausman	Juhnke
Biernat	Chaudhary	Entenza	Greenfield	Hilty	Kahn
Bishop	Clark, J.	Erhardt	Greiling	Holberg	Kalis
Boudreau	Daggett	Erickson	Gunther	Holsten	Kelliher
Bradley	Davids	Finseth	Haake	Howes	Kielkucki



Knoblach	Mares	Opatz	Rostberg	Swenson	Westfall
Krinkie	McCollum	Orfield	Rukavina	Sykora	Westrom
Kubly	McElroy	Osskopp	Schumacher	Tingelstad	Wilkin
Kuisle	McGuire	Otremba	Seagren	Tomassoni	Winter
Larsen, P.	Milbert	Ozment	Seifert, J.	Trimble	Wolf
Larsen, D.	Molnau	Paulsen	Seifert, M.	Tuma	Workman
Leighton	Mulder	Pawlenty	Skoe	Tunheim	Spk. Sviggum
Lenczewski	Mullery	Pelowski	Skoglund	Vandever	
Leppik	Murphy	Peterson	Smith	Wagenius	
Lindner	Ness	Pugh	Solberg	Wejcman	
Luther	Nornes	Reuter	Stang	Wenzel	
Mahoney	Olson	Rifenberg	Storm	Westerberg	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1330.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1330

A bill for an act relating to financial institutions; regulating fees, charges, and time periods; authorizing certain part-time banking locations; authorizing reverse stock splits; making corrections and conforming changes; amending Minnesota Statutes 1998, sections 46.041, subdivisions 1 and 3; 46.048, subdivisions 1 and 2b; 46.131, subdivision 10; 47.0156; 47.101, subdivision 3; 47.20, subdivision 6b; 47.203; 47.204, subdivision 1; 47.27, subdivision 3; 47.52; 47.54, subdivisions 2 and 3; 47.59, subdivision 12; 47.60, subdivision 3; 48.15, subdivisions 2a and 3; 48A.15, subdivision 1; 49.36, subdivision 1; 52.01; 53.03, subdivisions 1, 6, and 7; 55.04, subdivision 2; 56.02; 56.131, subdivision 1; 59A.03, subdivision 2; 168.67; 168.71; 303.25, subdivision 5; 332.15, subdivisions 2 and 3; 332.17; and 332.30; proposing coding for new law in Minnesota Statutes, chapters 48; 52; and 334.

April 28, 1999

The Honorable Allan H. Spear  
President of the Senate

The Honorable Steve Sviggum  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1330, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1330 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 46.041, subdivision 1, is amended to read:

Subdivision 1. [FILING; FEE; PUBLIC INSPECTION.] The incorporators of a bank proposed to be organized under the laws of this state shall execute and acknowledge a written application in the form prescribed by the commissioner of commerce. The application must be signed by two or more of the incorporators and request a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. The applicant shall file the application with the department with a ~~\$1,000~~ \$8,000 filing fee ~~and a \$500 investigation fee.~~ The commissioner may waive the fee for a bank to be located in a low- or moderate-income area as defined in Code of Federal Regulations, title 12, part 25(1), (n)(1) and (n)(2) and where no other depository institution operates an office. If the proposed bank is being organized in connection with a reorganization or merger of an existing bank, the filing fee is \$2,000. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The application file must be public, with the exception of financial data on individuals which is private under the Minnesota Government Data Practices Act and data defined as trade secret information under section 13.37, subdivision 1, paragraph (b), which must be given nonpublic classification upon written request by the applicant.

Sec. 2. Minnesota Statutes 1998, section 46.041, subdivision 3, is amended to read:

Subd. 3. [COMMENTS, REQUESTS FOR HEARING.] Within ~~24~~ 15 days after the notice of application has been published, any person may submit to the commissioner either or both written comments on an application and a written request for a hearing on the application. The request must state the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Sec. 3. Minnesota Statutes 1998, section 46.048, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Whenever a change in the outstanding voting stock of a banking institution will result in control or in a change in the control of the banking institution, the person acquiring control of the banking institution, including an out-of-state bank holding company, shall file notice of the proposed acquisition of control with the commissioner of commerce at least 60 days before the actual effective date of the change, except that the commissioner may extend the 60-day period an additional 30 days if in the commissioner's judgment any material information submitted is substantially inaccurate or the acquiring party has not furnished all the information required. The notice must be accompanied by a filing fee of \$3,000 payable to the commissioner of commerce, unless the person filing the notice has been associated with the banking institution as an officer or director for at least three years, in which case the filing fee is \$1,000. No filing fee is required of a person required to file a notice because of a stock redemption or other transaction by others that caused the change in control. As used in this section, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the banking institution. A change in ownership of capital stock that would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 25 percent of the outstanding capital stock is not

considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control or to effect a change in the control, the doubt shall be resolved in favor of reporting the facts to the commissioner. The commissioner shall use the criteria established by the Financial Institution Regulatory and Interest Rate Control Act of 1978, United States Code, title 12, section 1817(j), and the regulations adopted under it, when reviewing the acquisition and determining if the acquisition should or should not be disapproved. Within three days after making the decision to disapprove a proposed acquisition, the commissioner shall notify the acquiring party in writing of the disapproval. The notice must provide a statement of the basis for the disapproval.

Sec. 4. Minnesota Statutes 1998, section 46.048, subdivision 2b, is amended to read:

Subd. 2b. [NOTICE.] Upon the filing of a notice:

(1) an acquiring party shall publish once in a newspaper of general circulation notice of the proposed acquisition in a form acceptable to the commissioner; and

(2) the commissioner shall accept public comment on a notice for a period of not less than ~~30~~ 21 days from the date of the publication required by clause (1).

Sec. 5. Minnesota Statutes 1998, section 46.131, subdivision 10, is amended to read:

Subd. 10. Each financial institution described in subdivision 2 shall pay a fee of ~~\$25~~ \$50 to the commissioner of commerce upon application to the commissioner for approval of a change in its certificate, charter, articles of incorporation, bylaws, powers or license. Money collected by the commissioner under this subdivision shall be deposited in the general fund.

Sec. 6. Minnesota Statutes 1998, section 47.0156, is amended to read:

47.0156 [CLOSING EFFECTING A PERMANENT CESSATION OF BUSINESS.]

The permanent closing of a financial institution as defined in section 47.015 or 47.0151 for purposes, or with a result, other than authorized in sections 47.015 to 47.0155 is unlawful unless at least ~~90~~ 60 days' written notice is given to the commissioner.

Sec. 7. Minnesota Statutes 1998, section 47.101, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS TO DEPARTMENT OF COMMERCE.] An application by a banking institution to relocate its main office other than those provided for in subdivision 2 shall be accompanied by a filing fee of \$3,000 payable to the commissioner of commerce and approved or disapproved by the commissioner of commerce as provided for in sections 46.041 and 46.044.

Sec. 8. Minnesota Statutes 1998, section 47.20, subdivision 6b, is amended to read:

Subd. 6b. [DELINQUENCY OR LATE PAYMENT FEES.] ~~Charges or fees for late payments on conventional loans shall be governed by chapter 51A for all lenders. A lender making a conventional loan may assess and collect fees for late payments according to the provision of section 47.59.~~

Sec. 9. Minnesota Statutes 1998, section 47.203, is amended to read:

47.203 [FEDERAL PREEMPTION OVERRIDE.]

The provisions of Public Law Number 96-221, title V, part A, section 501(a)(1) (United States Code, title 12, section 1735f-7a), do not apply with respect to a loan, mortgage, credit sale or advance made in this state after June 2, 1981, nor with respect to a loan, mortgage, credit sale or advance secured by real property located in this state and made after June 2, 1981.

Sec. 10. Minnesota Statutes 1998, section 47.204, subdivision 1, is amended to read:

Subdivision 1. [NO USURY LIMITS.] Notwithstanding any law to the contrary, no limitation on the rate or amount of interest, discount points, finance charges, or other charges shall apply to a loan, mortgage, credit sale, or advance which would have been exempt from the laws of this state pursuant to Public Law Number 96-221, title V, part A, section 501 (United States Code, title 12, section 1735f-7a), as amended as of June 2, 1981, but for section 47.203 and which is made in this state after June 2, 1981.

Sec. 11. [47.207] [PRIVATE MORTGAGE INSURANCE.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given:

(a) "Current fair market value" means the value of the mortgagor's property determined by an appraisal conducted within 90 days of a mortgagor's written request for cancellation of private mortgage insurance. The appraisal shall be conducted by a real estate appraiser, licensed or certified by a state or federal agency, who is reasonably acceptable to the servicer. The appraisal may be conducted at either the request of the lender, mortgagor, or servicer. The mortgagor is responsible for the cost of the appraisal.

(b) "Lender" means a person who makes or holds a residential mortgage loan.

(c) "Private mortgage insurance" means insurance paid for by the mortgagor, including any mortgage guaranty insurance, against the nonpayment of, or default on, a residential mortgage loan, other than mortgage insurance made available under the federal National Housing Act, United States Code, title 38, or title V of the federal Housing Act of 1949. "Private mortgage insurance" does not mean lender-paid mortgage insurance.

(d) "Residential mortgage loan" means a loan secured by either: (1) a mortgage on residential real property; or (2) by certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real property.

(e) "Servicer" means a person who, through any medium or mode of communication, engages in the collection or remittance for, or the right or obligation to collect or remit for, a lender, mortgagee, note owner, noteholder, or for a person's own account, of payments, interest, principal, and escrow items such as insurance and taxes for property subject to a residential mortgage loan.

Subd. 2. [RIGHT TO CANCEL PRIVATE MORTGAGE INSURANCE.] With respect to an existing or future residential mortgage loan, a mortgagor shall have the right to elect, in writing, to cancel private mortgage insurance in connection with a residential mortgage loan if all of the following terms and conditions have been met:

(1) the current unpaid principal balance of the mortgage is 80 percent or less of the current fair market value of the property;

(2) the mortgagor has not:

(i) been 60 days or longer past due on a mortgage payment during the 12-month period beginning 24 months before the date on which the servicer receives the mortgagor's written request for cancellation; or

(ii) been 30 days or longer past due on a mortgage payment during the 12 months preceding the date on which the servicer receives the mortgagor's written request for cancellation;

(3) the mortgage was made at least 24 months prior to the receipt of a request for cancellation;

(4) the property securing the mortgage loan is owner-occupied; and

(5) the mortgage has not been pooled with other mortgages in order to constitute, in whole or in part, collateral for bonds issued by the state of Minnesota or any political subdivision of the state of Minnesota or of any agency of any political subdivision of the state of Minnesota.

Subd. 3. [NOTICE OF RIGHT TO CANCEL PRIVATE MORTGAGE INSURANCE.] (a) With respect to each existing or future residential mortgage loan, a servicer must provide an annual written notice to the mortgagor currently paying premiums for private mortgage insurance. The notice must be in 12-point type or greater and appear substantially as follows:

NOTICE OF RIGHT TO CANCEL PRIVATE MORTGAGE INSURANCE

If you currently pay private mortgage insurance premiums, you may have the right under federal law or Minnesota law to cancel the insurance and stop paying premiums. This would **reduce your total monthly payment.**

You may have the right to cancel private mortgage insurance if the principal balance of your loan is 80 percent or less of the current market value of your home. Under Minnesota law, the value of your property can be determined by a professional appraisal. You need to pay for this appraisal, but in most cases you will be able to recover this cost in less than a year if your mortgage insurance is canceled.

If you wish to learn whether you are eligible to cancel this insurance, please contact us at (enter address and phone number of servicer).

(b) The notice required by this subdivision must be on its own page, but a disclosure notice concerning private mortgage insurance required by federal law may be included on the same page as the disclosure notice required by this subdivision. The page containing the notice required by this subdivision may be included with other disclosures or notices required by federal law that are sent to the mortgagor.

(c) If the mortgage has been pooled with other mortgages in order to constitute, in whole or in part, collateral for bonds issued by the state of Minnesota or any political subdivision of the state of Minnesota or of any agency of any political subdivision of the state of Minnesota and notice of right to cancel private mortgage insurance is required under federal law, no notice under this subdivision is required.

Subd. 4. [SERVICER RESPONSE TO CANCELLATION REQUEST.] (a) Within 30 days of receipt of a mortgagor's written request to cancel private mortgage insurance, a servicer shall:

(1) provide a written notice to the insurer to cancel the private mortgage insurance and written notice to the mortgagor that a request for cancellation has been sent to the insurer if the servicer determines that the private mortgage insurance should be canceled;

(2) provide a written response to the mortgagor identifying all additional information needed from the mortgagor if the servicer reasonably needs more information from the mortgagor to determine whether the mortgagor is eligible for cancellation of private mortgage insurance; or

(3) provide a written notice to the mortgagor of the reasons for the servicer's refusal to cancel the private mortgage insurance if the servicer determines that the mortgagor does not meet the requirements for cancellation of private mortgage insurance.

(b) If a lender, or any other person involved in the mortgage transaction, receives a written request for cancellation of private mortgage insurance, the lender or other person shall promptly forward the mortgagor's request for cancellation to the servicer, if the servicer is known to the lender or other person. If the servicer is not known to the lender or other person, the lender or other person shall advise the mortgagor to contact the company to which the mortgagor sends the monthly payment.

Subd. 5. [LENDER CHARGES; RETURN OF UNEARNED PREMIUM.] (a) A lender requiring or offering private mortgage insurance shall make available to the borrower or other person paying the insurance premium the same premium payment plans as are available to the lender in paying the private mortgage insurance premium.

(b) Any refund or rebate for unearned private mortgage insurance premiums shall be paid to the mortgagor or other person actually providing the funds for payment of the premium.

(c) A lender or servicer shall not charge the mortgagor a fee or other consideration for cancellation of the private mortgage insurance or for any of the acts required by this section, except that the lender or servicer shall have the right to recover the cost of an appraisal if the mortgagor elects to have the lender or servicer perform or arrange for the appraisal.

Subd. 6. [INTERPRETATION.] Nothing in this section shall be deemed to be inconsistent with the federal Homeowner's Protection Act of 1998, codified at United States Code, title 12, sections 4901 to 4910, within the meaning of "inconsistent" as used in section 9 of that act, codified at United States Code, title 12, section 4908.

Sec. 12. Minnesota Statutes 1998, section 47.27, subdivision 3, is amended to read:

Subd. 3. "Savings association" shall have the meaning set forth in section ~~51.01~~ 51A.02, subdivision 2 7.

Sec. 13. Minnesota Statutes 1998, section 47.52, is amended to read:

47.52 [AUTHORIZATION.]

(a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain detached facilities provided the facilities are located within: (1) the municipality in which the principal office of the applicant bank is located; or (2) 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or (3) a municipality in which no bank is located at the time of application; or (4) a municipality having a population of more than 10,000; or (5) a municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer, or for municipalities located in the seven-county metropolitan area from the metropolitan council, and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility.

(b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This paragraph shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

(c) A bank is allowed, in addition to other facilities, part-time deposit-taking locations at elementary and secondary schools located within the municipality in which the main banking house or a detached facility is located if they are established in connection with student education programs approved by the school administration and consistent with safe, sound banking practices.

(e) In addition to other facilities, a bank may operate part-time locations at nursing homes and senior citizen housing facilities located within the municipality in which the main banking house or a detached facility is located, if they are operated in a manner consistent with safe, sound banking practices.

Sec. 14. Minnesota Statutes 1998, section 47.54, subdivision 2, is amended to read:

Subd. 2. [APPROVAL ORDER.] If no objection is received by the commissioner within ~~21~~ 15 days after the publication and mailing of the notices, the commissioner shall issue an order approving the application without a hearing if it is found that (a) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, (b) the establishment of the proposed detached facility will improve the quality or increase the availability of banking services in the community to be served, and (c) the establishment of the proposed

detached facility will not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served. Otherwise, the commissioner shall deny the application. Any proceedings for judicial review of an order of the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Sec. 15. Minnesota Statutes 1998, section 47.54, subdivision 3, is amended to read:

Subd. 3. [OBJECTIONS; HEARING.] If any bank within three miles of the proposed location of the detached facility objects in writing within ~~21~~ 15 days, the commissioner shall consider the objection. If the objection also requests a hearing, the objector must include the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Sec. 16. Minnesota Statutes 1998, section 47.59, subdivision 12, is amended to read:

Subd. 12. [CONSUMER PROTECTIONS.] (a) Financial institutions shall comply with the requirements of the federal Truth in Lending Act, United States Code, title 15, sections 1601 to 1693, as the same may be amended from time to time, in connection with a consumer loan or credit sale for a consumer purpose where the federal Truth in Lending Act is applicable. A financial institution shall give the following disclosure to the borrower in writing at the time an open-end credit account is established if the financial institution imposes a loan fee, points, or similar charge that relates to the opening of the account which is not included in the annual percentage rate given pursuant to the federal Truth in Lending Act: "YOU HAVE BEEN ASSESSED FINANCE CHARGES, OR POINTS, WHICH ARE NOT INCLUDED IN THE ANNUAL PERCENTAGE RATE. THESE CHARGES MAY BE REFUNDED, IN WHOLE OR IN PART, IF YOU DO NOT USE YOUR LINE OF CREDIT OR IF YOU REPAY YOUR LINE OF CREDIT EARLY. THESE CHARGES INCREASE THE COST OF YOUR CREDIT."

(b) Financial institutions shall comply with the following consumer protection provisions in connection with a consumer loan or credit sale for a consumer purpose: sections 325G.02 to 325G.05; 325G.06 to 325G.11; 325G.15 to 325G.22; and 325G.29 to 325G.36, and Code of Federal Regulations, title 12, part 535, where those statutes or regulations are applicable.

(c) An assignment of a consumer's earnings by the consumer to a financial institution as payment or as security for payment of a debt arising out of a consumer loan or consumer credit sale is unenforceable by the financial institution except where the assignment: (1) by its terms is revocable at the will of the consumer; (2) is a payroll deduction plan or preauthorized payment plan, beginning at the time of the transaction, in which the consumer authorizes a series of wage deductions as a method of making each payment; or (3) applies only to wages or other earnings already earned at the time of the assignment.

Sec. 17. Minnesota Statutes 1998, section 47.60, subdivision 3, is amended to read:

Subd. 3. [FILING.] Before a person other than a financial institution as defined by section 47.59 engages in the business of making consumer small loans, the person shall file with the commissioner as a consumer small loan lender. The filing must be on a form prescribed by the commissioner together with a fee of ~~\$150~~ \$250 for each place of business and contain the following information in addition to the information required by the commissioner:

(1) evidence that the filer has available for the operation of the business at the location specified, liquid assets of at least \$50,000; and

(2) a biographical statement on the principal person responsible for the operation and management of the business to be certified.

Revocation of the filing and the right to engage in the business of a consumer small loan lender is the same as in the case of a regulated lender license in section 56.09.

Sec. 18. [48.056] [REVERSE STOCK SPLIT.]

Subdivision 1. [POWER TO EFFECT.] (a) A banking institution may effect a reverse stock split by reducing its outstanding shares of stock if the commissioner finds that the transaction:

(1) has a legitimate business purpose including, but not limited to, reducing corporate expenses, simplifying corporate procedures, or becoming a qualified S corporation under the Internal Revenue Code of 1986, as amended through December 31, 1998; and

(2) complies with safe and sound banking practices.

(b) The stock reduction is effective upon approval by the shareholders and the commissioner and filing with the commissioner and with the secretary of state, of the articles of amendment to the certificate of incorporation of the banking institution.

Subd. 2. [FRACTIONAL SHARES.] A banking institution may issue fractions of a share as a result of a reverse stock split by reducing its outstanding shares of stock according to this subdivision. If a banking institution inserts into its certificate of incorporation a provision prohibiting the issue of fractions of a share, it shall pay in cash the value of fractions of a share as of the time when persons entitled to receive the fractions are determined.

Subd. 3. [PAR VALUE.] Notwithstanding section 300.30, a banking institution proceeding under this subdivision may divide its capital into shares greater than \$100 each.

Subd. 4. [RIGHTS OF DISSENTING STOCKHOLDERS.] A stockholder of the banking institution not voting in favor of the amendment of the certificate of incorporation of the banking institution to effect a reverse stock split that will impact upon the stockholder's voting rights in the banking institution may, at the meeting of the stockholders held on the amendment, or within 20 days after the meeting, object to the stock reduction and demand payment for that person's stock. If the stock reduction takes effect at any time after this demand, the stockholder may, at any time within 60 days after the demand, apply to the district court in the county of the banking institution's principal place of business for the appointment of three persons to appraise the value of that person's stock. The court shall appoint the appraisers and designate the time and place of their first meeting, give directions with regard to their proceedings the court considers proper, and direct the time and manner in which payment must be made of the value of that person's stock to the stockholder. The appraisers shall meet at the time and place designated, after being duly sworn to discharge their duties honestly and faithfully, make and certify a written estimate of the value of the stock at the time of the appraisal, and deliver one copy to the banking institution and another to the stockholder. The stockholder and the banking institution shall each pay one-half of the charges and expenses of the appraisers.



Sec. 19. Minnesota Statutes 1998, section 48.15, subdivision 2a, is amended to read:

Subd. 2a. [AUTHORIZED ACTIVITIES.] The commissioner may authorize a state bank to undertake any activities, exercise any powers, or make any investments that are authorized ~~activities, powers, or investments by chapter 50~~, as of August 1, 1995, for any state savings bank ~~doing business in this state~~, or that become authorized ~~activities, powers, or investments by chapter 50~~, for state savings banks after August 1, 1995. The commissioner may not authorize state banks to engage in any banking activity prohibited by the laws of this state.

Sec. 20. Minnesota Statutes 1998, section 48.15, subdivision 3, is amended to read:

Subd. 3. [LIMITS ON AUTHORITY TO ACT AS PAYING AGENT FOR PUBLIC ISSUERS.] No such bank shall act as paying agent of any municipality or other public issuer of obligations, other than an issuer within whose corporate limits the principal office of the bank is situated, unless the bank is authorized to execute the powers conferred in section ~~48.38~~ 48A.07.

Sec. 21. Minnesota Statutes 1998, section 48.24, subdivision 7, is amended to read:

Subd. 7. Obligations of any ~~person, copartnership, limited liability company, association, or corporation individual or organization, however organized~~, in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering feeder livestock which is free from all other encumbrances, when the market value of the livestock securing the obligation at the time of the making of the loan is not less than 115 percentum of the face amount of the notes covered by such documents, shall be subject under this subdivision to a limitation of 20 percent of capital and surplus in addition to 20 percent of capital and surplus as included in provisions of subdivision 1. Feeder livestock loans as referred to in this subdivision is defined to include only obligations secured by liens or giving title to cattle, sheep, goats, hogs or poultry being fattened for market, but excluding dairy cattle, milk goats, poultry used for production of eggs, or barnyard or work animals.

Sec. 22. Minnesota Statutes 1998, section 48.24, is amended by adding a subdivision to read:

Subd. 10. [GRAIN FORWARD SALE CONTRACTS; LENDING LIMITS.] Obligations of any individual or organization, however organized, where the note is secured by a perfected first lien on stored grain and a perfected assignment of the proceeds of a forward contract for sale of the grain (1) with a recognized commodity buyer or broker, reasonably satisfactory to the bank, (2) where the delivery of grain under the contract will occur within 270 days, (3) where the grain is insured for full value against loss by fire or other casualty, and (4) where the value of the forward contract exceeds 115 percent of the face amount of the secured note, is subject under this subdivision to a limitation of ten percent of capital and surplus in addition to the 20 percent of capital and surplus as included in subdivision 1.

Sec. 23. Minnesota Statutes 1998, section 48A.15, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] A trust company organized under the laws of this state or a state bank and trust may, after completing the notification procedure required by this subdivision, establish and maintain a trust service office at any office in this state or of any other state or national bank. A state bank may, after completing the notification procedure required by this subdivision, permit a trust company organized under the laws of this state or a state bank and trust or a national bank in this state that is authorized to exercise trust powers to establish and maintain a trust service office at any of its banking offices.

The trust company or state bank and trust and a state bank at which a trust service office is to be established according to this section shall jointly file, on forms provided by the commissioner, a notification of intent to establish a trust service office. The notification must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited in the general fund of the state. No trust service office shall be established according to this section if disallowed by order of the commissioner within ~~45~~ 30 days of the filing of a complete and acceptable notification of intent to establish a trust service office. An order of the commissioner to disallow the establishment of a trust service office under this section is subject to judicial review under sections 14.63 to 14.69.

Sec. 24. Minnesota Statutes 1998, section 49.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] This consolidation or merger agreement and certified copy of the proceedings of the meetings of the respective boards of directors, at which the making of the agreement was authorized, must be submitted to the commissioner of commerce for approval with a fee of ~~\$250~~ \$2,000 payable to the commissioner of commerce. The agreement shall not be effective until so approved by the commissioner. The commissioner shall take action after the documents are submitted, and is entitled to further information from any party to the transaction as may be requested by the commissioner, or as may be obtained upon a hearing directed by the commissioner.

Sec. 25. Minnesota Statutes 1998, section 52.01, is amended to read:

52.01 [ORGANIZATION.]

Any seven residents of the state may apply to the commissioner of commerce for permission to organize a credit union.

A credit union is a cooperative society, incorporated for the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes.

A credit union is organized in the following manner:

(1) The applicants execute, in duplicate, a certificate of organization by the terms of which they agree to be bound, which shall state:

(a) the name and location of the proposed credit union;

(b) the names and addresses of the subscribers to the certificate and the number of shares subscribed by each;

(2) The applicants submit the following in the form prescribed by the commissioner of commerce:

(a) a statement of the common bond of the proposed credit union;

(b) the number of potential members;

(c) the geographic dispersion of the potential members;

(d) evidence of interest, including willingness of potential members to assume responsibility for leadership and service;

(e) a two-year forecast of probable levels of assets, shares and deposits, and income and expense;

(f) the availability of other credit union services to the potential members;

(g) other information the commissioner requires;

(3) They next prepare and adopt bylaws for the general governance of the credit union consistent with the provisions of this chapter, and execute them in duplicate;

(4) The certificate and the bylaws, both executed in duplicate, are forwarded to the commissioner of commerce with a ~~\$100 application fee~~ \$1,000 application fee, which may be waived by the commissioner for a credit union to be located in a low- or moderate-income area as defined in Code of Federal Regulations, title 12, part 25(1), (n)(1) and (n)(2) and where no other depository institution operates an office;

(5) The commissioner of commerce shall, within 60 days of the receipt of the certificate, the information required by paragraph (2), and the bylaws determine whether they comply with the provisions of this chapter, and whether or not the organization of the credit union in question would benefit its members, be economically feasible, and be consistent with the purposes of this chapter;

(6) Thereupon the commissioner of commerce shall notify the applicants of the decision. If it is favorable, the commissioner shall upon receipt of a commitment for insurance of accounts as required by section 52.24, subdivision 2, issue a certificate of approval, attached to the duplicate certificate of organization, and return them with the duplicate bylaws to the applicants. If it is unfavorable, the applicants may, within 60 days after the decision, appeal for a review in a court of competent jurisdiction;

(7) The applicants shall thereupon file the duplicate of the certificate of organization, with the certificate of approval attached thereto, with the secretary of state, who shall make a record of the certificate and return it, with a certificate of record attached thereto, to the commissioner of commerce for permanent records; and

(8) Thereupon the applicants shall be a credit union incorporated in accordance with the provisions of this chapter.

In order to simplify the organization of credit unions, the commissioner of commerce shall prepare approved forms of certificate of organization and bylaws, consistent with this chapter, which may be used by credit union incorporators for their guidance, and on written application of seven residents of the state, shall supply them without charge with a blank certificate of organization and a copy of the form of suggested bylaws.

Sec. 26. Minnesota Statutes 1998, section 52.05, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Any ~~25~~ 15 persons representing a group may apply to the commissioner, advising the commissioner of the common bond of the group and its number of potential members, for a determination whether it is feasible for the group to form a credit union. Upon a determination that it is not feasible to organize because the number of potential members is too small, the applicants will be certified by the commissioner as eligible to petition for membership in an existing credit union capable of serving the group. If the credit union so petitioned resolves to accept the group into membership, it shall follow the bylaw amendment and approval procedure set forth in section 52.02.

The commissioner shall adopt rules to implement this subdivision. These rules must provide that:

(1) for the purpose of this subdivision, groups with a potential membership of less than 1,500 will be considered too small to be feasible as a separate credit union, unless there are compelling reasons to the contrary, relevant to the objectives of this subdivision;

(2) groups with a potential membership in excess of 1,500 will be considered in light of all circumstances relevant to the objectives of this subdivision; and

(3) all group applications, except for applications from groups made up of members of existing credit unions or groups made up of people who have a common employer which qualifies them for membership in an existing credit union, will be considered separately from any consideration of the membership provisions of existing credit unions; except that, groups made up of members of an existing credit union may be certified under this subdivision with the agreement of the credit union.

Sec. 27. [52.212] [SENIOR CITIZEN LOCATIONS.]

In addition to its primary member location, a credit union may operate part-time locations in nursing homes and senior citizen housing facilities if they are operated in a manner consistent with safe and sound practices.

Sec. 28. Minnesota Statutes 1998, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, file a written application with the department of commerce for a certificate of authorization. A corporation that will not sell or issue thrift certificates for investment as permitted by this chapter need not comply with subdivision 2b. The application must be in the form prescribed by the department of commerce. The application must be made in the name of the corporation, executed and acknowledged by an officer designated by the board of directors of the corporation, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a ~~\$1,000 filing fee and a \$500 investigation fee~~ \$1,500 filing fee if the corporation will not sell or issue thrift certificates for investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates for investment. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time. An application for powers under subdivision 2b must also require that a notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a qualified newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a qualified newspaper likely to give notice in the municipality in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within ~~21~~ 15 days of the notice having been fully published, the commissioner shall proceed in the same manner as required under section 46.041, subdivisions 3 and 4, relating to state banks.

Sec. 29. Minnesota Statutes 1998, section 53.03, subdivision 6, is amended to read:

Subd. 6. [AMENDED CERTIFICATES, THRIFT CERTIFICATES FOR INVESTMENT, APPLICATION, FEE, NOTICE.] Upon approval by the commissioner of commerce of a commitment for insurance or guarantee of certificates to be held for investment as required in section 53.10, subdivision 3, an industrial loan and thrift company may apply to the department of commerce for an amended certificate of authorization and consent to sell and issue thrift certificates for investment.

The application, in triplicate, must be in the form prescribed by the department of commerce and filed in its office. At the time of filing the application, the applicant shall pay a filing fee of ~~\$500~~ \$8,000 and if an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties. A notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the place of business under the application is located, or if there is none, in a newspaper published at the county seat of the county in which the place of business is located. Not more than one place of business maintained under a certificate of authorization may be the subject of an application.

Sec. 30. Minnesota Statutes 1998, section 53.03, subdivision 7, is amended to read:

Subd. 7. [OBJECTION TO APPLICATION.] Upon receiving written objection to the application from any person within ~~20~~ 15 days of the notice having been fully published, the department of commerce shall order a contested case hearing to be conducted on the application.

Sec. 31. Minnesota Statutes 1998, section 55.04, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR LICENSE.] Application for license shall be in writing, under oath, and in the form prescribed by the commissioner of commerce, and contain the name and address, both of the residence and place of business, of the applicant, and if the applicant is a partnership or unincorporated association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality, with

street and number, if any, where the business is to be conducted; and further information the commissioner of commerce requires. The applicant at the time of making application shall pay to the commissioner the sum of \$250 as a fee for investigating the application, and the additional sum of \$150 as an annual license fee for a period terminating on the last day of the current calendar year. ~~If the application is filed after June 30 in any year the additional sum shall be only \$75.~~

Sec. 32. Minnesota Statutes 1998, section 56.02, is amended to read:

56.02 [APPLICATION FEE.]

Application for license shall be in writing, under oath, and in the form prescribed by the commissioner, and contain the name and the address, both of the residence and place of business, of the applicant and, if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality, with street and number, if any, where the business is to be conducted, and such further information as the commissioner may require. The applicant at the time of making application, shall pay to the commissioner the sum of ~~\$250~~ \$500 as a fee for investigating the application, and the additional sum of ~~\$150~~ \$250 as an annual license fee for a period terminating on the last day of the current calendar year; ~~provided, that if the application is filed after June 30 in any year the additional sum shall be only \$75.~~ In addition to the annual license fee, every licensee hereunder shall pay to the commissioner the actual costs of each examination, as provided for in section 56.10. All moneys collected by the commissioner under this chapter shall be turned over to the state treasurer and credited by the treasurer to the general fund of the state.

Every applicant shall also prove, in form satisfactory to the commissioner, that the applicant has available for the operation of the business at the location specified in the application, liquid assets of at least \$50,000.

Sec. 33. Minnesota Statutes 1998, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section 53.015, if greater, a licensee may contract for and receive interest, finance charges, and other charges as provided in section 47.59.

(b) Loans may be interest-bearing or precomputed.

(c) Notwithstanding section 47.59 to the contrary, to compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(d) With respect to interest-bearing loans and notwithstanding section 47.59:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (e), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(e) With respect to precomputed loans and notwithstanding section 47.59 to the contrary:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under ~~clause (7) paragraph (g)~~, may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

(5) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

~~(6) (f)~~ A licensee may contract for and collect a delinquency charge as provided for in section 47.59, subdivision 6, paragraph (a), clause (4).

~~(7) (g)~~ A licensee may grant extensions, deferments, or conversions to interest-bearing as provided in section 47.59, subdivision 5.

Sec. 34. Minnesota Statutes 1998, section 58.04, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTIAL MORTGAGE ORIGINATOR LICENSING REQUIREMENTS.] (a) Beginning August 1, 1999, no person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) The following persons are exempt from the residential mortgage originator licensing requirements:

(1) an employee of one mortgage originator licensee or one person holding a certificate of exemption;

(2) a person engaged solely in commercial mortgage activities;

(3) a person licensed as a real estate broker under chapter 82, and an individual licensee who is licensed to the broker if:

(i) the individual licensee acts only under the name, authority, and supervision of the broker to whom the licensee is licensed;

- (ii) the broker obtains a certificate of exemption according to section 58.05, subdivision 2;
  - (iii) the broker does not collect an advance fee for its residential mortgage-related activities; and
  - (iv) the residential mortgage origination activities are incidental to the real estate licensee's primary activities as a real estate broker or salesperson;
- (4) an individual licensed as a property/casualty or life/health insurance agent under chapter 60K if:
- (i) the insurance agent acts on behalf of only one residential mortgage originator, which is in compliance with chapter 58;
  - (ii) the insurance agent has entered into a written contract with the mortgage originator under the terms of which the mortgage originator agrees to accept responsibility for the insurance agent's residential mortgage-related activities;
  - (iii) the insurance agent obtains a certificate of exemption under section 58.05, subdivision 2; and
  - (iv) the insurance agent does not collect an advance fee for the insurance agent's residential mortgage-related activities;
- (5) a person making no more than five residential mortgage loans with its own funds, during any 12-month period;
- ~~(6)~~ (6) a financial institution as defined in section 58.02, subdivision 10;
  - ~~(7)~~ (7) an agency of the federal government, or of a state or municipal government;
  - ~~(8)~~ (8) an employee or employer pension plan making loans only to its participants;
  - ~~(9)~~ (9) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; or
  - ~~(10)~~ (10) a person exempted by order of the commissioner.

Sec. 35. Minnesota Statutes 1998, section 58.06, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CONTENTS.] The application must contain the name and complete business address or addresses of the license applicant. If the license applicant is a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, the application must contain the names and complete business addresses of each partner, member, director, and principal officer. The application must also include a description of the activities of the license applicant, in the detail and for the periods the commissioner may require. The application must also include all of the following:

- (a) an affirmation under oath that the applicant:
  - (1) will maintain competent staff and adequate staffing levels, through direct employees or otherwise, to meet the requirements of this chapter;
  - (2) will advise the commissioner of any material changes to the information submitted in the most recent application within ten days of the change;
  - (3) will advise the commissioner in writing immediately of any bankruptcy petitions filed against or by the applicant or licensee;

- (4) is financially solvent ~~and in compliance with net worth requirements~~;
  - (5) complies with federal and state tax laws;
  - (6) complies with sections 345.31 to 345.60, the Minnesota unclaimed property law; and
  - (7) is, or that a person in control of the license applicant is, at least 18 years of age;
- (b) information as to the mortgage lending, servicing, or brokering experience of the applicant and persons in control of the applicant;
- (c) information as to criminal convictions, excluding traffic violations, of persons in control of the license applicant;
- (d) whether a court of competent jurisdiction has found that the applicant or persons in control of the applicant have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit in performing an act for which a license is required under this chapter;
- (e) whether the applicant or persons in control of the applicant have been the subject of: an order of suspension or revocation, cease and desist order, or injunctive order, or order barring involvement in an industry or profession issued by this or another state or federal regulatory agency or by the Secretary of Housing and Urban Development within the ten-year period immediately preceding submission of the application; and
- (f) other information required by the commissioner.

Sec. 36. Minnesota Statutes 1998, section 58.08, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT OF RESIDENTIAL MORTGAGE ORIGINATORS.] A residential mortgage originator licensee engaging in servicing a residential mortgage loan shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than \$50,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter relating to servicing, and for losses or damages incurred by borrowers as the result of a licensee's servicing-related noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract.

The bond or irrevocable letter of credit must be submitted with the originator's license application, and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution.

Sec. 37. Minnesota Statutes 1998, section 59A.03, subdivision 2, is amended to read:

Subd. 2. The applicant at the time of making application, shall pay to the commissioner the sum of \$250 as a fee for investigating the application, and the additional sum of ~~\$100~~ \$200 as an annual licensee fee for a period terminating on May 31 of each year. In addition to the annual license fee, every licensee shall pay to the commissioner the actual costs of each examination as may be required to be conducted under the terms of sections 59A.01 to 59A.15.

Sec. 38. Minnesota Statutes 1998, section 60K.11, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The commissioner may by order take any or all of the following actions:

- (1) deny, suspend, or revoke an insurance agent or agency license;
- (2) censure the licensee; or



(3) impose a civil penalty as provided for in section 45.027, subdivision 6.

In order to take this action the commissioner must find that the order is in the public interest and that the applicant; licensee; or in the case of an insurance agency, partner, director, shareholder, officer, or agent of that insurance agency:

(i) does not intend to or is not in good faith carrying on the business of an insurance agent;

(ii) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, contains any misrepresentation, or is false, misleading, or fraudulent;

(iii) has engaged in an act or practice, whether or not such act or practice involves the business of insurance, which demonstrates that the applicant or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act as an insurance agent or agency;

(iv) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, including, but not limited to, assault or similar conduct;

(v) has violated or failed to comply with any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters;

(vi) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(vii) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(viii) has had an insurance agent or agency license denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state or jurisdiction;

(ix) has misrepresented the terms of any actual or proposed insurance contract;

(x) has engaged in any fraudulent, coercive, deceptive, or dishonest act or practice whether or not such act or practice involves the business of insurance;

(xi) has improperly withheld, misappropriated, or converted to the licensee's or applicant's own use any money belonging to a policyholder, insurer, beneficiary, or other person; ~~or~~

(xii) has forged another's name to any document whether or not the document relates to an application for insurance or a policy of insurance; or

(xiii) has, while performing residential mortgage activity regulated under chapter 58, violated any notification, disclosure, or recordkeeping requirement, or any standard of conduct, imposed by chapter 58.

Sec. 39. Minnesota Statutes 1998, section 118A.01, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENT ENTITY.] "Government entity" means a county, city, town, school district, hospital district, public authority, public corporation, public commission, special district, any other political subdivision, except an entity whose investment authority is specified under chapter 11A or 356A.

For the purposes of sections 118A.02 and 118A.03 only, the term includes an American Indian tribal government entity located within a federally recognized American Indian reservation.

Sec. 40. Minnesota Statutes 1998, section 168.67, is amended to read:

168.67 [SALES FINANCE COMPANY; LICENSE, FEES, REFUND.]

(a) No person shall engage in the business of a sales finance company in this state without a license therefor as provided in sections 168.66 to 168.77 provided, however, that no bank, trust company, savings bank, savings association, or credit union, whether state or federally chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated Loan Act authorized to do business in this state shall be required to obtain a license under sections 168.66 to 168.77.

(b) The application for a license shall be in writing, under oath and in the form prescribed by the administrator. The application shall contain the name of the applicant; date of incorporation, if incorporated; the address where the business is or is to be conducted and similar information as to any branch office of the applicant; the name and resident address of the owner or partners, or, if a corporation or association, of the directors, trustees and principal officers, and other pertinent information the administrator requires.

(c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the following year, or any part thereof shall be the sum of ~~\$150~~ \$250 for the principal place of business of the licensee, and the sum of ~~\$75~~ \$125 for each branch of the licensee, maintained in this state. Any licensee who proves to the satisfaction of the administrator, by affidavit or other proof satisfactory to the administrator, that during the 12 calendar months of the immediately preceding fiscal year, for which the license has been paid that the licensee has not held retail installment contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each license fee paid in excess of \$25. The administrator shall certify to the commissioner of finance that the licensee is entitled to a refund, and payment thereof shall be made by the state treasurer. The amount necessary to pay for the refundment of the license fee is appropriated out of the general fund. All license fees received by the administrator under sections 168.66 to 168.77 shall be deposited with the state treasurer.

(d) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case the location be changed, the administrator shall endorse the change of location on the license.

(e) Upon the filing of such application, and the payment of the fee, the administrator shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of sections 168.66 to 168.77 for a period which shall expire the last day of June next following the date of its issuance. The license shall not be transferable or assignable. No licensee shall transact any business provided for by sections 168.66 to 168.77 under any other name.

Sec. 41. Minnesota Statutes 1998, section 168.71, is amended to read:

168.71 [MOTOR VEHICLE RETAIL INSTALLMENT CONTRACT.]

(a)(1) Every retail installment contract shall be in writing, shall contain all the agreements of the parties, shall be signed by the retail buyer and seller, and a copy signed by the retail buyer shall be furnished to such retail buyer at the time the retail buyer executes the contract. The copy signed by both the retail buyer and retail seller shall be provided to the retail buyer within seven days after delivery of the vehicle. With respect to any contract executed prior to August 1, 1996, which has not been paid in full by the retail buyer, the retail seller shall provide such retail buyer a copy signed by both the retail buyer and retail seller within 120 days after August 1, 1996.

(2) No provisions for confession of judgment or power of attorney therefor contained in any retail installment contract or contained in a separate agreement relating thereto, shall be valid or enforceable.

(3) The holder of a precomputed retail installment contract may, if the contract so provides, collect a delinquency and collection charge on each installment in arrears for a period not less than ten days in an amount not in excess of five percent of each installment or \$5, whichever is greater. In addition to such delinquency and collection charge, the retail installment contract, whether interest-bearing or precomputed, may provide for the payment of attorneys' fees not exceeding 15 percent of the amount due and payable under such contract where such contract is referred to an attorney not a salaried employee of the holder of the contract for collection plus the court costs.

(4) Unless written notice has been given to the retail buyer of actual or intended assignment of a retail installment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees.

(5) Upon written request from the retail buyer, the holder of the retail installment contract shall give or forward to the retail buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(b) The retail installment contract shall contain the following items:

(1) the cash sale price of the motor vehicle which is the subject matter of the retail installment contract;

(2) the total amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(3) the difference between items one and two;

(4) the charge, if any, included in the transaction to pay the balance of an existing purchase money motor vehicle lien which exceeds the value of the trade-in amount, or for any insurance and other benefits not included in clause (1), specifying the types of coverage and taxes, fees, and charges that actually are or will be paid to public officials or government agencies, including those for perfecting, releasing, or satisfying a security interest if such taxes, fees, or charges are not included in clause (1);

(5) principal balance, which is the sum of items three and four;

(6) the amount of the finance charge;

(7) the total of payments payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages, and date of each payment necessary finally to pay the total of payments which is the sum of item five and item six.

Provided, however, that said items one to seven inclusive need not be stated in the terms, sequence or order set forth above. Provided further, that clauses (6) and (7) may be disclosed on the assumption that all scheduled payments under the contract will be made when due.

In lieu of the above clauses, the retail seller may give the retail buyer disclosures which satisfy the requirements of the Federal Truth-In-Lending Act in effect as of the time of the contract, notwithstanding whether or not that act applies to the transaction.

(c) Every retail seller or sales finance company, if a charge for insurance on the motor vehicle is included in a retail installment contract shall within 30 days after execution of the retail installment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of the insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent or broker of the buyer's own selection and selecting an insurance company mutually acceptable to the seller and the buyer; provided, however, that the inclusion of the cost of the insurance premium in the retail installment contract when the buyer selects the agent, broker or company, shall be optional with the seller.

(d) Any sales finance company hereunder may purchase or acquire from any retail seller any retail installment contract on such terms and conditions as may be mutually agreed upon between them.

(e) An acknowledgment by the retail buyer of the delivery of any such copy or notice as required in subsection (a) contained in the body of the statement or contract shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract.

Sec. 42. Minnesota Statutes 1998, section 303.25, subdivision 5, is amended to read:

Subd. 5. [SOLICITATION OF BUSINESS.] A foreign trust association ~~may not maintain an office within this state, but it~~ may solicit business within this state if banking or trust associations or corporations organized under the laws of this state or national banking associations maintaining their principal offices in this state may solicit business in the state in which the foreign trust association maintains its principal office. For purposes of this subdivision, solicitation of business includes the activities authorized for state or national banking associations exercising fiduciary powers maintaining their principal offices in this state considered a representative trust office established under section ~~48.476~~ 48A.14. A foreign trust association must follow the procedures in section 48A.18 to establish a trust office and the procedures in section 48A.19 to establish a representative trust office.

Sec. 43. Minnesota Statutes 1998, section 332.15, subdivision 2, is amended to read:

Subd. 2. [LICENSE FOR EACH LOCATION.] Each person operating a debt prorating service shall obtain a license for each location and place of business, including each branch office. Such person shall submit a separate application for each place of business. The full license fee shall be payable only for one such place of business. For each additional place of business the license fee shall be ~~\$25~~ \$100.

Sec. 44. Minnesota Statutes 1998, section 332.15, subdivision 3, is amended to read:

Subd. 3. [FEES.] Each applicant, at the time of making such application, shall pay to the commissioner the sum of ~~\$50~~ \$100 as a fee for investigation of the applicant, and the additional sum of ~~\$100~~ \$250 as a license fee. If the application is denied, said license fee shall be returned to the applicant.

Sec. 45. Minnesota Statutes 1998, section 332.17, is amended to read:

332.17 [RENEWAL OF LICENSE.]

Each licensee under the provisions of sections 332.12 to 332.29 shall, not more than 60 nor less than 30 days before its license is to expire, make application to the commissioner for renewal of its license. Such application for renewal shall be on a form prescribed by the commissioner and shall be accompanied by payment of the sum of ~~\$25~~ \$250 as a fee for investigation of the renewal applicant, the additional sum of ~~\$100~~ \$250 as a license fee, and a bond as required in the case of an original application. The commissioner may investigate the licensee and determine its continued fitness as in the case of an original application. If the commissioner shall renew the license, said renewal shall be effective for one year from the date on which the previous license expired.

Sec. 46. Minnesota Statutes 1998, section 332.30, is amended to read:

332.30 [ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND REQUIREMENTS.]

(a) Before beginning business in this state, an accelerated mortgage payment provider, as defined in section 332.13, subdivision 2, clause (10), shall submit to the commissioner of commerce an authorization fee of \$250 and either:

(1) a surety bond in which the accelerated mortgage payment provider is the obligor, in an amount determined by the commissioner; or

(2) if the commissioner agrees to accept it, a deposit:

(i) in cash in an amount equivalent to the bond amount; or

(ii) of authorized securities, as defined in section 50.14, with an aggregate market value equal to the bond amount. The cash or securities must be deposited with the state treasurer.

(b) The amount of the bond required by the commissioner shall vary with the amount of Minnesota client funds held or to be held by the obligor. For new businesses, the bond must be no less than \$100,000, except as provided in section 332.301. The commissioner may increase the required bond amount upon 30 days' notice to the accelerated mortgage payment provider.

(c) If a bond is submitted, it must name as surety an insurance company authorized to transact fidelity and surety business in this state. The bond must run to the state of Minnesota for the use of the state and of any person who may have a claim against the obligor arising out of the obligor's activities as an accelerated mortgage payment provider. The bond must be conditioned that the obligor will not commit any fraudulent act and will faithfully conform to and abide by the provisions of accelerated mortgage payment agreements with Minnesota residents.

If an accelerated mortgage payment provider has failed to account to a mortgagor or distribute funds to the mortgagor as required by an accelerated mortgage payment agreement, the mortgagor or the mortgagor's legal representative or receiver or the commissioner shall have, in addition to any other legal remedies, a right of action in the name of the debtor on the bond or the security given pursuant to this section.

Sec. 47. [334.21] [MOTOR VEHICLE LEASE AGREEMENTS.]

A motor vehicle lease agreement may include the outstanding balance from a prior motor vehicle loan or lease.

Sec. 48. [CHISAGO LAKES TOWNSHIP; DETACHED BANKING FACILITY.]

With the prior approval of the commissioner of commerce, a bank operating its principal office in Marine on St. Croix may establish and maintain not more than one detached facility in Chisago Lakes township. A bank desiring to establish such a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The establishment of a detached facility under this section is subject to Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 49. [REPEALER.]

(a) Minnesota Statutes 1998, section 47.20, subdivision 14, is repealed.

(b) Minnesota Statutes 1998, section 58.07, is repealed.

Sec. 50. [EFFECTIVE DATE.]

Sections 1 to 7, 14, 15, 17, 23 to 25, 28 to 32, 37, 40, and 43 to 46 are effective July 1, 1999. Sections 11 and 49, paragraph (a), are effective July 29, 1999. Section 48 takes effect the day after compliance by the governing body of Chisago Lakes township with Minnesota Statutes, section 645.021, subdivision 3. Sections 8 to 10, 12, 13, 16, 18, 19, 20 to 22, 26, 27, 33, 35, 36, 41, 42, 47, and 49, paragraph (b), are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating fees, charges, investments, and time periods; authorizing certain part-time banking locations; authorizing reverse stock splits; regulating mortgage insurance and loans; modifying the application requirements for credit unions; making corrections and conforming changes; regulating deposit and investment of local public funds; modifying a definition; authorizing a detached facility in Chisago Lakes Township; amending Minnesota Statutes 1998, sections 46.041, subdivisions 1 and 3; 46.048, subdivisions 1 and 2b; 46.131, subdivision 10; 47.0156; 47.101, subdivision 3; 47.20, subdivision 6b; 47.203; 47.204, subdivision 1; 47.27, subdivision 3; 47.52; 47.54, subdivisions 2 and 3; 47.59, subdivision 12; 47.60,

subdivision 3; 48.15, subdivisions 2a and 3; 48.24, subdivision 7, and by adding a subdivision; 48A.15, subdivision 1; 49.36, subdivision 1; 52.01; 52.05, subdivision 2; 53.03, subdivisions 1, 6, and 7; 55.04, subdivision 2; 56.02; 56.131, subdivision 1; 58.04, subdivision 1; 58.06, subdivision 2; 58.08, subdivision 1; 59A.03, subdivision 2; 60K.11, subdivision 1; 118A.01, subdivision 2; 168.67; 168.71; 303.25, subdivision 5; 332.15, subdivisions 2 and 3; 332.17; and 332.30; proposing coding for new law in Minnesota Statutes, chapters 47; 48; 52; and 334; repealing Minnesota Statutes 1998, sections 47.20, subdivision 14; and 58.07."

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

Senate Conferees: SAM G. SOLON, WILLIAM V. BELANGER, JR., AND JAMES P. METZEN.

House Conferees: BILL HAAS, GREGORY M. DAVIDS AND BERNARD L. "BERNIE" LIEDER.

Haas moved that the report of the Conference Committee on S. F. No. 1330 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1330, A bill for an act relating to financial institutions; regulating fees, charges, and time periods; authorizing certain part-time banking locations; authorizing reverse stock splits; making corrections and conforming changes; amending Minnesota Statutes 1998, sections 46.041, subdivisions 1 and 3; 46.048, subdivisions 1 and 2b; 46.131, subdivision 10; 47.0156; 47.101, subdivision 3; 47.20, subdivision 6b; 47.203; 47.204, subdivision 1; 47.27, subdivision 3; 47.52; 47.54, subdivisions 2 and 3; 47.59, subdivision 12; 47.60, subdivision 3; 48.15, subdivisions 2a and 3; 48A.15, subdivision 1; 49.36, subdivision 1; 52.01; 53.03, subdivisions 1, 6, and 7; 55.04, subdivision 2; 56.02; 56.131, subdivision 1; 59A.03, subdivision 2; 168.67; 168.71; 303.25, subdivision 5; 332.15, subdivisions 2 and 3; 332.17; and 332.30; proposing coding for new law in Minnesota Statutes, chapters 48; 52; and 334.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Hausman	Lenczewski	Osskopp	Storm
Abrams	Dorman	Hilty	Leppik	Otremba	Swenson
Anderson, B.	Dorn	Holberg	Lieder	Ozment	Sykora
Anderson, I.	Entenza	Holsten	Lindner	Paulsen	Tingelstad
Bakk	Erhardt	Howes	Luther	Pawlenty	Tomassoni
Biernat	Erickson	Huntley	Mahoney	Pelowski	Trimble
Bishop	Finseth	Jaros	Mares	Peterson	Tuma
Boudreau	Folliard	Jennings	Marko	Pugh	Tunheim
Bradley	Fuller	Johnson	McCollum	Reuter	Van Dellen
Broecker	Gerlach	Juhnke	McElroy	Rifenberg	Vandever
Buesgens	Gleason	Kahn	McGuire	Rostberg	Wagenius
Carlson	Goodno	Kalis	Milbert	Rukavina	Wejzman
Carruthers	Gray	Kelliher	Molnau	Schumacher	Wenzel
Cassell	Greenfield	Kielkucki	Mulder	Seagren	Westerberg
Chaudhary	Greiling	Knoblach	Mullery	Seifert, J.	Westfall
Clark, J.	Gunther	Krinkie	Murphy	Seifert, M.	Westrom
Clark, K.	Haake	Kubly	Ness	Skoe	Wilkin
Daggett	Haas	Kuisle	Nornes	Skoglund	Winter
Dauids	Hackbarth	Larsen, P.	Olson	Smith	Wolf
Dawkins	Harder	Larson, D.	Opatz	Solberg	Workman
Dehler	Hasskamp	Leighton	Orfield	Stang	Spk. Sviggum

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

Mr. Speaker:

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

H. F. No. 2205, A bill for an act relating to public administration; authorizing spending for public purposes; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; authorizing certain improvements and transfers between accounts; providing a procedure for political subdivisions' request for capital assistance; making technical corrections; amending earlier authorizations; reauthorizing a project; authorizing bonds; providing for certain public pension associations' facilities; providing for storage and retention of certain documents; authorizing certain easements; providing for certain port authority leases or management contracts; requesting an investigation and report; authorizing a certain college project; appropriating money with certain conditions and directions; amending Minnesota Statutes 1998, sections 16A.69, subdivision 2; 16B.30; 136F.36, by adding a subdivision; 136F.60, by adding a subdivision; 353.03, subdivision 4; 354.06, subdivision 7; and 457A.04, by adding a subdivision; Laws 1998, chapter 404, sections 3, subdivision 17; 5, subdivision 4; 7, subdivisions 23 and 26; 13, subdivision 12; and 27, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 16A; and 356.

PATRICK E. FLAHAVEN, Secretary of the Senate

Knoblach moved that the House refuse to concur in the Senate amendments to H. F. No. 2205, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

The following Conference Committee Reports were received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 60

A bill for an act relating to health; allowing reimbursement for supplemental private duty nursing services provided by spouses of recipients under the community alternative care home and community-based waived services program; amending Minnesota Statutes 1998, section 256B.49, by adding a subdivision.

April 29, 1999

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H. F. No. 60, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments.

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

House Conferees: BILL HAAS, DARLENE LUTHER AND ANDY WESTERBERG.

Senate Conferees: DON BETZOLD, LINDA BERGLIN AND SHEILA M. KISCADEN.

Haas moved that the report of the Conference Committee on H. F. No. 60 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 60, A bill for an act relating to health; allowing reimbursement for supplemental private duty nursing services provided by spouses of recipients under the community alternative care home and community-based waived services program; amending Minnesota Statutes 1998, section 256B.49, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holberg	Luther	Pawlenty	Tomassoni
Abrams	Dorn	Holsten	Mahoney	Pelowski	Trimble
Anderson, B.	Entenza	Howes	Mares	Peterson	Tuma
Anderson, I.	Erickson	Huntley	Marko	Pugh	Tunheim
Bakk	Finseth	Jennings	McCollum	Reuter	Van Dellen
Biernat	Folliard	Johnson	McElroy	Rifenberg	Vandev eer
Bishop	Fuller	Juhnke	McGuire	Rostberg	Wagenius
Boudreau	Gerlach	Kahn	Milbert	Rukavina	Wejzman
Bradley	Gleason	Kalis	Molnau	Schumacher	Wenzel
Broecker	Goodno	Kelliher	Mullery	Seagren	Westerberg
Carlson	Gray	Kielkucki	Murphy	Seifert, J.	Westfall
Carruthers	Greenfield	Knoblach	Ness	Seifert, M.	Westrom
Cassell	Greiling	Kubly	Nornes	Skoe	Wilkin
Chaudhary	Gunther	Kuisle	Olson	Skoglund	Winter
Clark, J.	Haake	Larsen, P.	Opatz	Smith	Wolf
Clark, K.	Haas	Larson, D.	Orfield	Solberg	Workman
Daggett	Hackbarth	Leighton	Osskopp	Stang	Spk. Sviggum
Davids	Harder	Lenczewski	Osthoff	Storm	
Dawkins	Hasskamp	Leppik	Otremba	Swenson	
Dehler	Hausman	Lieder	Ozment	Sykora	
Dempsey	Hilty	Lindner	Paulsen	Tingelstad	

Those who voted in the negative were:

Buesgens                      Krinkie

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 371

A bill for an act relating to local government; removing the limit on the amount a local government may contribute for historical work; permitting local governments to make contributions to public or private, nonprofit senior citizen centers or youth centers; amending Minnesota Statutes 1998, section 471.93; proposing coding for new law in Minnesota Statutes, chapter 471.



April 29, 1999

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H. F. No. 371, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 371 be further amended as follows:

Page 1, line 24, after "SENIOR" insert ", YOUTH"

Page 2, line 1, before the period, insert "or youth center"

Amend the title as follows:

Page 1, line 6, before the semicolon, insert "or youth centers"

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

House Conferees: DOUG STANG, STEVE DEHLER AND AL JUHNKE.

Senate Conferees: MICHELLE L. FISCHBACH, JIM VICKERMAN AND DALLAS C. SAMS.

Stang moved that the report of the Conference Committee on H. F. No. 371 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 371, A bill for an act relating to local government; removing the limit on the amount a local government may contribute for historical work; permitting local governments to make contributions to public or private, nonprofit senior citizen centers or youth centers; amending Minnesota Statutes 1998, section 471.93; proposing coding for new law in Minnesota Statutes, chapter 471.

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

The question was taken on the repassage of the bill and the roll was called. There were 116 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Dehler	Goodno	Hausman	Kelliher
Abrams	Carlson	Dempsey	Gray	Hilty	Kielkucki
Anderson, B.	Carruthers	Dorman	Greenfield	Holberg	Knoblach
Anderson, I.	Cassell	Dorn	Greiling	Holsten	Kubly
Bakk	Chaudhary	Entenza	Gunther	Howes	Kuise
Biernat	Clark, J.	Erickson	Haake	Huntley	Larsen, P.
Bishop	Clark, K.	Finseth	Haas	Jennings	Larson, D.
Boudreau	Daggett	Folliard	Hackbarth	Johnson	Leighton
Bradley	Davids	Fuller	Harder	Juhnke	Leppik
Broecker	Dawkins	Gleason	Hasskamp	Kahn	Lieder

Lindner	Mullery	Pawlenty	Seifert, J.	Tomassoni	Westfall
Luther	Murphy	Pelowski	Seifert, M.	Trimble	Westrom
Mahoney	Ness	Peterson	Skoe	Tuma	Winter
Mares	Nornes	Pugh	Skoglund	Tunheim	Wolf
Marko	Opatz	Reuter	Solberg	Van Dellen	Workman
McCollum	Orfield	Rifenberg	Stang	Vandever	Spk. Sviggum
McElroy	Osskopp	Rostberg	Storm	Wagenius	
McGuire	Osthoff	Rukavina	Swenson	Wejzman	
Milbert	Otremba	Schumacher	Sykora	Wenzel	
Molnau	Ozment	Seagren	Tingelstad	Westerberg	

Those who voted in the negative were:

Erhardt	Kalis	Lenczewski	Olson	Paymar	Wilkin
Gerlach	Krinkie	Mulder	Paulsen	Smith	

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

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2225:

Goodno; Bradley; Seifert, J.; Boudreau and Greenfield.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2333:

Seagren, Mares, Kielkucki, Wolf and Dorn.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Pawlenty from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Tuesday, May 4, 1999:

H. F. No. 90; S. F. Nos. 626, 1047, 1541, 2038, 1382, 1449 and 1099; H. F. No. 1289; S. F. Nos. 1404, 653, 851, 1848, 1609, 2044, 891 and 233; and H. F. No. 1494.

#### CALENDAR FOR THE DAY

H. F. No. 90 was reported to the House.

Bishop, Sviggum and Opatz moved to amend H. F. No. 90, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that ~~each is~~ the following persons are jointly and severally liable for the whole award:-

(1) a person whose fault is 40 percent or greater;

(2) two or more persons who act in a common scheme or plan that results in injury;

(3) a person who commits an intentional tort; or

(4) a person whose liability arises ~~Except in cases where liability arises~~ under chapters 18B - pesticide control, 115 - water pollution control, 115A - waste management, 115B - environmental response and liability, 115C - leaking underground storage tanks, and 299J - pipeline safety, public nuisance law for damage to the environment or the public health, any other environmental or public health law, or any environmental or public health ordinance or program of a municipality as defined in section 466.01, ~~a person whose fault is 15 percent or less is liable for a percentage of the whole award no greater than four times the percentage of fault, including any amount reallocated to that person under subdivision 2.~~

~~If the state or a municipality as defined in section 466.01 is jointly liable, and its fault is less than 35 percent, it is jointly and severally liable for a percentage of the whole award no greater than twice the amount of fault, including any amount reallocated to the state or municipality under subdivision 2.~~

Sec. 2. [APPLICATION.]

Section 1 applies to claims arising from events that occur on or after August 1, 1999."

Delete the title and insert:

"A bill for an act relating to civil actions; regulating the apportionment of joint and several liability; amending Minnesota Statutes 1998, section 604.02, subdivision 1."

The motion prevailed and the amendment was adopted.

H. F. No. 90, A bill for an act relating to civil action; regulating the apportionment of joint and several liability; amending Minnesota Statutes 1998, section 604.02, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 71 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Daggett	Gerlach	Howes	Mares	Ozment
Biernat	Davids	Gunther	Kielkucki	McElroy	Paulsen
Bishop	Dehler	Haake	Krinkie	Molnau	Pawlenty
Boudreau	Dempsey	Haas	Kuisle	Mulder	Pelowski
Bradley	Dorman	Hackbarth	Larsen, P.	Ness	Reuter
Broecker	Erhardt	Harder	Larson, D.	Nornes	Rifenberg
Buesgens	Erickson	Hasskamp	Lenczewski	Olson	Rostberg
Cassell	Finseth	Holberg	Leppik	Opatz	Schumacher
Clark, J.	Fuller	Holsten	Lindner	Osskopp	Seagren

Seifert, J.	Storm	Tingelstad	Vandev eer	Westrom	Workman
Seifert, M.	Swenson	Tunheim	Westerberg	Wilkin	Spk. Sviggum
Stanek	Sykora	Van Dellen	Westfall	Wolf	

Those who voted in the negative were:

Abeler	Entenza	Jaros	Luther	Orfield	Solberg
Abrams	Folliard	Jennings	Mahoney	Osthoff	Stang
Anderson, I.	Gleason	Johnson	Mariani	Paymar	Tomassoni
Bakk	Goodno	Kahn	Marko	Peterson	Trimble
Carlson	Gray	Kalis	McCollum	Pugh	Tuma
Carruthers	Greenfield	Kelliher	McGuire	Rest	Wagenius
Chaudhary	Greiling	Knoblach	Milbert	Rukavina	Wejzman
Clark, K.	Hausman	Kubly	Mullery	Skoe	Wenzel
Dawkins	Hilty	Leighton	Munger	Skoglund	Winter
Dorn	Huntley	Lieder	Murphy	Smith	

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

Rest was excused between the hours of 11:10 a.m. and 12:15 p.m.

S. F. No. 626 was reported to the House.

Osskopp moved to amend S. F. No. 626 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 117.085, is amended to read:

117.085 [COMMISSIONERS, POWERS, DUTIES.]

The commissioners, having been duly sworn and qualified according to law, shall meet as directed by the order of appointment and hear the allegations and proofs of all persons interested touching the matters to them committed. They may adjourn from time to time and from place to place within the county, giving oral notice to those present of the time and place of their next meeting. All testimony taken by them shall be given publicly, under oath, and in their presence. They shall view the premises, and any of them may subpoena witnesses, which shall be served as subpoenas in civil actions are served, and at the cost of the parties applying therefor. If deemed necessary, they may require the petitioner or owner to furnish for their use maps, plats, and other information which the petitioner or owner may have showing the nature, character, and extent of the proposed undertaking and the situation of lands desired therefor. In proper cases they may reserve to the owner a right of way or other privilege in or over the land taken, or attach reasonable conditions to such taking in addition to the damages given or they may make an alternative award, conditioned upon the granting or withholding of the right specified. Without unreasonable delay they shall make a separate assessment and award of the damages which in their judgment will result to each of the owners of the land by reason of such taking and report the same to the court. The commissioners shall not reduce the amount of the damages awarded because the land being taken is, at the time of the taking, valued under section 273.111, designated as an agricultural preserve under chapter 473H. The commissioners, in all such proceedings, may in their discretion allow and show separately in addition to the award of damages, reasonable appraisal fees not to exceed a total of \$500. Upon request of an owner the commissioners shall show in their report the amount of the award of damages which is to reimburse the owner and tenant or lessee for the value of the land

taken, and the amount of the award of damages, if any, which is to reimburse the owner and tenant or lessee for damages to the remainder involved, whether or not described in the petition. The amounts awarded to each person shall also be shown separately. The commissioners shall, if requested by any party, make an express finding of the estimated cost of removal and remedial actions that will be necessary on the taken property because of existing environmental contamination.

Sec. 2. Laws 1997, chapter 207, section 7, as amended by Laws 1998, chapter 407, article 3, section 22, is amended to read:

Sec. 7. [PRIVATE SALE OF TAX-FORFEITED LAND; CARLTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Carlton county may sell by private sale the tax-forfeited land described in paragraph (d) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The land described in paragraph (d) may be sold by private sale. The consideration shall be the appraised value of the land. If the lands are sold, the conveyance must reserve a perpetual easement for a public angler access and stream habitat protection and enhancement for the benefit of the state of Minnesota, department of natural resources, over the following lands:

A strip of land lying in the North 6.66 acres of the West Half of the Northeast Quarter of the Southwest Quarter of Section 6, Township 48 North, Range 16 West, Carlton county. Said strip lying 100 feet on each side of the centerline of Slaughterhouse Creek.

(c) The conveyance must be in a form approved by the attorney general.

(d) The land to be conveyed is located in Carlton county and is described as:

North 6.66 acres of the West Half of the Northeast Quarter of the Southwest Quarter, subject to pipeline easement, Section 6, Township 48 North, Range 16 West, City of Carlton.

(e) Carlton county has determined that this sale best serves the land management interests of Carlton county.

Sec. 3. [PRIVATE SALE OF SURPLUS STATE LAND; AITKIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell by private sale for a consideration of not less than the appraised value, excluding improvements, to the holder of the life estate, the tract of land described in paragraph (c).

(b) The sale shall be in a form approved by the attorney general.

(c) The land to be sold is in Aitkin county, Minnesota in the Vendla Badger wildlife management area and is described as:

That part of the Southwest Quarter of the Southeast Quarter of Section 12, Township 46 North, Range 26 West, Aitkin county, Minnesota, described as follows:

Commencing at a 1-1/4 inch iron pipe at the south quarter corner of said Section 12; thence EAST, bearing assumed, on the south line of said Section 12, a distance of 141.85 feet to the point of beginning; thence NORTH 725.00 feet; thence EAST 450.00 feet; thence SOUTH 725.00 feet to said south line; thence WEST on said south line 450.00 feet to the point of beginning; containing 7.5 acres, more or less.

(d) The buyer's predecessor donated land to the state for the Vendla Badger wildlife management area, including the land described in paragraph (c), but retained a possessory interest in the land described in paragraph (c). The sale gives the buyer full title free of state interest.

## Sec. 4. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey to the city of Coon Rapids the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if it is not used for park or open space purposes. The conveyance must provide that no landscape changes, stormwater discharge, or watercourse alterations that affect the hydrology and vegetative characteristics of the land are allowed beyond those conditions that exist at the time of the conveyance in order that the wetland characteristics and resulting wildlife habitats are maintained in perpetuity.

(c) The land that may be conveyed is located in Anoka county and is described as follows:

City of Coon Rapids, (PIN No. 14-31-24-43-0025) that part of the Southeast Quarter of the Southwest Quarter and that part of the Southwest Quarter of the Southeast Quarter in Section 14, Township 31 North, Range 24 West, Anoka county, Minnesota, described as follows: Commencing at the northwest corner of said Southeast Quarter of the Southwest Quarter; thence due East (assumed bearing) along the north line of said Southeast Quarter of the Southwest Quarter, a distance of 680 feet; thence South 7 degrees 16 minutes East 720.7 feet to the actual point of beginning of the tract of land to be described; thence South 87 degrees 06 minutes East to the centerline of Coon Creek; thence northerly, westerly and northwesterly along the centerline of said creek to the north line of said Southeast Quarter of the Southwest Quarter; thence East along said north line to the southwesterly right-of-way line of United States Highway No. 10; thence southeasterly along said highway right-of-way line to the westerly railroad right-of-way line of Burlington Northern, Inc.; thence southerly along said railroad right-of-way line to the south line of said Southwest Quarter of the Southeast Quarter; thence West along the south line of said Southwest Quarter of the Southeast Quarter and along the south line of said Southeast Quarter of the Southwest Quarter to the southwest corner of said Southeast Quarter of the Southwest Quarter; thence North along the west line of said Southeast Quarter of the Southwest Quarter to a point distant 900 feet South of the initial point of commencement, as measured along the west line of said Southeast Quarter of the Southwest Quarter; thence East and parallel with the north line of said Southeast Quarter of the Southwest Quarter to an intersection with a line drawn southerly from the actual point of beginning and parallel with the west line of said Southeast Quarter of the Southwest Quarter, thence northerly to the actual point of beginning; EXCEPT that part platted as Robinson's Preserve.

(d) The county has determined that its land management interests would best be served if the land was conveyed to the city of Coon Rapids to use for park or open space purposes.

## Sec. 5. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey to the city of St. Francis the tax-forfeited lands bordering public water that are described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general and provide that the lands revert to the state if they are not used for park or open space purposes. The land described in paragraph (c), clause (3), shall be used for open space purposes only. No landscape changes, stormwater discharge, or watercourse alterations that affect the hydrology and vegetative characteristics of the lands are allowed beyond those conditions that exist at the time of the conveyances in order that the wetland characteristics and resulting wildlife habitats are maintained in perpetuity.

(c) The lands that may be conveyed are located in Anoka county and are described as follows:

(1) City of St. Francis, (PIN No. 05-33-24-13-0001) Lot 14, Oak Grove River Lots;

(2) City of St. Francis, (PIN No. 05-33-24-13-0002) Lot 15, Oak Grove River Lots; and

(3) City of St. Francis (PIN No. 32-34-24-31-0016) all that part of Outlot 19, Village of St. Francis, lying westerly of the westerly right-of-way line of Butterfield Drive; EXCEPT the south 190.00 feet of the west 150.00 feet of said Outlot 19; ALSO EXCEPT the north 100.00 feet of the south 300.00 feet of the west 150.00 feet of said Outlot 19; ALSO EXCEPT all that part of said Outlot 19 described as follows: Commencing at the northeast corner of Lot 6, Block 5, Village of St. Francis; thence North along said westerly right-of-way line of Butterfield Drive 749.74 feet, more or less, to the north line of said Outlot 19; thence westerly along said north line 230.00 feet to the point of beginning; thence continue westerly along said north line to the northeast corner of Outlot 18, Village of St. Francis; thence South along the east line of said Outlot 18 to the southeast corner thereof; thence West along the south line of said Outlot 18 a distance of 81.00 feet; thence South at right angles 284.74 feet; thence East at right angles 341.00 feet, more or less, to a point 230.00 feet west of said westerly right-of-way line of Butterfield Drive, as measured along said north line of Outlot 19; thence North to the actual point of beginning; ALSO EXCEPT all that part of said Outlot 19 described as follows: Beginning at the northeast corner of said Lot 6, Block 5, Village of St. Francis; thence North along said westerly right-of-way line of Butterfield Drive 749.74 feet, more or less, to said north line of Outlot 19; thence westerly along said north line 230.00 feet; thence southerly parallel with said westerly right-of-way line 749.74 feet, more or less, to the south line of said Outlot 19; thence easterly 230.00 feet, more or less, to the point of beginning.

(d) The county has determined that its land management interests would best be served if the lands were conveyed to the city of St. Francis to use for park or open space purposes according to paragraph (b).

Sec. 6. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey to the city of Ramsey the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and must provide that the land reverts to the state if it is not used for open space purposes. The conveyance must provide that no landscape changes, stormwater discharge, or watercourse alterations that affect the hydrology and vegetative characteristics of the land are allowed beyond those conditions that exist at the time of the conveyance in order that the wetland characteristics and resulting wildlife habitats are maintained in perpetuity.

(c) The land that may be conveyed is located in Anoka county and is described as follows:

City of Ramsey, (PIN No. 26-32-25-42-0017) Outlot B, Chestnut Hill.

(d) The county has determined that its land management interests would best be served if the land was conveyed to the city of Ramsey to use for open space purposes.

Sec. 7. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey to the town of Columbus the tax-forfeited lands bordering public water that are described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general and must provide that the lands revert to the state if they are not used for open space purposes. The conveyances must provide that no landscape changes, stormwater discharge, or watercourse alterations that affect the hydrology and vegetative characteristics of the lands are allowed beyond those conditions that exist at the time of the conveyances in order that the wetland characteristics and resulting wildlife habitats are maintained in perpetuity.

(c) The lands that may be conveyed are located in Anoka county and are described as follows:

(1) Township of Columbus, (PIN No. 30-33-22-42-0007) Lot 31, Breezy Shore; and

(2) Township of Columbus, (PIN No. 30-33-22-42-0008) Lot 32, Breezy Shore.

(d) The county has determined that its land management interests would best be served if the lands were conveyed to the town of Columbus to use for open space purposes.

Sec. 8. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER OR NATURAL WETLANDS; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 103F.535, and 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey to the city of Lino Lakes or the commissioner of natural resources the tax-forfeited land bordering public water or natural wetlands that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. If the land is conveyed to the city of Lino Lakes, the conveyance must provide that the land reverts to the state if it is not used for open space purposes.

(c) The land that may be conveyed is located in Anoka county and is described as follows:

City of Lino Lakes, (PIN No. 11-31-22-34-0007) all that part of Lot 6, Auditors Subdivision Number 55, Revised, lying westerly of the westerly right-of-way line of Peltier Lake Drive and lying southerly of the following described line: Beginning at the northeast corner of said Lot 6; thence West along the north line of said Lot 6 a distance of 93.50 feet; thence South 05 degrees 49 minutes 00 seconds West along said westerly right-of-way line of Peltier Lake Drive 300.00 feet; thence West parallel with said north line of Lot 6 a distance of 86.68 feet to the easterly line of land held by the St. Paul Water Department; thence South 06 degrees 16 minutes 00 seconds East along said easterly line 35.03 feet to the point of beginning of the line to be described; thence East parallel with said north line of Lot 6 a distance of 79.31 feet to said westerly right-of-way line of Peltier Lake Drive and there terminating.

(d) The county has determined that its land management interests would best be served if the land was conveyed to the city of Lino Lakes or the commissioner of natural resources for open space purposes.

Sec. 9. [CONVEYANCE OR SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER OR NATURAL WETLANDS; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 103F.535, and 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey to the city of Fridley the tax-forfeited land bordering public water or natural wetlands that is described in paragraph (c) or may sell the land to adjoining landowners under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance or sale must be in a form approved by the attorney general. If the land is conveyed to the city of Fridley, the conveyance must provide that the land reverts to the state if it is not used for open space purposes. If the land is sold to adjoining landowners, a conservation easement in a form prescribed by the commissioner of natural resources must be reserved to the state.

(c) The land that may be conveyed is located in Anoka county and is described as follows:

City of Fridley, (PIN No. 15-30-24-11-0034) Tract D, Registered Land Survey No. 51.

(d) The county has determined that its land management interests would best be served if the lands were conveyed to the city of Fridley to use for open space purposes or returned to private ownership.

Sec. 10. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER OR NATURAL WETLANDS; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 103F.535, and 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey to the town of Linwood the tax-forfeited lands bordering public water or natural wetlands that are described in paragraph (c).



(b) The conveyances must be in a form approved by the attorney general and must provide that the lands revert to the state if they are not used for open space purposes.

(c) The lands that may be conveyed are located in Anoka county and are described as follows:

(1) Township of Linwood, (PIN No. 26-34-22-23-0021) Lot 1, Block 2, Paradise Point Unit 4; and

(2) Township of Linwood (PIN No. 26-34-22-23-0042) Lot 6, Block 4, Paradise Point Unit 4.

(d) The county has determined that its land management interests would best be served if the lands were conveyed to the town of Linwood to use for open space purposes.

Sec. 11. [CONVEYANCE OR SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER OR NATURAL WETLANDS; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 103F.535, and 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Anoka county may convey the tax-forfeited land bordering public water or natural wetlands that is described in paragraph (c) to a political subdivision, including the commissioner of natural resources.

(b) The conveyance must be in a form approved by the attorney general. If the land is conveyed to a political subdivision other than the commissioner of natural resources, the conveyance must provide that the land reverts to the state if it is not used for open space purposes. The conveyance must provide that no changes may be made to the landscape that would alter the hydrology and vegetative characteristics of the land from those conditions existing at the time of conveyance in order to maintain the upland and woodland characteristics of the land and the resulting wildlife habitats in perpetuity. If the land is conveyed to a political subdivision other than the commissioner of natural resources, a conservation easement in a form prescribed by the commissioner of natural resources must be reserved to the state.

(c) The land that may be conveyed is located in Anoka county and is described as follows:

City of Oak Grove, (PIN No. 08-33-24-24-0001) an island lying in the Southeast Quarter of the Northwest Quarter of Section 8, Township 33 North, Range 24 West, said island being located in the Rum river.

(d) The county has determined that its land management interests would best be served if the lands were retained in public ownership and conveyed to a political subdivision to use for open space purposes.

Sec. 12. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.18, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, the commissioner of revenue shall convey the tax-forfeited land bordering public water that is described in paragraph (c) to Anoka county.

(b) The conveyance must be in a form approved by the attorney general. Anoka county may use the land for highway ponding, public access to Round lake, and wildlife habitat.

(c) The land to be conveyed is located in Anoka county and is described as follows:

City of Andover (PIN No. 29-32-24-42-0055), Outlot A, Brandon's Lakeview Estates, according to the plat on file in the office of the Anoka county recorder.

(d) The county has determined that the county's land management interests would best be served if the land was conveyed to the county for the purposes described in paragraph (b).

## Sec. 13. [PRIVATE SALE OF STATE WILDLIFE LAND; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16 and 97A.135, subdivision 2, the commissioner of natural resources may sell by private sale the land in the Lamprey Pass wildlife management area described in paragraph (c).

(b) The conveyance shall be in a form approved by the attorney general for consideration of not less than the appraised value.

(c) The land that may be sold is in the Lamprey Pass wildlife management area in Anoka county and is described as:

The East 54 feet of the South 830 feet of the Southwest Quarter of the Southwest Quarter of Section 14, Township 32 North, Range 22 West, containing one acre, more or less.

(d) This conveyance will provide sufficient setback between the adjacent landowner's buildings and the state land to meet minimum zoning requirements to allow for any future alterations or additions to the landowner's buildings and a buffer zone between the adjacent landowner and public hunting activities on the wildlife management area.

## Sec. 14. [AUTHORIZING EXERCISE OF EMINENT DOMAIN; CITY OF BEMIDJI.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 103F.535, or other law to the contrary, the city council of Bemidji may exercise the right of eminent domain in the manner provided by Minnesota Statutes, chapter 117, to acquire the following trust fund land bordering public waters and wetlands, except minerals and mineral rights:

That part of Government Lot 2, Section 36, Township 147 North, Range 34 West, Beltrami county, Minnesota, described as follows:

Beginning at MN/DOT right-of-way marker B4, as shown on MN/DOT right-of-way plat numbered 04-23 as the same is on file and of record in the office of the county recorder, Beltrami county, Minnesota; thence Azimuth of 201 degrees 27 minutes 46 seconds a distance of 690.00 feet to MN/DOT right-of-way marker B3; thence Azimuth of 291 degrees 27 minutes 46 seconds a distance of 500.00 feet; thence Azimuth of 21 degrees 27 minutes 46 seconds a distance of 690.00 feet to the southwesterly right-of-way line of Trunk Highway No. 2; thence Azimuth of 111 degrees 27 minutes 46 seconds along the southwesterly right-of-way line of Trunk Highway No. 2 a distance of 500.00 feet to said MN/DOT right-of-way marker B4 and there terminating, containing 7.9 acres.

(b) The city of Bemidji needs the land for economic development purposes and, in particular, for the construction of an office and laboratory facility to house the future northern service center of the bureau of criminal apprehension. The site is adjacent to the northwest district headquarters of the department of transportation.

(c) If the land in paragraph (a) is not used for a bureau of criminal apprehension service center in paragraph (b), the land reverts to the state.

## Sec. 15. [PRIVATE SALE OF STATE LANDS TO CITY OF BLOOMINGTON HOUSING AND REDEVELOPMENT AUTHORITY.]

Subdivision 1. [PRIVATE SALE.] (a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of human services, through the commissioner of administration, may sell by private sale, lands described in paragraph (b), including improvements located thereon, to the housing and redevelopment authority in and for the city of Bloomington upon terms agreeable to the parties. The conveyance must be in a form approved by the attorney general.

(b) The land that may be sold is described as:

The West 100 feet of the East 215 feet of the West one-half of the Northwest Quarter of the Northeast Quarter of the Southwest Quarter of Section 20, Township 27, Range 24, Hennepin county, Minnesota, lying North of the South 437 feet thereof and South of County Road No. 1 (also known as Old Shakopee Road).

Subd. 2. [USE OF PROCEEDS.] Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, or any other law to the contrary, the proceeds of the sale shall not be deposited in the general fund. The commissioner of human services, through the commissioner of administration, shall use the proceeds of the sale described in subdivision 1 to purchase replacement property.

Sec. 16. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CASS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Cass county may sell by private sale the tax-forfeited lands bordering public water that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The lands to be conveyed are located in Cass county and are described as:

(1) the West Quarter of the West Half of the Southwest Quarter of the Southeast Quarter, section 35, Township 141 North, Range 28 West; and

(2) Wilderness Park Estates and Wilderness Park Estates Additions 1 through 9.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 17. [EXCHANGE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; CASS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.342, subdivision 3, 282.018, subdivision 1, or other law to the contrary, Cass county may exchange land bordering public water that is described in paragraph (c) under the provisions of Minnesota Statutes, section 94.344.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land that may be exchanged is located in Cass county and is described as:

That part of Government Lot 1, Section 5, Township 140 North, Range 28 West, Cass county, Minnesota, described as follows:

Beginning at the northwest corner of Lot 22, Block 1, BROADWATER ESTATES, according to the record plat thereof, on file in the office of the Cass county recorder; thence South 1 degree 53 minutes 19 seconds East, bearing assigned, on the west lines of said Lot 22, also being the east line of said Government Lot 1, a distance of 86.46 feet; thence South 88 degrees 41 minutes 00 seconds West 151 feet, more or less, to intersect the shore of Woman Lake; thence northeasterly on said shore to intersect the east line of said Government Lot 1; thence South 1 degree 53 minutes 19 seconds East 255 feet, more or less, to the point of beginning and there terminate.

Subject to reservations, restrictions, and easements of record.

(d) The county has determined that the county's land management interests would best be served if the land was exchanged for a private parcel.

Sec. 18. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CHISAGO COUNTY.]

Subdivision 1. [CONVEYANCE TO COUNTY.] (a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, the commissioner of revenue shall convey by deed to the county of Chisago the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Chisago county and is described as:

(1) Lot 18 of Lilygrens Beach;

(2) Lot 19 of Lilygrens Beach; and

(3) Lot 23 of Lilygrens Beach.

(d) The county has determined that the land is needed for highway purposes.

Subd. 2. [CONVEYANCE TO DNR.] The tax-forfeited land bordering public water that is described as: Lot 4 of the First Addition to Labelle Isle, is withdrawn from sale and is transferred from the custody, control, and supervision of the Chisago county board to the commissioner of natural resources, free from any trust in favor of the interested taxing districts.

Sec. 19. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; COOK COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Cook county may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Cook county and is described as:

(1) an undivided 1/3 interest in Government Lot 5, Section 28, Township 63 North, Range 1 East, containing approximately 14.08 acres; and

(2) an undivided 1/4 interest in the South one-half of the SW 1/4, the NW 1/4 of the SW 1/4, and Government Lot 4, Section 23, Township 63 North, Range 4 East.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 20. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; DOUGLAS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Douglas county shall sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general for consideration not less than the appraised value as determined by the Douglas county board.

(c) The land to be sold is located in Douglas county and is described as:

Lot 43, Block 1, Christinas Moon Lake Heights, Section 28, Township 129 North, Range 39 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 21. [PRIVATE SALE OF COUNTY LAND; GOODHUE COUNTY.]

Subdivision 1. [SALE TO ADJOINING LANDOWNERS.] (a) Notwithstanding the public sale provisions of Minnesota Statutes, section 373.01, subdivision 1, clause (4), or other law to the contrary, Goodhue county may sell, lease, or otherwise convey county owned land that abuts Lake Byllesby to adjoining property owners for direct access to Lake Byllesby by private sale.

(b) A sale, lease, or conveyance under this section shall be for the appraised market value of the interest conveyed, as determined by Goodhue county.

(c) A sale, lease, or conveyance under this section need not comply with Minnesota Statutes, section 373.01, subdivision 1, clause (4), except that:

(1) all iron ore and other valuable minerals, with the right to explore for, mine, and remove the iron ore and other valuable minerals shall be reserved to the county according to Minnesota Statutes, section 373.01, subdivision 1, clause (4); and

(2) no minerals or mineral rights shall be disposed of except according to Minnesota Statutes, section 373.01, subdivision 1, clause (4).

(d) A sale, lease, or conveyance under this section shall be subject to reservation by Goodhue county of flowage easements relating to water levels in Lake Byllesby.

Subd. 2. [PUBLIC PARKS EXCLUDED FROM CONVEYANCE.] This section does not apply to county owned land that is developed as public parks.

Sec. 22. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING ON PUBLIC WATER OR NATURAL WETLANDS; HENNEPIN COUNTY.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, sections 92.45, 103F.535, and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin county shall convey to the city of Eden Prairie, for no consideration, the tax-forfeited land bordering public water or natural wetlands that is described in subdivision 3.

Subd. 2. [FORM.] (a) The conveyance must be in a form approved by the attorney general and provide that the property reverts to the state if:

(1) the city of Eden Prairie stops using the property for park and open space purposes; or

(2) paragraph (b) or (c) is violated or not completed.

(b) The conveyance is subject to a conservation easement in favor of and approved by the Minnesota Land Trust. The conservation easement shall be subject to a trail easement along the northerly 14 feet of said property for pedestrians and bicycles only.

(c) The conveyance is subject to a wetland replacement plan for construction of approximately three acres of wetland, approved under Minnesota Statutes, section 103G.2242, and Minnesota Rules, chapter 8420.

(d) If the property reverts to the state, any duly recorded conservation easement conveyed to the Minnesota Land Trust shall remain in full force and effect.

Subd. 3. [DESCRIPTION.] The land to be conveyed is located in Hennepin county, designated as PIN No. 09-116-22-12-0066, and described as:

Outlot A, Glenshire Addition, embraced within the West Half of the Northeast Quarter of Section 9, Township 116 North, Range 22 West, according to the plat on file in the office of the Hennepin county recorder.

Sec. 23. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; HENNEPIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin county shall convey to the city of Brooklyn Park for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Brooklyn Park stops using the land for the public purpose described in paragraph (d).

(c) The land to be conveyed is located in Hennepin county and is described as:

Tract D, Registered Land Survey No. 0293 (PID 28-119-21-22-0087)

(d) The county has determined that the land is needed by the city of Brooklyn Park for open space or park purposes.

Sec. 24. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER AND WETLAND; HENNEPIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 103F.535, and 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin county may convey to the city of Eden Prairie for no consideration the tax-forfeited land bordering public water and wetland that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that, except for the portion of land not to exceed four acres to be sold by the city of Eden Prairie under Minnesota Statutes, chapter 469, for private development, the land reverts to the state if the city of Eden Prairie stops using the land for the public purposes described in paragraph (d).

(c) The land to be conveyed is located in Hennepin county and is described as:

Outlot A, CASTLE RIDGE, Hennepin county, Minnesota and that part of Lot 2, Block 2, CASTLE RIDGE, Hennepin county, Minnesota, lying westerly and southerly of the following described line: Beginning at a point on the north line of said Lot 2, distant 364.69 feet East from the northwest corner of said Lot 2; thence South 36 degrees 21 minutes 21 seconds West (assuming said north line has a bearing of South 89 degrees 59 minutes 22 second East) a distance of 99.42 feet; thence southerly 436.16 feet along a tangential curve, concave to the East, having a radius of 420 feet and a central angle of 59 degrees 30 minutes 00 seconds; thence South 23 degrees 08 minutes 39 seconds East, tangent to said curve, a distance of 142.19 feet; thence southeasterly 163.33 feet along a tangential curve, concave to the northeast, having a radius of 140 feet and a central angle of 66 degrees 50 minutes 43 seconds; thence South 89 degrees 59 minutes 22 seconds East a distance of 147.58 feet to the point of curvature which intersects the north line of Castlemoor Drive and the south line of said Lot 2, and there said described line terminating.

(d) The county has determined that the land is needed by the city of Eden Prairie for road, park, and wetland open space purposes and for private development.

## Sec. 25. [PRIVATE SALE OF SURPLUS STATE LAND; HOUSTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 89.0211, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for consideration no less than the appraised value of the land. The conveyance shall reserve to the state an access easement to ensure access for state forest management.

(c) The land to be conveyed is located in Houston county and is described as:

That part of the Southeast Quarter of the Southeast Quarter of Section 18, Township 104 North, Range 7 West, Houston county, Minnesota, as described as follows:

Commencing at the southeast corner of said Southeast Quarter of the Southeast Quarter; thence on an assumed bearing of West along the south line of said Southeast Quarter of the Southeast Quarter 555.0 feet to a 3/4 inch by 24 inch rebar with a plastic cap stamped "MN DNR SURVEY MARKER" (DNR MON) and the point of beginning; thence continuing West along the south line of said Southeast Quarter of the Southeast Quarter 279.99 feet to Point "A"; thence continuing West along the south line of said Southeast Quarter of the Southeast Quarter 113.01 feet; thence North 82.50 feet; thence East 126.54 feet to Point "B"; thence continuing East 137.46 feet; thence North 82.50 feet; thence West 162.50 feet to Point "C"; thence continuing West 101.50 feet; thence North 34.71 feet to a DNR MON; thence East 90.97 feet to Point "D"; thence continuing East 302.03 feet to a DNR MON; thence South 199.71 feet to the point of beginning; containing 1.30 acres.

(d) The commissioner has determined that the land is no longer needed for any natural resource purpose, other than access to be provided by easement, and that the state's land management interests would best be served if the land was returned to private ownership to correct an inadvertent trespass.

## Sec. 26. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; HUBBARD COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hubbard county may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for the appraised value as determined by the Hubbard county board of commissioners.

(c) The land to be conveyed is located in Hubbard county, consists of about two acres, and is described as: the North 66 feet of the Northwest Quarter of the Northeast Quarter of section 17, Township 144 North, Range 34 West. Subject to easements, restrictions, and reservation of record, if any.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

## Sec. 27. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; HUBBARD COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hubbard county may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general.

(c) The land to be sold is located in Hubbard county, consists of about 0.65 acres, and is described as:

That part of Government Lot 4, Section 15, Township 141 North, Range 33 West of the Fifth Principal Meridian, Hubbard county, Minnesota described as follows: Commencing at the southeast corner of said Government Lot 4; thence on a record bearing of North 87 degrees 38 minutes 33 seconds West along the south line of said Government Lot 4 a distance of 530.51 feet to the westerly right-of-way line of Hubbard county road No. 2 and the POINT OF BEGINNING of the parcel of land to be described; thence North 26 degrees 36 minutes 27 seconds West along said right-of-way line 125.00 feet; thence North 87 degrees 38 minutes 33 seconds West 200.00 feet; thence South 28 degrees 56 minutes 56 seconds West 122.30 feet to the south line of said Government Lot 4; thence South 87 degrees 38 minutes 33 seconds East along said south line 315.28 feet to the POINT OF BEGINNING. Subject to easements, restrictions and reservations of record, if any.

(d) The sale corrects a trespass and the county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 28. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ITASCA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Itasca county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general.

(c) The land to be sold is located in Itasca county and is described as:

All of CONDOMINIUM NUMBER 4, POKEGAMA COMMONS, a condominium, including the "Additional Real Estate" and "Common Elements" delineated and described therein, except Condominium Unit Number 1, Condominium Unit Number 2, Townhouse Unit A102, Townhouse Unit A104, Townhouse Unit A201, Townhouse Unit A202, Townhouse Unit A203, and Townhouse Unit A204, according to the plat and declarations thereof on file and of record in the office of the Itasca county recorder, Itasca county, Minnesota.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 29. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ITASCA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca county may sell by private sale the tax-forfeited land, some of which borders public water, that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282. The lands allowed for sale may not include tax forfeited lands lying within the Mesabi Range iron formation if the state owns the mineral rights or has a claim against the mineral rights under the provisions of Minnesota Statutes, section 93.55, provided that Itasca county or the state may lease these lands as provided by law.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Itasca county and is described as:

(1) Sections 1 to 4 and 9 to 15, Township 56 North, Range 23 West;

(2) Sections 3 to 10, 14 to 18, 20 to 23, and 26 to 29, Township 56 North, Range 22 West;

(3) Sections 20 to 22 and 27 to 33, Township 57 North, Range 22 West; and

(4) Sections 25 to 27 and 34 to 36, Township 57 North, Range 23 West.



(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 30. [PRIVATE CONVEYANCE OF COUNTY LAND; ITASCA COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 373.01, subdivision 1, clause (4), Itasca county may privately convey the land described in paragraph (b) to the former owner for no consideration.

(b) The land to be conveyed is described as:

That portion of Government Lot 2 lying and being North of the Ball Club river in Section 31, Township 145, Range 25, according to the government survey thereof on file and of record with the county recorder of and for said county and state.

Subject to reservations, restrictions, and easements as they appear of record.

(c) The land described in paragraph (b) was donated to Itasca county to develop a park. Itasca county has chosen not to develop a park and has determined that the land should be returned to the donor.

Sec. 31. [SALE OF TAX-FORFEITED LANDS; ITASCA COUNTY.]

Subdivision 1. [SALE AUTHORIZED.] Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca county may in its sole discretion sell tax-forfeited lands bordering public waters that are currently leased for recreational purposes under Minnesota Statutes, section 282.04. Itasca county may also sell other tax-forfeited lands that are not necessary for public access to water and that have been included in the plats of tax-forfeited lands authorized for sale under this section or such adjacent tax-forfeited lands necessary for roadway access and the creation of conforming lot sizes.

Subd. 2. [METHOD OF SALE.] (a) The leaseholder of a leased parcel may at private sale purchase the leased parcel and any other lands allocated to the parcel by the county under subdivision 5 that is offered for sale under this section. The purchase price shall be the appraised value of the land exclusive of improvements thereon. To purchase a parcel, a leaseholder must tender to the county in cash an amount equal to the appraised value of the land within 180 days from the date of mailing or service of notice of appraised value upon the leaseholder by the county. The 180-day period shall run from the date of mailing of a copy of the appraisal to the leaseholder at the address shown upon the most recent lease agreement between the parties, exclusive of the date of mailing or service. The county may at its option use any alternative method of notice as set forth in the Minnesota Rules of Civil Procedure for the service of a summons and complaint.

(b) In the event the leaseholder does not purchase the parcel so offered, the county may in its sole discretion offer the lands for sale at public auction in accordance with the provisions of Minnesota Statutes, section 282.01, subdivision 3. If a person other than the leaseholder purchases the parcel, the purchaser must make payment in full to the leaseholder in the manner provided in Minnesota Statutes, section 92.06, subdivision 4, for the value of any improvements as determined under subdivision 3.

(c) Failure of a purchaser to comply with the terms of payment voids the sale and the property may be reoffered for sale.

Subd. 3. [APPRAISAL.] (a) An appraisal shall be made in accordance with Minnesota Statutes, section 282.01, subdivision 3, except as modified by this subdivision. Improvements that are owned by the lessee shall be appraised separately.

(b) An appraiser shall be selected by the county. The appraiser selected shall meet the minimal appraisal standards established by the federal Farmers Home Administration or the federal Veterans Administration, be licensed under Minnesota Statutes, section 82B.03, and be approved by the department of natural resources to appraise the property to be sold.

(c) The costs of appraisal shall be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the appraisal costs allocated to the lot purchased. If no one purchases a lot, the county is responsible for the appraisal cost.

(d) If a leaseholder disagrees with the appraised value of the land or leasehold improvements, the leaseholder may select an appraiser that meets the qualifications set forth herein to reappraise the land and improvements. The leaseholder must give notice of its intent to object to the appraised value of the land and buildings within ten days of the date of the mailing or service of notice under subdivision 2, paragraph (a). The reappraisal must be delivered by the leaseholder to the county auditor within 60 days of the date of mailing or service of notice of appraised value under subdivision 2, paragraph (a), or the initial appraisal shall be conclusive. The leaseholder is responsible for the costs of this reappraisal. If the parcel is reappraised within the time set forth herein and the county and the leaseholder fail to agree on the value of the land and improvements within 30 days of the date of delivery of the reappraisal, each of the appraisers shall agree upon the selection of a third appraiser to conduct a third appraisal that shall be conclusive as to the value of the land and improvements. The cost of this appraisal shall be paid equally by the county and the leaseholder.

Subd. 4. [PROCEEDS.] The proceeds from the sale of land described in subdivision 1 must be deposited by the county into an environmental trust fund as provided in Laws 1998, chapter 389, article 16, section 31, subdivision 4.

Subd. 5. [SURVEY.] (a) Itasca county shall cause to be surveyed according to Minnesota Statutes, chapter 505, and the Itasca county platting and subdivision ordinance, each lot prior to offering it for sale.

(b) The costs of survey shall be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the survey costs allocated to the lot purchased. If no one purchases the lot, the county is responsible for the survey costs. All surveying must be conducted by a licensed surveyor.

Subd. 6. [ADDING LANDS; ZONING CONFORMANCE.] Any lands to be sold under this section shall for zoning purposes be considered lots of record. Whenever possible, Itasca county may add tax-forfeited land to the lots offered for sale to permit conformance with zoning requirements. The added lands must be included in the appraised value of the lot.

Subd. 7. [ROADWAYS.] Itasca county shall have the authority to designate whether roads within minor subdivisions under the county platting and subdivision ordinance are public or private.

Subd. 8. [SUNSET.] This section expires five years after the day of final enactment.

Sec. 32. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; KANDIYOHI COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Kandiyohi county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general.

(c) The land to be sold is located in Kandiyohi county and is described as: Lot 1, Block 1, Diamond Woods, Section 28, Township 120 North, Range 33 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

## Sec. 33. [CONVEYANCE OF TAX-FORFEITED LAND; KOOCHICHING COUNTY.]

(a) Upon recommendation of the Koochiching county board, the commissioner of revenue shall convey by deed in the name of the state the tax-forfeited land described in paragraph (c) to the Bois Forte Band of Chippewa Indians. Except as otherwise provided by this section, the conveyance shall be in the manner provided under Minnesota Statutes, section 282.01, subdivision 1a, for conveyance of tax-forfeited land to a governmental subdivision.

(b) The conveyance shall be for no consideration and in a form approved by the attorney general. Upon conveyance, the lands are released from the trust in favor of Koochiching county.

(c) The land that may be conveyed is in Koochiching county, consists of approximately 9.6 acres, and is described as:

That part of the Southeast Quarter of the Northwest Quarter of Section 16, Township 65 North, Range 23 West, described as follows:

Commencing at the southeast corner of said Southeast Quarter of the Northwest Quarter, and assuming the east line thereof to have a bearing of North 00 degrees, 22 minutes, 29 seconds East; thence North 64 degrees, 39 minutes, 05 seconds West, 108.73 feet to the point of beginning; thence North 63 degrees, 40 minutes, 58 seconds West, 454.18 feet; thence North 89 degrees, 50 minutes, 06 seconds West, 423.42 feet; thence North 11 degrees, 54 minutes, 43 seconds East, 289.67 feet; thence North 89 degrees, 50 minutes, 45 seconds East, 59.10 feet; thence South 03 degrees, 55 minutes, 37 seconds West, 866.09 feet to the point of beginning.

(d) The county has determined that the land is needed by the Bois Forte Band of Chippewa Indians to maintain burial grounds and support the preservation of cultural, spiritual, and historic interests.

## Sec. 34. [AUTHORIZING EXERCISE OF EMINENT DOMAIN; KOOCHICHING COUNTY.]

Subdivision 1. [EMINENT DOMAIN AUTHORIZED.] The Koochiching county board may exercise the right of eminent domain in the manner provided by Minnesota Statutes, chapter 117, reserving to the state all minerals and mineral rights, to acquire the following trust fund lands:

That part of the Northeast Quarter of the Northeast Quarter, Section 36, Township 71 North, Range 23 West, Koochiching county, Minnesota, lying northerly of a line described as follows: Commencing at the northeast corner of said Northeast Quarter of the Northeast Quarter; thence South 0 degrees 26 minutes 39 seconds East, bearing assumed, along the east line of said Northeast Quarter of the Northeast Quarter, a distance of 60.00 feet to the point of beginning of the line to be described; thence North 90 degrees 0 minutes West a distance of 173.04 feet; thence North 83 degrees 31 minutes West a distance of 68.90 feet; thence South 88 degrees 09 minutes West a distance of 25.85 feet; thence South 70 degrees 06 minutes West a distance of 77.87 feet; thence South 84 degrees 45 minutes West a distance of 128.97 feet; thence South 63 degrees 22 minutes West a distance of 82.56 feet; thence South 79 degrees 59 minutes West a distance of 41.43 feet; thence North 75 degrees 19 minutes West a distance of 77.77 feet; thence South 84 degrees 04 minutes West a distance of 27.61 feet; thence South 66 degrees 39 minutes West a distance of 37.98 feet; thence South 54 degrees 07 minutes West a distance of 43.20 feet; thence South 47 degrees 42 minutes West a distance of 149.84 feet; thence North 77 degrees 20 minutes West a distance of 114.45 feet; thence North 63 degrees 40 minutes West a distance of 76.63 feet; thence North 56 degrees 19 minutes West a distance of 161.20 feet; thence South 65 degrees 26 minutes West a distance of 68.67 feet; thence South 75 degrees 42 minutes West a distance of 104.62 feet to the intersection with the west line of said Northeast Quarter of the Northeast Quarter and said line there terminating, which point of intersection is 165.84 feet South of the northwest corner of said Northeast Quarter of the Northeast Quarter; said tract consisting of 4.06 acres, more or less.

Subd. 2. [DISPOSITION OF LAND.] (a) After the Koochiching county board acquires the land described in subdivision 1, the county board shall convey to the nominal titleholders their respective interest in the land described in subdivision 1, as determined by the Koochiching county surveyor. Minnesota Statutes, section 373.01, clause (4), does not apply to conveyances under this subdivision. Each titleholder shall reimburse the county board for a proportional share of the cost of the eminent domain proceedings.

(b) The Koochiching county board may vacate the road designated as Withrow Drive according to the plat of Withrow Point and may relocate the road as county road 137, as county road 137 exists on the effective date of this act. The Koochiching county surveyor shall prepare and file a corrected plat of Withrow Point.

Sec. 35. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LE SUEUR COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Le Sueur county shall sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for the fair market value as determined by the Le Sueur county board of commissioners.

(c) The land to be conveyed to adjacent landowners is located in Le Sueur county and is described as:

That part of Government Lot 7, Section 35, Township 109 North, Range 24 West, described as follows: Commencing at a point 1165.40 feet North and 1465.20 feet East of the west quarter corner of said Section 35; thence North 55 degrees 00 minutes 00 seconds West 524.80 feet to the southeast corner of Lot 6, Block 2, ROEMHILDTS WATERS EDGE ADDITION, according to the recorded plat thereof; thence North 70 degrees 37 minutes 00 seconds West 77.63 feet along the south line of said Lot 6 to the point of beginning; thence continuing North 70 degrees 37 minutes 00 seconds West 234.12 feet along the south line of Lots 6 and 5, said Block 2 to a southeasterly line of said Lot 5; thence South 29 degrees 00 minutes 00 seconds West 66.00 feet along said southeasterly line of Lot 5; thence South 70 degrees 37 minutes 00 seconds East 234.12 feet; thence North 29 degrees 00 minutes 00 seconds East 66.00 feet to the point of beginning.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 36. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LE SUEUR COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 282.01, subdivision 1a, and 282.018, subdivision 1, and upon the recommendation of the Le Sueur county board, the commissioner of revenue shall convey by deed the tax-forfeited land bordering public water described in paragraph (c) to the commissioner of natural resources for its fair market value as determined by the Le Sueur county board of commissioners.

(b) The conveyance must be in a form approved by the attorney general and shall release the land from the trust in favor of Le Sueur county.

(c) The land to be conveyed is located in Le Sueur county and is described as:

That part of Government Lots 6 and 7, Section 35, Township 109 North, Range 24 West, described as follows: Commencing at a point 1165.40 feet North and 1465.20 feet East of the west quarter of said Section 35 and the point of beginning; thence North 55 degrees 00 minutes 00 seconds West 524.80 feet to the southeast corner of Lot 6, Block 2, ROEMHILDTS WATERS EDGE ADDITION, according to the recorded plat thereof; thence North 70 degrees 37 minutes 00 seconds West 77.63 feet along the south line of said Lot 6; thence South 29 degrees 00 minutes 00 seconds West 66.00 feet; thence South 70 degrees 37 minutes 00 seconds East 77.63 feet; thence South 55 degrees 00 minutes 00 seconds East 315.80; thence South 29 degrees 00 minutes 00 seconds West 190 feet, more or less, to the water's edge of Frances lake; thence southeasterly along the water's edge of said lake to a point South of the point of beginning; thence North 190 feet, more or less, to the point of beginning.

(d) The department of natural resources shall use the land for fish management.

## Sec. 37. [SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; MOWER COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Mower county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general.

(c) The land to be sold is located in Mower county and is described as:

The following portion of the South Half of the Northwest Quarter and the North Half of the Southwest Quarter of Section 33, Township 101 North, Range 18 West: Beginning at a point 703.9 feet East of a point on the West Section line 1729 feet North of the Southwest corner of said Section 33; thence due East 1216 feet to the center of the Cedar river; thence North 30 degrees 52 minutes West along the centerline of said river 534 feet; thence North 35 degrees 50 minutes West along said centerline 272 feet; thence North 51 degrees 20 minutes West along said centerline 357 feet; thence North 12 degrees 26 minutes East along said centerline 359 feet to a point 605 feet due East of a point 1264.9 feet North of the place of beginning; thence 605 feet due West to said point 1264.9 feet North of the place of beginning; thence 1264.9 feet South to the place of beginning, containing 25 acres. Also an easement for cartway purposes for ingress to and egress from the above-described 25 acre tract, upon a strip of land 33 feet North and South, the north line of which borders upon the south line of the land conveyed to the Woodbury cemetery association of Lyle, Mower county, Minnesota, by the deed recorded in Book 14 of Deeds, page 488, in the office of the register of deeds of said county, and which extends from the highway along the west line of said section, eastward to the said 25-acre tract.

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

## Sec. 38. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER AND WETLAND; OLMSTED COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 103.535, and 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Olmsted county may convey to the city of Rochester for no consideration the tax-forfeited land bordering public water and wetland that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Rochester stops using the land for the public purpose described in paragraph (d).

(c) The land to be conveyed is located in Olmsted county and is described as:

That part of the Northeast Quarter of the Northeast Quarter East of County Road 1 and North of Pinewood Road and easterly of Willow Creek, Section 13, Township 106 North, Range 14 West.

(d) The county has determined that the land is needed by the city of Rochester to use as a public park.

## Sec. 39. [CONVEYANCE OF SURPLUS STATE LAND; OTTER TAIL COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.13, the commissioner of administration shall convey the land and associated buildings described in paragraph (c) to Otter Tail county.

(b) The conveyance shall be in a form approved by the attorney general. The attorney general may require a survey, at the expense of Otter Tail county, and may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Otter Tail county, city of Fergus Falls, and lies within the area defined by a line beginning at the intersection of Fir Avenue and State Highway No. 297; thence northwesterly along State Highway No. 297 to Fourth Street; thence along Fourth Street to West Circle Drive; thence along West Circle Drive to Incinerator Road; thence southwesterly along Incinerator Road to Fir Avenue; thence east along Fir Avenue to the point of beginning.

(d) The commissioner of human services has determined that the land described in paragraph (c) and the buildings on the described land are no longer needed for the Fergus Falls regional treatment center.

Sec. 40. [CONVEYANCE OF TAX-FORFEITED LAND; RAMSEY COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Ramsey county shall convey to the city of New Brighton for no consideration the tax-forfeited land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of New Brighton stops using the land for the public purpose described in paragraph (d).

(c) The land to be conveyed is located in Ramsey county, consists of about 0.48 acres, and is described as that part lying southerly of Long Lake Road of Lots 2 through 6, together with all of Lot 7, Block 1, West End Addition to Minneapolis Stock Yards. The street address for the property is 1760 Long Lake Road.

(d) The county has determined that the land is needed by the city of New Brighton for long-term stormwater retention purposes.

Sec. 41. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; RED LAKE COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Red Lake county shall sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Red Lake county, consists of about 13.35 acres, and is described as: Government Lot 1, Section 36, Township 152 North, Range 40 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 42. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ROSEAU COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Roseau county may sell the tax-forfeited land that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form that is approved by the attorney general.

(c) The land to be conveyed is located in Roseau county and is described as:

The Southwest Quarter of the Northeast Quarter of Section 20, Township 163 North, Range 36 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

## Sec. 43. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell and convey by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for a consideration equal to the fair market value of the property.

(c) The property to be sold consists of approximately 43 acres, and is described as: Government Lot 1, Section 3, Township 64 North, Range 17 West, St. Louis county.

## Sec. 44. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, the commissioner of revenue may convey to the county of Sherburne for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the county of Sherburne stops using the land for the public purpose described in paragraph (d). The conveyance shall reserve to the state all mineral rights in the property.

(c) The land to be conveyed is located in Sherburne county and is described as:

All that part of Government Lot 3 lying between county state-aid highway Number 1 and Elk Lake, excepting therefrom the North 150 feet as measured along the centerline of county state-aid highway Number 1, located in Section 36, Township 35 North, Range 27 West, Blue Hill Township, Sherburne county, Minnesota. Further that this parcel is also part of Parcel Number 12, Sherburne county highway right-of-way plat number 9, as recorded with the Sherburne county recorder's office.

(d) The county has determined that the land is needed for a road right-of-way.

## Sec. 45. [SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; STEARNS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Stearns county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land that may be sold is located in Stearns county and is described as:

(1) Lot 3, Block 1, Jody Estates First Addition to Wakefield Township;

(2) Government Lot 2 lying westerly of county state aid highway No. 22, less the north 50 feet, Section 14, Township 122 North, Range 31 West, which must be sold under Minnesota Statutes, section 282.01, subdivision 7a;

(3) Lot B, Holiday Heights Addition to Oak Township;

(4) the east 200 feet of the west 650 feet of Government Lot 1, Section 3, Township 126 North, Range 34 West, which must be sold under Minnesota Statutes, section 282.01, subdivision 7a; and

(5) Lots 29 and 30, Birchwood Shores Addition to Munson Township.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

## Sec. 46. [LAND CONVEYANCES IN STEELE COUNTY.]

(a) Notwithstanding Laws 1987, chapter 146, section 1, the city of Owatonna shall quitclaim and convey to the state for no consideration the land described as:

All that part of the SE1/4 of the NE1/4 of Section 17, T 107 N, R 20 W, Steele county, Minnesota, described by:

Commencing at the southeast corner of said NE1/4; thence S 88 degrees 31 minutes 43 seconds W, assumed bearing, 347.08 feet along the south line of said NE1/4 to the True Point of Beginning; thence S 88 degrees 31 minutes 43 seconds W 210.00 feet along the south line of said NE1/4; thence N 1 degree 28 minutes 17 seconds W 110.00 feet; thence N 88 degrees 31 minutes 43 seconds E 118.58 feet; thence S 41 degrees 12 minutes 00 seconds E 143.03 feet to said True Point of Beginning.

Containing 0.415 acre, more or less.

Subject to easements and restrictions of record, if any.

(b) The private owner of the land described in this paragraph shall quitclaim and convey to the state for no consideration the land described as:

Outlot A and Outlot B, Ogle Addition.

(c) After the conveyances described in paragraphs (a) and (b), the commissioner of administration shall quitclaim and convey to the city of Owatonna for no consideration the land described in paragraph (b). The land reverts to the state if the land is not used for park purposes and the state pays the city of Owatonna for the appraised value of improvements.

(d) After the conveyances described in paragraphs (a) and (b), the commissioner of administration shall quitclaim and convey to the private owner described in paragraph (b) for no consideration the land described in paragraph (a).

(e) The land conveyances described in this section shall be in a form approved by the attorney general.

(f) The land conveyances described in this section are to correct an inadvertent trespass on land conveyed by the state to the city of Owatonna under Laws 1987, chapter 146, section 1.

## Sec. 47. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WABASHA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Wabasha county may sell by private sale to the city of Hammond the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general and shall not retain a reversionary interest to the state. The sale may be for less than the appraised value of the land.

(c) The land to be conveyed is located in Wabasha county and is described as: the East 103 feet of Lot 6 and the East 128 feet of Lot 7, Block 1, city of Hammond.

(d) The county has determined that the county's land management interests would best be served if the lands were sold to the city of Hammond.



## Sec. 48. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WADENA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Wadena county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sales must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Wadena county and are described as:

(1) part of Government Lot 9 commencing at the southeast corner of Government Lot 10; thence South 146 feet; thence East 16 feet to a point of beginning; thence East 84 feet; thence South 150 feet; thence West 84 feet; thence North to the point of beginning, Section 14, Township 135 North, Range 33 West (PID 03-014-1260);

(2) part of Government Lot 10 commencing at the northwest corner; thence South 300 feet; thence East 167 feet; thence South 300 feet; thence West 167 feet; thence North 300 feet to the point of beginning, Section 14, Township 135 North, Range 33 West (PID 03-014-2040);

(3) part of Government Lot 10 commencing at the northwest corner of said Lot 10; thence East 200 feet; thence South 100 feet to a point of beginning; thence East 330 feet to the Crow Wing river; thence southerly 100 feet along the Crow Wing river; thence West 400 feet to a point due South of the point of beginning; thence North 100 feet to the point of beginning, Section 14, Township 135 North, Range 33 West (PID 03-014-2060);

(4) part of Government Lot 10 commencing at the northwest corner of said Lot 10; thence East 167 feet; thence South 300 feet; thence West 167 feet; thence North 300 feet to the point of beginning, Section 14, Township 135 North, Range 33 West (PID 03-014-2070);

(5) part of Government Lot 10 commencing at the northwest corner of said Lot 10; thence East 200 feet; thence South 400 feet to a point of beginning; thence East 400 feet, more or less, to the Crow Wing river; thence South 100 feet along said river; thence West 400 feet, more or less, to a point due South of the point of beginning; thence North 100 feet to the point of beginning, Section 14, Township 135 North, Range 33 West (PID 03-014-2080);

(6) part of Government Lot 10 commencing at the northwest corner of said Lot 10; thence East 200 feet; thence South 500 feet to a point of beginning; thence East 400 feet, more or less, to the Crow Wing river; thence South 100 feet along said river; thence West 400 feet, more or less, to a point due South of the point of beginning; thence North 100 feet to the point of beginning, Section 14, Township 135 North, Range 33 West (PID 03-014-2140);

(7) River Forest Acres Survey, Lot 13, 3.20 acres of Government Lot 8, Section 10, Township 136 North, Range 33 West (PID 06-003-3100 and 06-010-2020);

(8) Lot 1, Section 4, Township 136 North, Range 33 West, consisting of 41.78 acres (PID 06-004-1010);

(9) Lot 2, Section 16, Township 137 North, Range 34 West, consisting of 47.75 acres (PID 07-016-2020);

(10) Lot 4, Section 7, Township 137 North, Range 33 West, consisting of 51.30 acres (PID 09-007-2040);

(11) Lot 5, Section 7, Township 137 North, Range 33 West, consisting of 16.31 acres (PID 09-007-2030);

(12) the Northeast Quarter of the Southwest Quarter, Section 12, Township 137 North, Range 33 West (PID 09-012-3030);

(13) the Southwest Quarter of the Southeast Quarter, Section 12, Township 137 North, Range 33 West (PID 09-012-4010);

(14) the Southeast Quarter of the Northwest Quarter, Section 13, Township 137 North, Range 33 West (PID 09-013-1030);

(15) the Northeast Quarter of the Northwest Quarter, Section 13, Township 137 North, Range 33 West (PID 09-013-2010); and

(16) all of Lot 3, Block 5 and part of Lot 1, Block 5 beginning at a point on the east line of Lot 1, Block 5 Sharps Addition 210 feet South of the northeast corner of said Lot 1; thence South 70 feet to the north line of said Lot 3; thence West 156 feet on the north line of Lot 3; thence southeasterly 124 feet to the point of beginning, city of Wadena (PID 22-480-0440).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 49. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WADENA COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Wadena county may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Wadena county and is described as: Reserve Lot C, except the east seven acres, Borchart's Addition, city of Wadena (PID 22-600-0830).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 50. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington county may sell by private sale to an adjacent landowner the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value.

(c) The parcel of land that may be conveyed is located in Washington county and is described as Lot 6, Block 3, Valley Hills, Section 12, Township 32 North, Range 21 West.

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 51. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING WETLAND; WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 103F.535; 282.018, subdivision 2; and 282.241, the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Washington county shall sell by private sale to the owner at the time of forfeiture the tax-forfeited land bordering wetland that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The sale must be in a form approved by the attorney general for a consideration of taxes due on the property and any penalties, interest, and costs.

(c) The land to be conveyed is located in Washington county and is described as:

Lot 12, Block 1, Brandon Acres, city of Hugo, identified as PID number 28-031-21-33-0012.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 52. [PRIVATE SALE OF SURPLUS STATE LAND; WRIGHT COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus lands that are described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general for consideration no less than the appraised value of the lands. The cost of any survey or appraisal shall be added to and made part of the appraised value of the lands.

(c) The lands to be conveyed are located in Wright county and are described as:

(1) beginning at a point 910 feet West and 612 feet South of the East 1/4 corner of Section 14, Township 119 North, Range 28 West; thence South 14 degrees 46 minutes East, 350 feet; thence South 75 degrees 14 minutes West, 100 feet; thence North 14 degrees 46 minutes West, 275.3 feet; thence North 38 degrees 29 minutes East, 124.8 feet, to the point of beginning; and

(2) beginning at a point 998 feet West and 555 feet South of the East 1/4 corner of Section 14, Township 119 North, Range 28 West; thence North 28 degrees 19 minutes West, 190 feet; thence North 73 degrees 19 minutes West, 70.71 feet; thence South 28 degrees 19 minutes East, 261.43 feet; thence North 38 degrees 29 minutes East, 54.4 feet.

(d) The commissioner has determined that the lands are no longer needed for any natural resource purpose and that the state's land management interests would best be served if the lands were sold to the adjoining landowner.

Sec. 53. [EFFECTIVE DATE.]

Section 1 is effective for eminent domain proceedings instituted after June 30, 1999. Sections 2, 4 to 12, 14, 17, 22 to 24, 33, 42, 46, and 47 are effective the day following final enactment. Section 21 is effective on the day following approval by the Goodhue county board and compliance with the provisions of Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to public lands; providing that participation in certain tax programs will not reduce damage awards granted in an eminent domain proceeding; modifying prior private sale of tax-forfeited land in Carlton county; authorizing public and private sales, conveyances, and exchanges of certain tax-forfeited lands that border public water or wetland in Anoka, Cass, Chisago, Cook, Douglas, Hennepin, Hubbard, Itasca, Kandiyohi, Le Sueur, Mower, Olmsted, Red Lake, Roseau, Sherburne, Stearns, Wabasha, Wadena, and Washington counties; authorizing private sales and conveyances of certain tax-forfeited land in Koochiching, Ramsey, and St. Louis counties; authorizing private sale and conveyances of certain surplus land in Aitkin, Anoka, Houston, Otter Tail, and Wright counties and to the Bloomington housing and redevelopment authority; authorizing certain land conveyances in connection with the transfer of state land in Steele county; authorizing private sales and conveyances of certain county land in Goodhue and Itasca counties; authorizing Koochiching county to exercise the power of eminent domain for acquisition of certain trust fund land; authorizing the city of Bemidji to exercise the power of eminent domain for acquisition of certain trust fund land that borders public waters and wetlands; amending Minnesota Statutes 1998, section 117.085; Laws 1997, chapter 207, section 7, as amended."

The motion prevailed and the amendment was adopted.

The Speaker called Paulsen to the Chair.

Smith was excused between the hours of 11:20 a.m. and 12:35 p.m.

Mahoney was excused between the hours of 11:30 a.m. and 1:20 p.m.

Rukavina moved to amend S. F. No. 626, as amended, as follows:

Page 36, after line 22, insert:

"Sec. 44. [PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell by private sale the tax-forfeited land that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The land described in paragraph (c) may be sold by private sale to the Iron Range Resource and Rehabilitation Board for economic development. The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy. The consideration for the conveyance must be equal to the fair market value of the land plus the cost of appraisal.

(c) The lands to be conveyed are located in St. Louis county and are described as:

- (1) the Northwest Quarter of the Northwest Quarter, Section 5, Township 58 North, Range 15 West;
- (2) the Northeast Quarter of the Northwest Quarter, Section 5, Township 58 North, Range 15 West;
- (3) the Southwest Quarter of the Northwest Quarter, Section 5, Township 58 North, Range 15 West;
- (4) the Northwest Quarter of the Southwest Quarter, Section 5, Township 58 North, Range 15 West;
- (5) the Southeast Quarter of the Northeast Quarter, Section 6, Township 58 North, Range 15 West;
- (6) the Northwest Quarter of the Southeast Quarter, Section 6, Township 58 North, Range 15 West;
- (7) the Northeast Quarter of the Southeast Quarter, Section 6, Township 58 North, Range 15 West;
- (8) the Southwest Quarter of the Southeast Quarter, Section 6, Township 58 North, Range 15 West;
- (9) the Southeast Quarter of the Southeast Quarter, Section 6, Township 58 North, Range 15 West;
- (10) the Northeast Quarter of the Southeast Quarter, Section 31, Township 59 North, Range 15 West;
- (11) the Southeast Quarter of the Southeast Quarter, Section 31, Township 59 North, Range 15 West;
- (12) the Northwest Quarter of the Southwest Quarter, Section 32, Township 59 North, Range 15 West;
- (13) the Northeast Quarter of the Southwest Quarter, Section 32, Township 59 North, Range 15 West;

(14) the Southwest Quarter of the Southwest Quarter, Section 32, Township 59 North, Range 15 West; and

(15) the Southeast Quarter of the Southwest Quarter, Section 32, Township 59 North, Range 15 West.

(d) The commissioner has determined that the land is no longer needed for any state purpose and that the state's land management interests would best be served if the land was returned to private ownership."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Krinkie moved to amend the Rukavina amendment to S. F. No. 626, as amended, as follows:

Page 1, line 11, delete "private" and insert "public"

Page 1, line 11, after "sale" insert a period and delete the remainder of the line

Page 1, delete lines 12 to 17

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 19 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Buesgens	Haas	Krinkie	Reuter	Vandevveer
Gerlach	Harder	Lindner	Rifenberg	Westrom
Gunther	Holberg	Mulder	Seagren	Wilkin
Haake	Knoblach	Paulsen	Sykora	

Those who voted in the negative were:

Abeler	Dempsey	Holsten	Mares	Otremba	Tingelstad
Abrams	Dorman	Howes	Mariani	Ozment	Tomassoni
Anderson, I.	Dorn	Huntley	Marko	Pawlenty	Trimble
Bakk	Entenza	Jaros	McCollum	Paymar	Tunheim
Biernat	Erhardt	Jennings	McElroy	Pelowski	Van Dellen
Bishop	Erickson	Johnson	McGuire	Peterson	Wagenius
Boudreau	Finseth	Juhnke	Milbert	Pugh	Wejzman
Bradley	Folliard	Kahn	Molnau	Rostberg	Wenzel
Carlson	Fuller	Kalis	Mullery	Rukavina	Westerberg
Carruthers	Gleason	Kelliher	Munger	Schumacher	Westfall
Cassell	Goodno	Kubly	Murphy	Seifert, J.	Winter
Chaudhary	Gray	Larsen, P.	Ness	Seifert, M.	Wolf
Clark, J.	Greenfield	Larson, D.	Nornes	Skoe	Workman
Clark, K.	Greiling	Leighton	Olson	Skoglund	Spk. Sviggum
Daggett	Hackbarth	Lenczewski	Opatz	Solberg	
Dauids	Hasskamp	Leppik	Orfield	Stang	
Dawkins	Hausman	Lieder	Osskopp	Storm	
Dehler	Hilty	Luther	Osthoff	Swenson	

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

The question recurred on the Rukavina amendment to S. F. No. 626, as amended. The motion prevailed and the amendment was adopted.

Tomassoni moved to amend S. F. No. 626, as amended, as follows:

Page 36, after line 22, insert:

"Sec. 44. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell by private sale the tax-forfeited land that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The land described in paragraph (c) may be sold by private sale to the Iron Range Resource and Rehabilitation Board for economic development. The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy. The consideration for the conveyance must be equal to the fair market value of the land plus the cost of appraisal.

(c) The lands to be conveyed, except for any highway right-of-way, are described as:

- (1) (235-0010-03890) the NE 1/4 of the SE 1/4 of Section 26;
- (2) (235-0010-03910) the SW 1/4 of the SE 1/4 and part of the SE 1/4 of the SE 1/4 lying S and W of HWY Niles Reserve, of Section 26;
- (3) (141-0030-00410) the NE 1/4 of the NE 1/4, surface only, of Section 35;
- (4) (141-0030-00440) the SE 1/4 of the NE 1/4 of Section 35;
- (5) (141-0030-00620) the NE 1/4 of the SE 1/4 of Section 35, all in Township 58 North of Range 20 West;
- (6) (235-0010-03860) the NE 1/4 of the SW 1/4 ex HWY R/W of Section 26;
- (7) (235-0010-03873) the und 1/16 of the NW 1/4 of the SW 1/4 ex RY R/W 7.60 ac and ex HWY R/W of Section 26;
- (8) (235-0010-03885) the SE 1/4 of the SW 1/4 of Section 26;
- (9) (235-0010-03900) the NW 1/4 of the SE 1/4 of Section 26;
- (10) (141-0030-00425) North 40 ft of the NW 1/4 of the NE 1/4 of Section 35;
- (11) (141-0030-00450) the NE 1/4 of the NW 1/4 ex 7 60/100 ac on North side and ex 5 71/100 ac on West side, surface only, of Section 35;
- (12) (141-0030-00451) part of the NE 1/4 of the NW 1/4 beg 1100 30/100 ft W of NE corner thence 1025 30/100 ft Ely thence Sly 250 ft thence Wly 785 03/100 ft thence NWly 109 91/100 ft thence NWly 167 74/100 ft thence Nly to point of beginning, surface only, of Section 35;
- (13) (141-0030-00452) part of the NE 1/4 of the NW 1/4 beg 75 ft W and 250 ft S of NE corner thence S 150 ft thence Ely 700 ft thence NWly 163 52/100 ft thence Ely 785 03/100 ft to point of beginning, surface only, of Section 35;

(14) (141-0030-00453) part of the NE 1/4 of the NW 1/4 beg 75 ft S of NW corner thence SEly 1045 ft thence SWly to a point on the West line of said forty 50 ft N of SW corner thence N along W line to point of beginning, surface only, of Section 35;

(15) (141-0030-00460) the NW 1/4 of the NW 1/4 ex 12 61/100 ac E of RY RT of Way, surface only, of Section 35;

(16) (141-0030-00465) part of the NW 1/4 of the NW 1/4 beg 75 ft S of NE corner thence S along E line to a point 50 ft N of SE corner thence W to E line of RY RT of Way thence N along said E line of RY RT of Way to a point 75 ft S of NW cor thence E to point of beg, surface only, Section 35;

(17) (141-0030-00475) that part of the SW 1/4 of the NW 1/4 East of RY, surface only, Section 35;

(18) (141-0030-00480) the SE 1/4 of the NW 1/4 of Section 35;

(19) (141-0030-00430) the SW 1/4 of the NE 1/4 of Section 35;

(20) (141-0030-00490) the NE 1/4 of the SW 1/4 of Section 35;

(21) (141-0030-00500) the NW 1/4 of the SW 1/4 lying NWly of D M and N RY RT of Way ex part lying between the N line of forty the G N RY RT of Way the D M and I R RY RT of Way and the Wilpen Road and ex RY RT of Way and part for Road, Section 35;

(22) (141-0030-00530) that part of the NW 1/4 of the SW 1/4 lying SW of the D M and N RY and also Northwest of the G N RY, Section 35;

(23) (141-0030-00560) that part of the NW 1/4 of the SW 1/4 lying SEly of the G N RY and also SWly of the D M and N RY, Section 35; and

(24) (141-0030-00630) the NW 1/4 of the SE 1/4 of Section 35; all in Township 58 North of Range 20 West.

(d) The county has determined that the county's land management interests would best be served by this private sale.

Sec. 45. [PRIVATE SALE OF SURPLUS STATE LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to the Iron Range Resource and Rehabilitation Board for economic development. The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy. The consideration for the conveyance must be equal to the fair market value of the land plus the cost of appraisal.

(c) The lands to be conveyed, except for any highway right-of-way, are described as:

(1) SWSW, Sect. 26, T58N, R20W;

(2) NWNE, Sect. 35, T58N, R20W; and

(3) that part of the SW 1/4 of NW 1/4 West of RY, surface only, Sect. 35, T58N, R20W.

(d) The commissioner has determined that the land is no longer needed for any natural resource purpose and that the state's land management interests would best be served if the land was returned to private ownership."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Otremba moved to amend S. F. No. 626, as amended, as follows:

Page 39, after line 2, insert:

"Sec. 47. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER AND WETLAND; TODD COUNTY.]

Subdivision 1. [PRIVATE SALE.] (a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Todd county may sell by private sale the tax-forfeited land bordering public water or wetland that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Todd county and is described as:

(1) Lot 3, Block 1, Severson's Addition, Section 28, Township 130 North, Range 33 West;

(2) Lot 5, Block 1, Sylvan Shores #1, Section 30, Township 132 North, Range 32 West;

(3) Lot 2, Block 2, Fawn Lake Meadows, Section 30, Township 132 North, Range 32 West;

(4) Lot 8, Block 3, Fawn Lake Meadows, Section 30, Township 132 North, Range 32 West;

(5) Lot 10, Block 3, Fawn Lake Meadows, Section 30, Township 132 North, Range 32 West;

(6) Lot 13, Block 3, Fawn Lake Meadows, Section 30, Township 132 North, Range 32 West;

(7) Lot 7, Block 4, Fawn Lake Meadows, Section 29, Township 132 North, Range 32 West;

(8) Lot 9, Block 4, Fawn Lake Meadows, Section 29, Township 132 North, Range 32 West;

(9) Lot 10, Block 4, Fawn Lake Meadows, Section 29, Township 132 North, Range 32 West;

(10) Lot 22, Block 4, Fawn Lake Meadows, Section 29, Township 132 North, Range 32 West;

(11) Lot 35, Block 4, Fawn Lake Meadows, Section 29, Township 132 North, Range 32 West;

(12) Lot 15, Block 3, Pine Island Heights, Section 30, Township 132 North, Range 32 West;

(13) Lot 35, Block 7, Pine Island Heights, Section 31, Township 132 North, Range 32 West;

(14) Lot 39, Block 7, Pine Island Heights, Section 31, Township 132 North, Range 32 West;



- (15) Lot 44, Block 7, Pine Island Heights, Section 30, Township 132 North, Range 32 West;  
(16) Lot 4, Block 9, Pine Island Heights, Section 31, Township 132 North, Range 32 West;  
(17) Lot 15, Block 9, Pine Island Heights, Section 31, Township 132 North, Range 32 West;  
(18) Lot 23, Block 9, Pine Island Heights, Section 30, Township 132 North, Range 32 West;  
(19) Lot 15, Block 10, Pine Island Heights, Section 30, Township 132 North, Range 32 West;  
(20) Lot 22, Block 10, Pine Island Heights, Section 30, Township 132 North, Range 32 West;  
(21) Lot 23, Block 10, Pine Island Heights, Section 30, Township 132 North, Range 32 West;  
(22) Lot 15, Block 8, Sylvan Shores South, Section 6, Township 132 North, Range 32 West;  
(23) Lot 27, Block 8, Sylvan Shores South, Section 6, Township 132 North, Range 32 West;  
(24) Lot 39, Block 8, Sylvan Shores South, Section 31, Township 132 North, Range 32 West;  
(25) Lot 40, Block 8, Sylvan Shores South, Section 31, Township 132 North, Range 32 West;  
(26) Lot 41, Block 8, Sylvan Shores South, Section 31, Township 132 North, Range 32 West;  
(27) Lot 43, Block 8, Sylvan Shores South, Section 31, Township 132 North, Range 32 West;  
(28) Lot 45, Block 8, Sylvan Shores South, Section 31, Township 132 North, Range 32 West;  
(29) Lot 49, Block 8, Sylvan Shores South, Section 31, Township 132 North, Range 32 West;  
(30) Lot 19, Block 1, Prairie River Heights, Section 35, Township 132 North, Range 33 West;  
(31) Lot 21, Block 1, Prairie River Heights, Section 35, Township 132 North, Range 33 West;  
(32) Lot 22, Block 1, Prairie River Heights, Section 35, Township 132 North, Range 33 West;  
(33) Lot 16, Block 4, Little Pine Shores, Section 36, Township 132 North, Range 33 West; and  
(34) Lot 44, Block 3, Timber Ridge, Section 35, Township 132 North, Range 33 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Subd. 2. [PUBLIC SALE ALTERNATIVE.] Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, Todd county may sell any of the land described in subdivision 1, paragraph (c), by public sale under the remaining provisions of Minnesota Statutes, chapter 282, if the county does not sell the land by private sale."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 626, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Wabasha county.

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

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Hilty	Lindner	Paulsen	Swenson
Abrams	Dorman	Holberg	Luther	Pawlenty	Sykora
Anderson, B.	Entenza	Holsten	Mares	Paymar	Tingelstad
Anderson, I.	Erhardt	Howes	Mariani	Pelowski	Tomassoni
Bakk	Erickson	Jaros	Marko	Peterson	Tuma
Biernat	Finseth	Jennings	McElroy	Pugh	Tunheim
Bishop	Folliard	Johnson	Milbert	Reuter	Van Dellen
Boudreau	Fuller	Juhnke	Molnau	Rifenberg	Vandever
Bradley	Gerlach	Kahn	Mulder	Rostberg	Wejzman
Broecker	Gleason	Kalis	Mullery	Rukavina	Wenzel
Buesgens	Goodno	Kielkucki	Murphy	Schumacher	Westerberg
Carlson	Gray	Knoblach	Ness	Seagren	Westfall
Carruthers	Greenfield	Kubly	Nornes	Seifert, J.	Westrom
Cassell	Gunther	Larsen, P.	Olson	Seifert, M.	Wilkin
Chaudhary	Haake	Larson, D.	Opatz	Skoe	Winter
Clark, J.	Haas	Leighton	Osskopp	Solberg	Wolf
Daggett	Hackbarth	Lenczewski	Osthoff	Stanek	Workman
Davids	Harder	Leppik	Otremba	Stang	Spk. Sviggum
Dehler	Hasskamp	Lieder	Ozment	Storm	

Those who voted in the negative were:

Clark, K.	Hausman	Krinkie	Munger	Trimble
Dawkins	Huntley	McCollum	Orfield	Wagenius
Greiling	Kelliher	McGuire	Skoglund	

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

S. F. No. 1047 was reported to the House.

Huntley moved to amend S. F. No. 1047 as follows:

Page 1, line 12, delete "IRAs" and insert "IRA"

The motion prevailed and the amendment was adopted.

S. F. No. 1047, A bill for an act relating to creditors' remedies; providing that Roth IRAs will be treated identically to other retirement accounts; amending Minnesota Statutes 1998, section 550.37, subdivision 24.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holberg	Lindner	Ozment	Tingelstad
Abrams	Dorn	Holsten	Luther	Paulsen	Tomassoni
Anderson, B.	Entenza	Howes	Mares	Pawlenty	Trimble
Anderson, I.	Erhardt	Huntley	Mariani	Paymar	Tuma
Bakk	Erickson	Jaros	Marko	Pelowski	Tunheim
Biernat	Finseth	Jennings	McCollum	Peterson	Van Dellen
Bishop	Folliard	Johnson	McElroy	Pugh	Vandever
Boudreau	Fuller	Juhnke	McGuire	Reuter	Wagenius
Bradley	Gerlach	Kahn	Milbert	Rifenberg	Wejman
Broecker	Gleason	Kalis	Molnau	Rostberg	Wenzel
Buesgens	Goodno	Kelliher	Mulder	Rukavina	Westerberg
Carlson	Gray	Kielkucki	Mullery	Schumacher	Westfall
Carruthers	Greenfield	Knoblach	Munger	Seagren	Westrom
Cassell	Greiling	Krinkie	Murphy	Seifert, J.	Wilkin
Chaudhary	Gunther	Kubly	Ness	Seifert, M.	Winter
Clark, J.	Haake	Kuisle	Nornes	Skoglund	Wolf
Clark, K.	Haas	Larsen, P.	Olson	Solberg	Workman
Daggett	Hackbarth	Larson, D.	Opatz	Stanek	Spk. Sviggum
Davids	Harder	Leighton	Orfield	Stang	
Dawkins	Hasskamp	Lenczewski	Osskopp	Storm	
Dehler	Hausman	Leppik	Osthoff	Swenson	
Dempsey	Hilty	Lieder	Otremba	Sykora	

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

S. F. No. 1541, A bill for an act relating to the environment; modifying and making permanent the environmental improvement pilot program; amending Minnesota Statutes 1998, sections 114C.20; 114C.21, subdivisions 1, 4, and by adding subdivisions; 114C.22; 114C.24, subdivisions 2, 3, 4, and 5; 114C.25; 114C.26; 114C.27; and 114C.28; repealing Minnesota Statutes 1998, sections 114C.21, subdivisions 9 and 11; 114C.29; 114C.30; and 114C.31.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Carruthers	Dorn	Greenfield	Holsten	Knoblach
Abrams	Cassell	Entenza	Greiling	Howes	Krinkie
Anderson, B.	Chaudhary	Erhardt	Gunther	Huntley	Kubly
Anderson, I.	Clark, J.	Erickson	Haake	Jaros	Kuisle
Bakk	Clark, K.	Finseth	Haas	Jennings	Larsen, P.
Biernat	Daggett	Folliard	Hackbarth	Johnson	Larson, D.
Bishop	Davids	Fuller	Harder	Juhnke	Leighton
Bradley	Dawkins	Gerlach	Hasskamp	Kahn	Lenczewski
Broecker	Dehler	Gleason	Hausman	Kalis	Leppik
Buesgens	Dempsey	Goodno	Hilty	Kelliher	Lieder
Carlson	Dorman	Gray	Holberg	Kielkucki	Lindner

Luther	Munger	Paulsen	Seagren	Tingelstad	Westfall
Mares	Murphy	Pawlenty	Seifert, J.	Tomassoni	Westrom
Mariani	Ness	Paymar	Seifert, M.	Trimble	Wilkin
Marko	Nornes	Pelowski	Skoe	Tuma	Winter
McCollum	Olson	Peterson	Skoglund	Tunheim	Wolf
McElroy	Opatz	Pugh	Solberg	Van Dellen	Workman
McGuire	Orfield	Reuter	Stanek	Vandever	Spk. Sviggum
Milbert	Osskopp	Rifenberg	Stang	Wagenius	
Molnau	Osthoff	Rostberg	Storm	Wejcman	
Mulder	Otremba	Rukavina	Swenson	Wenzel	
Mullery	Ozment	Schumacher	Sykora	Westerberg	

The bill was passed and its title agreed to.

S. F. No. 2038 was reported to the House.

Abrams moved that S. F. No. 2038 be continued on the Calendar for the Day. The motion prevailed.

Gleason and Larson, D., were excused between the hours of 12:00 noon and 1:20 p.m.

S. F. No. 1382 was reported to the House.

Goodno moved to amend S. F. No. 1382 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1848, the first engrossment:

"Section 1. Minnesota Statutes 1998, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this section:

(1) "Prior impaired driving conviction" means a prior conviction under:

(i) this section; Minnesota Statutes 1996, section 84.91, subdivision 1, paragraph (a), or 86B.331, subdivision 1, paragraph (a); section 169.1211; section 169.129; or section 360.0752;

(ii) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6); or

(iii) an ordinance from this state, or a statute or ordinance from another state, in conformity with any provision listed in item (i) or (ii).

A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult.

(2) "Prior license revocation" means a driver's license suspension, revocation, cancellation, denial, or disqualification under:

(i) this section or section 169.1211, 169.123, 171.04, 171.14, 171.16, 171.165, 171.17, or 171.18 because of an alcohol-related incident;

(ii) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6); or

(iii) an ordinance from this state, or a statute or ordinance from another state, in conformity with any provision listed in item (i) or (ii).

"Prior license revocation" also means the revocation of snowmobile or all-terrain vehicle operating privileges under section 84.911, or motorboat operating privileges under section 86B.335, for violations that occurred on or after August 1, 1995.

(b) A person who violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a, or an ordinance in conformity with any of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1, clause (f);

(2) the person violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a;

(i) within five years of a prior impaired driving conviction or a prior license revocation; or

(ii) within ten years of the first of two or more prior impaired driving convictions, two or more prior license revocations, or any combination of two or more prior impaired driving convictions and prior license revocations, based on separate incidents;

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 or 1a while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.

A person convicted of a gross misdemeanor under this paragraph is subject to the mandatory penalties provided in subdivision 3d.

~~(d) A person is guilty of an enhanced gross misdemeanor under any of the following circumstances:~~

~~(1) the person violates subdivision 1, clause (f), or commits a violation described in paragraph (c), clause (3) or (4), within ten years of one or more prior impaired driving convictions or prior license revocations;~~

~~(2) the person violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a, within ten years of the first of two or more prior impaired driving convictions, two or more prior license revocations, or any combination of two or more prior impaired driving convictions and prior license revocations, based on separate incidents.~~

~~A person convicted of an enhanced gross misdemeanor under this paragraph may be sentenced to imprisonment in a local correctional facility for not more than two years or to payment of a fine of not more than \$3,000, or both. Additionally, the person is subject to the applicable mandatory penalties provided in subdivision 3e.~~

~~(e) The court shall notify a person convicted of violating subdivision 1 or 1a that the registration plates of the person's motor vehicle may be impounded under section 168.042 and the vehicle may be subject to forfeiture under section 169.1217 upon a subsequent conviction for violating this section, section 169.129, or section 171.24, or a subsequent license revocation under section 169.123. The notice must describe the conduct and the time periods within which the conduct must occur in order to result in plate impoundment or forfeiture. The failure of the court to provide this information does not affect the applicability of the plate impoundment or the forfeiture provision to that person.~~

~~(f)~~ (e) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor ~~and enhanced gross misdemeanor~~ violations of this section.

~~(g)~~ (f) The court must impose consecutive sentences when it sentences a person for a violation of this section or section 169.129 arising out of separate behavioral incidents. The court also must impose a consecutive sentence when it sentences a person for a violation of this section or section 169.129 and the person, at the time of sentencing, is on probation for, or serving, an executed sentence for a violation of this section or section 169.129 and the prior sentence involved a separate behavioral incident. The court also may order that the sentence imposed for a violation of this section or section 169.129 shall run consecutively to a previously imposed misdemeanor, gross misdemeanor or felony sentence for a violation other than this section or section 169.129.

~~(h)~~ (g) When the court stays the sentence of a person convicted under this section, the length of the stay is governed by section 609.135, subdivision 2.

~~(i)~~ (h) The court may impose consecutive sentences for offenses arising out of a single course of conduct as permitted in section 609.035, subdivision 2.

(i) The court shall impose consecutive sentences for a violation of this section or section 169.129 and an offense listed in section 609.035, subdivision 2, paragraph (f), arising out of the same course of conduct, as required by section 609.035, subdivision 2, paragraph (g).

(j) When an attorney responsible for prosecuting gross misdemeanors ~~or enhanced gross misdemeanors~~ under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

(k) A violation of subdivision 1a may be prosecuted either in the jurisdiction where the arresting officer observed the defendant driving, operating, or in control of the motor vehicle or in the jurisdiction where the refusal occurred.

Sec. 2. Minnesota Statutes 1998, section 169.121, subdivision 3d, is amended to read:

Subd. 3d. [GROSS MISDEMEANOR; MANDATORY PENALTIES.] (a) The mandatory penalties in this subdivision apply to persons convicted of a gross misdemeanor under subdivision 3, paragraph (c), or section 169.129.

(b) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within five years of a prior impaired driving conviction or prior license revocation, must be sentenced to a minimum of 30 days imprisonment, at least 48 hours of which must be served consecutively, or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph ~~(e)~~ (f) or ~~(d)~~ (g).

(c) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within ten years of two prior impaired driving convictions, two prior license revocations, or a combination of the two, must be sentenced to either:

(1) a minimum of 90 days incarceration, at least 30 days of which must be served consecutively in a local correctional facility; or

(2) a program of intensive supervision of the type described in section 169.1265 that requires the person to consecutively serve at least six days in a local correctional facility.

The court may order that the person serve not more than 60 days of the minimum penalty under clause (1) on home detention or in an intensive probation program described in section 169.1265. Notwithstanding section 609.135, the penalties in this paragraph must be imposed and executed.

(d) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within ten years of three prior impaired driving convictions, three prior license revocations, or a combination of the two, must be sentenced to either:

(1) a minimum of 180 days of incarceration, at least 30 days of which must be served consecutively in a local correctional facility; or

(2) a program of intensive supervision of the type described in section 169.1265 that requires the person to consecutively serve at least six days in a local correctional facility.

The court may order that the person serve not more than 150 days of the minimum penalty under clause (1) on home detention or in an intensive probation program described in section 169.1265. Notwithstanding section 609.135, the penalties in this paragraph must be imposed and executed.

(e) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within 15 years of four prior impaired driving convictions, four prior license revocations, or a combination of the two; or anytime after five or more prior impaired driving convictions, five or more prior license revocations, or a combination of the two, must be sentenced to either:

(1) a minimum of one year of incarceration, at least 60 days of which must be served consecutively in a local correctional facility; or

(2) a program of intensive supervision of the type described in section 169.1265 that requires the person to consecutively serve at least six days in a local correctional facility.

The court may order that the person serve the remainder of the minimum penalty under clause (1) on intensive probation using an electronic monitoring system or, if such a system is unavailable, on home detention. Notwithstanding section 609.135, the penalties in this paragraph must be imposed and executed.

(f) Prior to sentencing, the prosecutor may file a motion to have ~~the~~ a defendant described in paragraph (b) sentenced without regard to the mandatory minimum sentence established by ~~this subdivision that paragraph~~. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum sentence established by ~~this subdivision paragraph (b)~~.

(g) The court may, on its own motion, sentence ~~the~~ a defendant described in paragraph (b) without regard to the mandatory minimum sentence established by ~~this subdivision that paragraph~~ if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it. The court also may sentence the defendant without regard to the mandatory minimum sentence established by ~~this subdivision paragraph (b)~~ if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265.

(h) When any portion of the sentence required by ~~this subdivision paragraph (b)~~ is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record. Any sentence required under ~~this subdivision paragraph (b)~~ must include a mandatory sentence that is not subject to suspension or a stay of imposition or execution, and that includes incarceration for not less than 48 consecutive hours or at least 80 hours of community work service.

Sec. 3. Minnesota Statutes 1998, section 169.129, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a ~~crime~~ gross misdemeanor for any person to drive, operate, or be in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's

driver's license or driving privilege has been reinstated following its cancellation, suspension, revocation, disqualification, or denial under any of the following:

- (1) section 169.121, 169.1211, or 169.123;
- (2) section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident;
- (3) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6).

Sec. 4. Minnesota Statutes 1998, section 609.02, subdivision 2, is amended to read:

Subd. 2. [FELONY.] "Felony" means a crime, ~~other than an enhanced gross misdemeanor~~, for which a sentence of imprisonment for more than one year may be imposed.

Sec. 5. Minnesota Statutes 1998, section 609.035, subdivision 2, is amended to read:

Subd. 2. (a) When a person is being sentenced for a violation of a provision listed in paragraph (f), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (f), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b), (c), ~~and (d)~~, and (g) of this subdivision.

(b) When a person is being sentenced for a violation of section 169.129 the court may not impose a consecutive sentence for a violation of a provision of section 169.121, subdivision 1, or for a violation of a provision of section 171.20, 171.24, or 171.30.

(c) When a person is being sentenced for a violation of section 171.20, 171.24, or 171.30, the court may not impose a consecutive sentence for another violation of a provision in chapter 171.

(d) When a person is being sentenced for a violation of section 169.791 or 169.797, the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(e) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135.

(f) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions as defined in section 169.121, subdivision 3:

- (1) section 169.121, subdivision 1, driving while intoxicated;
- (2) section 169.121, subdivision 1a, testing refusal;
- (3) section 169.129, aggravated driving while intoxicated;
- (4) section 169.791, failure to provide proof of insurance;
- (5) section 169.797, failure to provide vehicle insurance;
- (6) section 171.20, subdivision 2, operation after revocation, suspension, cancellation, or disqualification;
- (7) section 171.24, driving without valid license;



(8) section 171.30, violation of condition of limited license; and

(9) section 609.487, fleeing a peace officer.

(g) When a court is sentencing an offender for a violation of section 169.121 or 169.129 and a violation of an offense listed in paragraph (f), and the offender has five or more prior impaired driving convictions, five or more prior license revocations, or a combination of the two, within the person's lifetime, the court shall sentence the offender to serve consecutive sentences for the offenses, notwithstanding the fact that the offenses arose out of the same course of conduct.

Sec. 6. Minnesota Statutes 1998, section 609.105, subdivision 1, is amended to read:

Subdivision 1. ~~Except as otherwise provided in subdivision 3,~~ A sentence to imprisonment for more than one year shall commit the defendant to the custody of the commissioner of corrections.

Sec. 7. Minnesota Statutes 1998, section 609.105, subdivision 3, is amended to read:

Subd. 3. A sentence to imprisonment ~~for an enhanced gross misdemeanor~~ or for a period of one year or any lesser period shall be to a workhouse, work farm, county jail, or other place authorized by law.

Sec. 8. Minnesota Statutes 1998, section 609.135, subdivision 2, is amended to read:

Subd. 2. [STAY OF SENTENCE MAXIMUM PERIODS.] (a) If the conviction is for a felony the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

~~(b) If the conviction is for an enhanced gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.~~

~~(c)~~ If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than ~~four~~ six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

~~(d)~~ (c) If the conviction is for a gross misdemeanor not specified in paragraph ~~(c)~~ (b), the stay shall be for not more than two years.

~~(e)~~ (d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

~~(f)~~ (e) If the conviction is for a misdemeanor not specified in paragraph ~~(e)~~ (d), the stay shall be for not more than one year.

~~(g)~~ (f) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph ~~(f)~~ (g), or the defendant has already been discharged.

~~(h)~~ (g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(g)~~ (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution or a fine in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution or fine the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution or a fine may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution or fine that the defendant owes.

(i) ~~(g)~~ (h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(g)~~ (f), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

- (1) the defendant has failed to complete court-ordered treatment successfully; and
- (2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

Sec. 9. Minnesota Statutes 1998, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON SENTENCES; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively and all of the sentences are for misdemeanors, the total of the sentences shall not exceed one year. If the sentences are for a gross misdemeanor ~~or enhanced gross misdemeanor~~ and one or more misdemeanors, the total of the sentences shall not exceed two years. If all of the sentences are for gross misdemeanors ~~and enhanced gross misdemeanors~~, the total of the sentences shall not exceed four years.

Sec. 10. [REPEALER.]

Minnesota Statutes 1998, sections 169.121, subdivision 3e; 169.129, subdivision 2; and 609.02, subdivision 2a, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; repealing provisions and striking language related to the enhanced gross misdemeanor DWI crime; expanding the gross misdemeanor DWI crime, probationary period, and mandatory sentencing provisions; requiring mandatory consecutive sentences for certain DWI-related offenses; amending Minnesota Statutes 1998, sections 169.121, subdivisions 3 and 3d; 169.129, subdivision 1; 609.02, subdivision 2; 609.035, subdivision 2; 609.105, subdivisions 1 and 3; 609.135, subdivision 2; and 609.15, subdivision 2; repealing Minnesota Statutes 1998, sections 169.121, subdivision 3e; 169.129, subdivision 2; and 609.02, subdivision 2a."

The motion prevailed and the amendment was adopted.

S. F. No. 1382, A bill for an act relating to crime prevention; repealing provisions and striking language related to the enhanced gross misdemeanor DWI crime; expanding the gross misdemeanor DWI crime, probationary period, and mandatory sentencing provisions; requiring mandatory consecutive sentences for certain DWI-related offenses; amending Minnesota Statutes 1998, sections 169.121, subdivisions 1c, 3, and 3d; 169.129, subdivision 1; 609.02, subdivision 2; 609.035, subdivision 2; 609.105, subdivisions 1 and 3; 609.135, subdivision 2; and 609.15, subdivision 2; repealing Minnesota Statutes 1998, sections 169.121, subdivision 3e; 169.129, subdivision 2; and 609.02, subdivision 2a.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Hilty	Lieder	Otremba	Stang
Abrams	Dorman	Holberg	Lindner	Ozment	Storm
Anderson, B.	Dorn	Holsten	Luther	Paulsen	Swenson
Anderson, I.	Entenza	Howes	Mares	Pawlenty	Sykora
Bakk	Erhardt	Huntley	Mariani	Paymar	Tingelstad
Biernat	Erickson	Jaros	Marko	Pelowski	Tomassoni
Bishop	Finseth	Jennings	McCollum	Peterson	Trimble
Boudreau	Folliard	Johnson	McElroy	Pugh	Tuma
Bradley	Fuller	Juhnke	McGuire	Rest	Tunheim
Broecker	Gerlach	Kahn	Milbert	Reuter	Vandever
Buesgens	Goodno	Kalis	Molnau	Rifenberg	Wagenius
Carlson	Gray	Kelliher	Mulder	Rostberg	Wejzman
Carruthers	Greenfield	Kielkucki	Munger	Rukavina	Wenzel
Cassell	Greiling	Knoblach	Murphy	Schumacher	Westerberg
Chaudhary	Gunther	Krinkie	Ness	Seagren	Westfall
Clark, J.	Haake	Kubly	Nornes	Seifert, J.	Westrom
Clark, K.	Haas	Kuisle	Olson	Seifert, M.	Wilkin
Daggett	Hackbarth	Larsen, P.	Opatz	Skoe	Winter
Dauids	Harder	Leighton	Orfield	Skoglund	Wolf
Dawkins	Hasskamp	Lenczewski	Osskopp	Solberg	Workman
Dehler	Hausman	Leppik	Osthoff	Stanek	Spk. Sviggum

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

S. F. No. 1449, A bill for an act relating to natural resources; renaming a state park; adding to and deleting from state parks; authorizing a land exchange in a state park; transferring land from a state wayside to a state park and abolishing a state wayside; authorizing a private sale of surplus land in Rock county; renaming the visitors' center at Gooseberry Falls state park; amending Minnesota Statutes 1998, section 85.012, subdivision 19; proposing coding for new law in Minnesota Statutes, chapter 85; repealing Minnesota Statutes 1998, section 85.013, subdivision 8.

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

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abeler	Carruthers	Dorn	Gunther	Huntley	Leighton
Abrams	Cassell	Entenza	Haake	Jaros	Lenczewski
Anderson, B.	Chaudhary	Erhardt	Haas	Jennings	Leppik
Anderson, I.	Clark, J.	Erickson	Hackbarth	Johnson	Lieder
Bakk	Clark, K.	Finseth	Harder	Juhnke	Lindner
Biernat	Daggett	Folliard	Hasskamp	Kahn	Luther
Bishop	Dauids	Fuller	Hausman	Kalis	Mares
Boudreau	Dawkins	Goodno	Hilty	Kelliher	Mariani
Bradley	Dehler	Gray	Holberg	Kubly	Marko
Broecker	Dempsey	Greenfield	Holsten	Kuisle	McCollum
Carlson	Dorman	Greiling	Howes	Larsen, P.	McElroy

McGuire	Opatz	Pelowski	Seifert, M.	Tingelstad	Wenzel
Milbert	Orfield	Peterson	Skoe	Tomassoni	Westerberg
Molnau	Osskopp	Pugh	Skoglund	Trimble	Westfall
Mulder	Osthoff	Rest	Solberg	Tuma	Westrom
Munger	Otremba	Rostberg	Stanek	Tunheim	Winter
Murphy	Ozment	Rukavina	Stang	Van Dellen	Wolf
Ness	Paulsen	Schumacher	Storm	Vandevier	Workman
Nornes	Pawlenty	Seagen	Swenson	Wagenius	Spk. Sviggum
Olson	Paymar	Seifert, J.	Sykora	Wejzman	

Those who voted in the negative were:

Buesgens	Kielkucki	Krinkie	Rifenberg
Gerlach	Knoblach	Reuter	Wilkin

The bill was passed and its title agreed to.

S. F. No. 1099 was reported to the House.

Wejzman and Osskopp moved to amend S. F. No. 1099 as follows:

Page 2, after line 9, insert:

"Sec. 3. [EXPIRATION.]

Sections 1 and 2 expire August 1, 2001."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1099, A bill for an act relating to health; modifying training requirements for nursing assistants; amending Minnesota Statutes 1998, section 144A.61, subdivisions 2 and 3a.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Boudreau	Chaudhary	Dorman	Fuller	Haake
Abrams	Bradley	Clark, J.	Dorn	Gerlach	Haas
Anderson, B.	Broecker	Clark, K.	Entenza	Goodno	Hackbarth
Anderson, I.	Buesgens	Daggett	Erhardt	Gray	Harder
Bakk	Carlson	Davids	Erickson	Greenfield	Hasskamp
Biernat	Carruthers	Dawkins	Finseth	Greiling	Hausman
Bishop	Cassell	Dempsey	Folliard	Gunther	Hilty

Holberg	Kubly	Milbert	Ozment	Seifert, J.	Tunheim
Holsten	Kuisle	Molnau	Paulsen	Seifert, M.	Van Dellen
Howes	Larsen, P.	Mulder	Pawlenty	Skoe	Vandever
Huntley	Leighton	Mullery	Paymar	Skoglund	Wagenius
Jaros	Lenczewski	Munger	Pelowski	Solberg	Wenzel
Jennings	Leppik	Murphy	Peterson	Stanek	Westerberg
Johnson	Lieder	Ness	Pugh	Stang	Westfall
Juhnke	Lindner	Nornes	Rest	Storm	Westrom
Kahn	Luther	Olson	Reuter	Swenson	Wilkin
Kalis	Mares	Opatz	Rifenberg	Sykora	Winter
Kelliher	Mariani	Orfield	Rostberg	Tingelstad	Wolf
Kielkucki	Marko	Osskopp	Rukavina	Tomassoni	Workman
Knoblach	McElroy	Osthoff	Schumacher	Trimble	Spk. Sviggum
Krinkie	McGuire	Otremba	Seagren	Tuma	

Those who voted in the negative were:

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

The Speaker resumed the Chair.

H. F. No. 1289, A bill for an act relating to crime prevention; increasing the criminal penalty for providing alcoholic beverages to underage persons under certain circumstances; amending Minnesota Statutes 1998, section 340A.701, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 90 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Hilty	Mares	Ozment	Storm
Abrams	Erhardt	Holberg	Marko	Paulsen	Swenson
Biernat	Erickson	Johnson	McCollum	Pawlenty	Sykora
Boudreau	Finseth	Kahn	McElroy	Paymar	Tingelstad
Bradley	Folliard	Kalis	McGuire	Pelowski	Tuma
Broecker	Fuller	Kelliher	Molnau	Rest	Tunheim
Carlson	Goodno	Knoblach	Mulder	Rifenberg	Vandever
Carruthers	Gray	Koskinen	Mullery	Rostberg	Wagenius
Cassell	Greenfield	Kubly	Murphy	Seagren	Wejcman
Chaudhary	Greiling	Kuisle	Ness	Seifert, J.	Westerberg
Clark, K.	Gunther	Larsen, P.	Nornes	Seifert, M.	Westfall
Daggett	Haake	Lenczewski	Olson	Skoe	Wilkin
Davids	Haas	Leppik	Orfield	Skoglund	Wolf
Dawkins	Harder	Lindner	Osskopp	Smith	Workman
Dorman	Hasskamp	Luther	Osthoff	Stanek	Spk. Sviggum

Those who voted in the negative were:

Anderson, B.	Dempsey	Jaros	Milbert	Rukavina	Wenzel
Anderson, I.	Dorn	Jennings	Munger	Schumacher	Westrom
Bakk	Gerlach	Juhnke	Opatz	Solberg	Winter
Bishop	Hackbarth	Kielkucki	Otremba	Stang	
Buesgens	Hausman	Krinkie	Peterson	Tomassoni	
Clark, J.	Howes	Leighton	Pugh	Trimble	
Dehler	Huntley	Mariani	Reuter	Van Dellen	

The bill was passed and its title agreed to.

S. F. No. 1404 was reported to the House.

Skoglund moved to amend S. F. No. 1404 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1081, the first engrossment:

"Section 1. Minnesota Statutes 1998, section 617.246, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the terms defined in this subdivision have the meanings given them.

(b) "Minor" means any person under the age of 18.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance or other exhibition presented before an audience or for purposes of visual or mechanical reproduction ~~which depicts that uses a minor to depict actual or simulated~~ sexual conduct as defined by clause (e).

(e) "Sexual conduct" means any of the following ~~if the depiction involves a minor:~~

(i) ~~(1)~~ (1) an act of sexual intercourse, normal or perverted, ~~actual or simulated,~~ including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(ii) ~~(2)~~ (2) sadomasochistic abuse, meaning flagellation, torture, or similar demeaning acts inflicted by or upon a person who is nude or clad in undergarments or in a revealing costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one so clothed;

(iii) ~~(3)~~ (3) masturbation ~~or~~;

(4) lewd exhibitions of the genitals; ~~or~~

(iv) ~~(5)~~ (5) physical contact ~~or simulated physical contact~~ with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

(f) "Pornographic work" means:

(1) an original or reproduction of a picture, film, photograph, negative, slide, videotape, videodisc, or drawing of a sexual performance involving a minor; or

(2) any visual depiction, including any photograph, film, video, picture, drawing, negative, slide, or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means that:

(i) uses a minor to depict actual or simulated sexual conduct;

(ii) appears to be of a minor engaging in sexual conduct;

(iii) has been created, adapted, or modified to appear that an identifiable minor is engaging in sexual conduct;  
or

(iv) is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexual conduct.

For the purposes of this paragraph, an identifiable minor is a person who was a minor at the time the depiction was created or altered, whose image is used to create the visual depiction.

Sec. 2. Minnesota Statutes 1998, section 617.246, subdivision 2, is amended to read:

Subd. 2. [USE OF MINOR.] It is unlawful for a person to promote, employ, use or permit a minor to engage in or assist others to engage minors in posing or modeling alone or with others in any sexual performance or pornographic work if the person knows or has reason to know that the conduct intended is a sexual performance or a pornographic work.

Any person who violates this subdivision is guilty of a felony and may be sentenced to imprisonment for not more than five ten years or to payment of a fine of not more than ~~\$10,000~~ \$20,000 for the first offense and ~~\$20,000~~ \$40,000 for a second or subsequent offense, or both.

Sec. 3. Minnesota Statutes 1998, section 617.246, subdivision 3, is amended to read:

Subd. 3. [OPERATION OR OWNERSHIP OF BUSINESS.] A person who owns or operates a business in which a ~~work depicting a minor in a sexual performance~~ pornographic work, as defined in this section, is disseminated to an adult or a minor or is reproduced, and who knows the content and character of the pornographic work disseminated or reproduced, is guilty of a felony and may be sentenced to imprisonment for not more than five ten years, or to payment of a fine of not more than ~~\$10,000~~ \$20,000 for the first offense and ~~\$20,000~~ \$40,000 for a second or subsequent offense, or both.

Sec. 4. Minnesota Statutes 1998, section 617.246, subdivision 4, is amended to read:

Subd. 4. [DISSEMINATION.] A person who, knowing or with reason to know its content and character, disseminates for profit to an adult or a minor a pornographic work ~~depicting a minor in sexual performance~~, as defined in this section, is guilty of a felony and may be sentenced to imprisonment for not more than five ten years, or to payment of a fine of not more than ~~\$10,000~~ \$20,000 for the first offense and ~~\$20,000~~ \$40,000 for a second or subsequent offense, or both.

Sec. 5. Minnesota Statutes 1998, section 617.246, is amended by adding a subdivision to read:

Subd. 6. [AFFIRMATIVE DEFENSE.] It shall be an affirmative defense to a charge of violating this section that the sexual performance or pornographic work was produced using only persons who were 18 years or older and the defendant did not advertise, promote, present, describe, or distribute the sexual performance or pornographic work in such a manner as to convey the impression that it contains a visual depiction of a minor engaging in sexual conduct.

Sec. 6. Minnesota Statutes 1998, section 617.247, subdivision 1, is amended to read:

Subdivision 1. [POLICY; PURPOSE.] It is the policy of the legislature in enacting this section to protect minors from the physical and psychological damage caused by their being used in ~~photographic representations of~~ pornographic work depicting sexual conduct which involves minors. It is therefore the intent of the legislature to penalize possession of ~~photographic representations of~~ pornographic work depicting sexual conduct which involve minors or appears to involve minors in order to protect the identity of minors who are victimized by involvement in the ~~photographic representations~~ pornographic work, and to protect minors from future involvement in ~~photographic representations of~~ pornographic work depicting sexual conduct.

Sec. 7. Minnesota Statutes 1998, section 617.247, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) ~~"Photographic representation" means an original or reproduction of a film, videotape, videodisc, photograph, negative, or slide~~ "Pornographic work" has the meaning given to it in section 617.246.

(b) "Sexual conduct" has the meaning given to it in section 617.246.

Sec. 8. Minnesota Statutes 1998, section 617.247, subdivision 3, is amended to read:

Subd. 3. [DISSEMINATION PROHIBITED.] A person who disseminates a ~~photographic representation of sexual conduct which involves a minor~~ pornographic work to an adult or a minor, knowing or with reason to know its content and character ~~and that an actual minor is an actor or photographic subject in it~~, is guilty of a ~~gross misdemeanor~~ felony and may be sentenced to imprisonment for not more than five years and a fine of not more than \$10,000 for a first offense and for not more than ten years and a fine of not more than \$20,000 for a second or subsequent offense.

Sec. 9. Minnesota Statutes 1998, section 617.247, subdivision 4, is amended to read:

Subd. 4. [POSSESSION PROHIBITED.] A person who ~~has in possession~~ possesses a photographic representation of sexual conduct which involves a minor pornographic work or a computer disk or computer or other electronic, magnetic, or optical storage system or a storage system of any other type, containing a pornographic work, knowing or with reason to know its content and character ~~and that an actual minor is an actor or photographic subject in it~~, is guilty of a ~~gross misdemeanor~~ felony and may be sentenced to imprisonment for not more than five years and a fine of not more than \$10,000 for a first offense and for not more than ten years and a fine of not more than \$20,000 for a second or subsequent offense.

Sec. 10. Minnesota Statutes 1998, section 617.247, is amended by adding a subdivision to read:

Subd. 8. [AFFIRMATIVE DEFENSE.] It shall be an affirmative defense to a charge of violating this section that the pornographic work was produced using only persons who were 18 years or older.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective August 1, 1999, and apply to crimes committed on or after that date."

The motion prevailed and the amendment was adopted.

The Speaker called Boudreau to the Chair.



S. F. No. 1404, A bill for an act relating to crime; providing criminal penalties for possessing and disseminating pornographic work depicting a minor; including computer-generated or computer-altered images within the definition of pornographic work; amending Minnesota Statutes 1998, sections 617.246, subdivisions 1, 2, 3, 4, and by adding a subdivision; and 617.247, subdivisions 1, 2, 3, 4, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Luther	Paulsen	Swenson
Abrams	Dorn	Howes	Mares	Pawlenty	Sykora
Anderson, B.	Entenza	Huntley	Mariani	Paymar	Tingelstad
Anderson, I.	Erhardt	Jaros	Marko	Pelowski	Tomassoni
Bakk	Erickson	Jennings	McCollum	Peterson	Trimble
Biernat	Finseth	Johnson	McElroy	Pugh	Tuma
Bishop	Folliard	Juhnke	McGuire	Rest	Tunheim
Boudreau	Fuller	Kahn	Milbert	Reuter	Van Dellen
Bradley	Gerlach	Kalis	Molnau	Rifenberg	Vandever
Broecker	Goodno	Kelliher	Mulder	Rostberg	Wagenius
Buesgens	Gray	Kielkucki	Mullery	Rukavina	Wejzman
Carlson	Greenfield	Knoblach	Munger	Schumacher	Wenzel
Carruthers	Greiling	Koskinen	Murphy	Seagren	Westerberg
Cassell	Gunther	Krinkie	Ness	Seifert, J.	Westfall
Chaudhary	Haake	Kubly	Nornes	Seifert, M.	Westrom
Clark, J.	Haas	Kuisle	Olson	Skoe	Wilkin
Clark, K.	Hackbarth	Larsen, P.	Opatz	Skoglund	Wolf
Daggett	Harder	Leighton	Orfield	Smith	Workman
Davids	Hasskamp	Lenczewski	Osskopp	Solberg	Spk. Sviggum
Dawkins	Hausman	Leppik	Osthoff	Stanek	
Dehler	Hilty	Lieder	Otremba	Stang	
Dempsey	Holberg	Lindner	Ozment	Storm	

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

S. F. No. 653 was reported to the House.

Carruthers moved to amend S. F. No. 653 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2058, the second engrossment:

"Section 1. Minnesota Statutes 1998, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] (a) Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data.

(b) For purposes of this section, "inspection" includes, but is not limited to, the visual inspection of paper and similar types of government data. Inspection does not include the printing of copies by the government entity, unless printing a copy is the only method to provide for inspection of the data. In the case of data stored in electronic form and made available in electronic form on a remote access basis to the public by the government entity, "inspection" includes remote access to the data by the public and the ability to print copies of or download the data on the public's own computer equipment. Nothing in this section prohibits a government entity from charging reasonable fees for remote access to data under a specific statutory grant of authority. The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1998, section 13.04, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO DATA BY INDIVIDUAL.] Upon request to a responsible authority, an individual shall be informed whether the individual is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge and, if desired, shall be informed of the content and meaning of that data. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to that individual for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected or created. The responsible authority shall provide copies of the private or public data upon request by the individual subject of the data. The responsible authority may require the requesting person to pay the actual costs of making, certifying, and compiling the copies.

The responsible authority shall comply immediately, if possible, with any request made pursuant to this subdivision, or within ~~five ten~~ days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible. ~~If unable to comply with the request within that time, the responsible authority shall so inform the individual, and may have an additional five days within which to comply with the request, excluding Saturdays, Sundays and legal holidays.~~

Sec. 3. Minnesota Statutes 1998, section 13.32, subdivision 2, is amended to read:

Subd. 2. [STUDENT HEALTH AND CENSUS DATA; DATA ON PARENTS.] (a) Health data concerning students, including but not limited to, data concerning immunizations, notations of special physical or mental problems and records of school nurses are educational data. Access by parents to student health data shall be pursuant to section 13.02, subdivision 8.

(b) Pupil census data, including emergency information; and family information; and data concerning parents are educational data.

(c) Data concerning parents are private data on individuals but may be treated as directory information if the same procedures that are used by a school district to designate student data as directory information under subdivision 5 are followed.

Sec. 4. Minnesota Statutes 1998, section 13.43, is amended by adding a subdivision to read:

Subd. 13. [DISSEMINATION OF DATA TO DEPARTMENT OF ECONOMIC SECURITY.] Private personnel data must be disclosed to the department of economic security for the purpose of processing claims for unemployment benefits under chapter 268.

Sec. 5. [13.442] [BUILDING CODE VIOLATIONS.]

All code violation records pertaining to a particular parcel of real property and the buildings, improvements, and dwelling units located on it that are kept by any state, county, or city agency charged by the governing body of the appropriate political subdivision with the responsibility for enforcing a state, county, or city health, housing, building, fire prevention, or housing maintenance code are public data; except as otherwise provided by section 13.39, subdivision 2; 13.44; or 13.82, subdivision 5.

Sec. 6. [13.491] [RIDESHARE DATA.]

The following data on participants, collected by the Minnesota department of transportation and the metropolitan council to administer rideshare programs, are classified as private under section 13.02, subdivision 12: residential address and telephone number; beginning and ending work hours; current mode of commuting to and from work; and type of rideshare service information requested.

Sec. 7. [13.612] [UTILITY CUSTOMER DATA.]

All data that identifies customers of municipal utilities are classified as private data on individuals as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9.

Sec. 8. [13.772] [MINNESOTA POLLUTION CONTROL AGENCY DATA.]

Data that identify specific locations within the state where intensive and global survey site investigations are under way, or are determined by the Minnesota pollution control agency as appropriate for studying the cause of malformations in frogs, are nonpublic data until the agency determines that it will not investigate or has completed its scientific investigation at the reported abnormal frog site.

Sec. 9. Minnesota Statutes 1998, section 15.17, subdivision 1, is amended to read:

Subdivision 1. [MUST BE KEPT.] All officers and agencies of the state, counties, cities, towns, school districts, municipal subdivisions or corporations, or other public authorities or political entities within the state, hereinafter "public officer," shall make and preserve all records necessary to a full and accurate knowledge of their official activities. Government records may be produced in the form of computerized records. All government records shall be made on a physical medium of a quality to insure permanent records. Every public officer is empowered to reproduce records if the records are not deemed to be of permanent or archival value by the commissioner of administration and the records disposition panel under section 138.17. The public officer is empowered to reproduce these records by any photographic, photostatic, microphotographic, optical disk imaging system, microfilming, or other reproduction method that clearly and accurately reproduces the records. If a record is deemed to be of permanent or archival value, any reproduction of the record must meet archival standards specified by the Minnesota historical society provided, however, that this section does not prohibit the use of nonerasable optical imaging systems for the preservation of archival records without the preservation of paper or microfilm copies. Each public

officer may order that those photographs, photostats, microphotographs, microfilms, optical images, or other reproductions, be substituted for the originals of them. The public officer may direct the destruction or sale for salvage or other disposition of the originals from which they were made, in accordance with the disposition requirements of section 138.17. Photographs, photostats, microphotographs, microfilms, optical images, or other reproductions are for all purposes deemed the original recording of the papers, books, documents, and records reproduced when so ordered by any public officer and are admissible as evidence in all courts and proceedings of every kind. A facsimile or exemplified or certified copy of a photograph, photostat, microphotograph, microfilm, optical image, or other reproduction, or an enlargement or reduction of it, has the same effect and weight as evidence as would a certified or exemplified copy of the original.

Sec. 10. Minnesota Statutes 1998, section 15.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY FOR RECORDS.] The chief administrative officer of each public agency shall be responsible for the preservation and care of the agency's government records, which shall include written or printed books, papers, letters, contracts, documents, maps, plans, computer-based data, and other records made or received pursuant to law or in connection with the transaction of public business. It shall be the duty of each agency, and of its chief administrative officer, to carefully protect and preserve government records from deterioration, mutilation, loss, or destruction. Records or record books may be repaired, renovated, or rebound when necessary to preserve them properly.

Sec. 11. Minnesota Statutes 1998, section 141.30, is amended to read:

141.30 [INSPECTION.]

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any school or applicant for license at any reasonable time. The office may require the submission of a certified public audit, or if there is no such audit available the office or a delegate may inspect the financial books and records of the school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the school.

~~(b) No agent or employee of the state of Minnesota shall divulge to any person other than a member of the office, or duly constituted law enforcement official, any data obtained from an inspection of the financial records of a school, except in connection with a legal or administrative proceeding commenced to enforce a requirement of law. Data obtained from an inspection of the financial records of a school are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.~~

Sec. 12. Minnesota Statutes 1998, section 181.932, subdivision 2, is amended to read:

Subd. 2. [DISCLOSURE OF IDENTITY.] ~~No public official or law enforcement official shall disclose, or cause to disclose, The identity of any employee making a report or providing information to a governmental body or law enforcement official under subdivision 1 without the employee's consent unless the investigator determines that disclosure is necessary for prosecution. If the disclosure is necessary for prosecution, the employee shall be informed prior to the disclosure.~~ clause (a) or (d), is private data on individuals as defined in section 13.02. The identity of an employee providing information under subdivision 1, clause (b), is private data on individuals if:

(1) the employee would not have provided the information without an assurance that the employee's identity would remain private, because of a concern that the employer would commit an action prohibited under subdivision 1 or that the employee would be subject to some other form of retaliation; or

(2) the state agency, statewide system, or political subdivision reasonably believes that the employee would not have provided the data because of that concern.

Sec. 13. Minnesota Statutes 1998, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO COMMISSIONER OF HUMAN SERVICES.] (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the social security numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.711, with those of property tax refund filers, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law Number 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Health Care Financing Administration section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services necessary to verify income for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, food stamps, and Minnesota supplemental aid program have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

Sec. 14. Minnesota Statutes 1998, section 273.124, subdivision 13, is amended to read:

Subd. 13. [HOMESTEAD APPLICATION.] (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) On or before January 2, 1993, each county assessor shall mail a homestead application to the owner of each parcel of property within the county which was classified as homestead for the 1992 assessment year. The format and contents of a uniform homestead application shall be prescribed by the commissioner of revenue. The commissioner shall consult with the chairs of the house and senate tax committees on the contents of the homestead application form. The application must clearly inform the taxpayer that this application must be signed by all owners who occupy the property or by the qualifying relative and returned to the county assessor in order for the property to continue receiving homestead treatment. The envelope containing the homestead application shall clearly identify its contents and alert the taxpayer of its necessary immediate response.

(c) Every property owner applying for homestead classification must furnish to the county assessor the social security number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and social security number of each owner's spouse who occupies the property. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property qualifies as a homestead under subdivision 1, paragraph (e).

Owners or spouses occupying residences owned by their spouses and previously occupied with the other spouse, either of whom fail to include the other spouse's name and social security number on the homestead application or provide the affidavits or other proof requested, will be deemed to have elected to receive only partial homestead treatment of their residence. The remainder of the residence will be classified as nonhomestead residential. When an owner or spouse's name and social security number appear on homestead applications for two separate residences and only one application is signed, the owner or spouse will be deemed to have elected to homestead the residence for which the application was signed.

The social security numbers or affidavits or other proofs of the property owners and spouses are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue, or, for purposes of proceeding under the Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

(d) If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. The social security number of each relative occupying the property and the social security number of each owner who is related to an occupant of the property shall be required on the homestead application filed under this subdivision. If a different relative of the owner subsequently occupies the property, the owner of the property must notify the assessor within 30 days of the change in occupancy. The social security number of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue.

(e) The homestead application shall also notify the property owners that the application filed under this section will not be mailed annually and that if the property is granted homestead status for the 1993 assessment, or any assessment year thereafter, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners, the spouse of the owner, or the relatives no longer use the property as their homestead. Upon the sale or transfer of the homestead property, a certificate of value must be timely filed with the county auditor as provided under section 272.115. Failure to notify the assessor within 30 days that the property has been sold, transferred, or that the owner, the spouse of the owner, or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status.

(f) If the homestead application is not returned within 30 days, the county will send a second application to the present owners of record. The notice of proposed property taxes prepared under section 275.065, subdivision 3, shall reflect the property's classification. Beginning with assessment year 1993 for all properties, if a homestead application has not been filed with the county by December 15, the assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.

(g) At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner and the property owner's spouse occupying the property, or relative of a property owner, applying for homestead classification under this subdivision. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

(h) If the commissioner finds that a property owner may be claiming a fraudulent homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the taconite homestead credit under section 273.135, and the supplemental homestead credit under section 273.1391.

The county auditor shall send a notice to the person who owned the affected property at the time the homestead application related to the improper homestead was filed, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The person notified may appeal the county's determination by serving copies of a petition for review with county officials as provided in section 278.01 and filing proof of service as provided in section 278.01 with the Minnesota tax court within 60 days of the date of the notice from the county. Procedurally, the appeal is governed by the provisions in chapter 271 which apply to the appeal of a property tax assessment or levy, but without requiring any prepayment of the amount in controversy. If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the county treasurer. The county treasurer will add interest to the unpaid homestead benefits and penalty amounts at the rate provided in section 279.03 for real property taxes becoming delinquent in the calendar year during which the amount remains unpaid. Interest may be assessed for the period beginning 60 days after demand for payment was made.

If the person notified is the current owner of the property, the treasurer may add the total amount of benefits, penalty, interest, and costs to the ad valorem taxes otherwise payable on the property by including the amounts on the property tax statements under section 276.04, subdivision 3. The amounts added under this paragraph to the ad valorem taxes shall include interest accrued through December 31 of the year preceding the taxes payable year for which the amounts are first added. These amounts, when added to the property tax statement, become subject to all the laws for the enforcement of real or personal property taxes for that year, and for any subsequent year.

If the person notified is not the current owner of the property, the treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A, or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent tax obligations of the person who owned the property at the time the application related to the improperly allowed homestead was filed. The treasurer may relieve a prior owner of personal liability for the benefits, penalty, interest, and costs, and instead extend those amounts on the tax lists against the property as provided in this paragraph to the extent that the current owner agrees in writing. On all demands, billings, property tax statements, and related correspondence, the county must list and state separately the amounts of homestead benefits, penalty, interest and costs being demanded, billed or assessed.

(i) Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. Any amount recovered that is attributable to supplemental homestead credit is to be transmitted to the commissioner of revenue for deposit in the general fund of the state treasury. The total amount of penalty collected must be deposited in the county general fund.

(j) If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

(k) In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners. Social security numbers and federal identification numbers maintained by a county or city assessor for property tax administration purposes, that may appear on the lists, may be used by the county auditor or treasurer of the same county for the purpose of assisting the commissioner in the preparation of microdata samples under section 270.0681.

Sec. 15. Minnesota Statutes 1998, section 504.23, is amended to read:

504.23 [CODE VIOLATIONS, DISCLOSURE.]

All code violation records pertaining to a particular parcel of real property and the buildings, improvements and dwelling units located thereon kept by any state, county or city agency charged by the governing body of the appropriate political subdivision with the responsibility for enforcing a state, county or city health, housing, building, fire prevention or housing maintenance code ~~shall be available to all persons having a reasonable need for the information contained in the records relating to the premises, at reasonable times and upon reasonable notice to the custodian of the records, for inspection, examination, abstracting or copying at the expense of the person obtaining the information. The persons to whom the records shall be available under this section include but are not limited to the following persons and their representatives:~~

- ~~(a) any person having any legal or beneficial interest in the premises, including a tenant;~~
- ~~(b) any person considering in good faith the lease or purchase of the premises;~~
- ~~(c) any person authorized to request an inspection under section 566.19; and~~
- ~~(d) a party to any action related to the premises, including actions maintained pursuant to sections 504.18 and 566.18 to 566.33 are public data under section 13.442.~~

Sec. 16. [REPORT OF DATA PRACTICES LAWS.]

The responsible authority of each state agency shall prepare a list that identifies all data practices laws codified outside Minnesota Statutes, chapter 13, that are not referenced in Minnesota Statutes, section 13.99. The list must be submitted to the office of the revisor of statutes no later than September 1, 1999, so that the revisor can complete the data practices law recodification required in section 18.

Sec. 17. [REVISOR INSTRUCTION; DATA PRACTICES LAW RECODIFICATION.]

The revisor of statutes shall reorganize Minnesota Statutes, chapter 13, to create a structure that provides users with quick access to the data practices laws codified in chapter 13, and locates references to data practices laws codified outside chapter 13 adjacent to their particular service area codified in chapter 13. For purposes of this section, "data practice laws codified outside chapter 13" includes both laws that place restrictions on access to data and laws involving data sharing. Service areas may include government entities such as state agencies, cities, or school districts, or functional areas such as education, law enforcement, human services, or child protection. If there is no appropriate service area in chapter 13, the revisor shall recodify the provision in another logical and appropriate place in chapter 13. The revisor shall consult with the chairs of the data practices subcommittees in the house of representatives and senate, and legislative staff. The revisor shall include the data practices recodification in the 2000 edition of Minnesota Statutes.

Sec. 18. [REPEALER.]

Minnesota Statutes 1998, section 13.72, subdivision 2, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 16 and 17 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to government data; providing for access to, and cost of access to, on-line data; classifying data; clarifying the status of data on parents held by educational entities; eliminating inconsistent language; authorizing dissemination of personnel data; authorizing sharing of certain data for tax administration



purposes; requiring the revisor of statutes to reorganize and recodify data practices law; amending Minnesota Statutes 1998, sections 13.03, subdivision 3; 13.04, subdivision 3; 13.32, subdivision 2; 13.43, by adding a subdivision; 15.17, subdivisions 1 and 2; 141.30; 181.932, subdivision 2; 270B.14, subdivision 1; 273.124, subdivision 13; and 504.23; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1998, section 13.72, subdivision 2."

The motion prevailed and the amendment was adopted.

Carruthers, Abrams and Smith moved to amend S. F. No. 653, as amended, as follows:

Page 2, line 8, delete "a"

Page 2, line 9, delete "specific" and delete "grant of"

Page 9, after line 28, insert:

"Sec. 14. Minnesota Statutes 1998, section 270B.14, is amended by adding a subdivision to read:

Subd. 17. [DISCLOSURE TO DEPARTMENT OF COMMERCE.] The commissioner may disclose to the commissioner of commerce information required to administer the Uniform Disposition of Unclaimed Property Act in sections 345.31 to 345.60, including the social security numbers of the taxpayers whose refunds are on the report of abandoned property submitted by the commissioner to the commissioner of commerce under section 345.41. Except for data published under section 345.42, the information received that is private or nonpublic data retains its classification, and can be used by the commissioner of commerce only for the purpose of verifying that the persons claiming the refunds are the owners."

Page 15, after line 36, insert:

"Sec. 17. [518.146] [SOCIAL SECURITY NUMBERS; TAX RETURNS; IDENTITY PROTECTION.]

The social security numbers and tax returns required under this chapter are private data, except that they must be disclosed to the other parties to a proceeding."

Page 16, line 34, delete "16 and 17" and insert "14, 18, and 19"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Skoglund and Mares moved to amend S. F. No. 653, as amended, as follows:

Page 4, after line 18, insert:

"Sec. 4. Minnesota Statutes 1998, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

(a) Pursuant to section 13.05;

- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36 ~~which are in effect on July 1, 1993;~~
- (e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, and 99.35 ~~which are in effect on July 1, 1993;~~
- (f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) When disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, chapter 1092, ~~in effect on July 1, 1993;~~
- (h) To the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a post-secondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) To appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file; ~~or~~
- (j) To volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students; or
- (k) To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 653, A bill for an act relating to government data practices; clarifying electronic access to data; modifying notice requirements for students and employees; classifying data; clarifying the status of data on parents held by educational entities; authorizing access to medical records by adult children of a deceased patient; eliminating inconsistent language; authorizing dissemination of personnel data; authorizing sharing of certain data for tax administration purposes; changing deadlines for providing data; clarifying and modifying access to data on employees reporting violations of law; making certain rideshare program data on individuals private; amending Minnesota Statutes 1998, sections 13.03, subdivision 3; 13.04, subdivisions 2 and 3; 13.32, subdivisions 2 and 3; 13.43, by adding a subdivision; 13.47; 15.17, subdivisions 1 and 2; 141.30; 144.335, subdivision 1; 181.932,

subdivision 2; 270B.03, subdivisions 1 and 5; 270B.14, by adding a subdivision; and 273.124, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1998, sections 13.72, subdivision 2; 504.23; and 504A.595.

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

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

Those who voted in the affirmative were:

Abeler	Dorman	Holberg	Lieder	Osthoff	Stanek
Abrams	Dorn	Holsten	Lindner	Otremba	Stang
Anderson, B.	Entenza	Howes	Luther	Ozment	Storm
Anderson, I.	Erhardt	Huntley	Mahoney	Paulsen	Swenson
Bakk	Erickson	Jaros	Mares	Pawlenty	Sykora
Biernat	Finseth	Jennings	Mariani	Paymar	Tingelstad
Bishop	Folliard	Johnson	Marko	Pelowski	Tomassoni
Boudreau	Fuller	Juhnke	McCollum	Peterson	Trimble
Bradley	Gerlach	Kahn	McElroy	Pugh	Tuma
Broecker	Gleason	Kalis	McGuire	Rest	Tunheim
Buesgens	Goodno	Kelliher	Milbert	Reuter	Van Dellen
Carlson	Gray	Kielkucki	Molnau	Rifenberg	Vanderveer
Carruthers	Greenfield	Knoblach	Mulder	Rostberg	Wagenius
Cassell	Greiling	Koskinen	Mullery	Rukavina	Wejcmán
Chaudhary	Gunther	Krinkie	Munger	Schumacher	Wenzel
Clark, J.	Haake	Kubly	Murphy	Seagren	Westerberg
Clark, K.	Haas	Kuisle	Ness	Seifert, J.	Westfall
Daggett	Hackbarth	Larsen, P.	Nornes	Seifert, M.	Wilkin
Davids	Harder	Larson, D.	Olson	Skoe	Winter
Dawkins	Hasskamp	Leighton	Opatz	Skoglund	Wolf
Dehler	Hausman	Lenczewski	Orfield	Smith	Workman
Dempsey	Hilty	Leppik	Osskopp	Solberg	Spk. Sviggum

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

S. F. No. 851 was reported to the House.

Rest moved to amend S. F. No. 851 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 777, the second engrossment:

"Section 1. Minnesota Statutes 1998, section 465.715, subdivision 1a, is amended to read:

Subd. 1a. [APPLICATION.] Except as provided by subdivision 2, subdivision 1 only applies to a corporation for which a certificate of incorporation is issued by the secretary of state on or after June 1, 1997. A corporation that had been issued a certificate of incorporation before June 1, 1997, may continue to operate as if it had been created in compliance with subdivision 1. This subdivision expires July 1, ~~1999~~ 2000.

Sec. 2. [TASK FORCE ON CORPORATIONS CREATED BY POLITICAL SUBDIVISIONS.]

Subdivision 1. [ESTABLISHED; PURPOSE.] A task force on corporations created by political subdivisions is established to review and consider the findings and recommendations of the January 29, 1999, report of the state auditor on corporations created by public entities and to determine:

(a) whether existing public corporations established by political subdivisions should be authorized to continue as public corporations, dissolved, or restructured as private corporations;

(b) whether political subdivisions of the state should be authorized to create new corporations, and if so, under general law or special law, and for what purposes; and

(c) what requirements or restrictions imposed by state law on political subdivisions should be imposed on existing public corporations that are authorized to continue as public corporations. Such requirements or restrictions may relate to the powers and limitations of the public corporations, including, but not limited to, the applicability of laws relating to open meetings, data practices, contracting, compensation of employees and officers, budgeting, auditing, tort liability, debt limitations, investments, and conflicts of interests.

By December 31, 1999, the task force shall report to the chairs of the house and senate committees with jurisdiction over local government issues. The report must include proposed legislation to implement the task force's recommendations.

Subd. 2. [MEMBERS.] The task force consists of 13 voting members, appointed as follows:

(a) three state representatives, two appointed by the speaker of the house, one of whom the speaker shall appoint as co-chair, and one appointed by the minority caucus leader;

(b) three state senators, appointed by the subcommittee on committees of the committee on rules and administration, one of whom must be appointed as co-chair, and at least one of whom must be a member of the minority caucus;

(c) two representatives of cities, appointed by the league of Minnesota cities, one of whom must be a representative of an existing corporation created by a city;

(d) two representatives of counties, appointed by the association of Minnesota counties, one of whom must be a representative of an existing corporation created by a county;

(e) two representatives of school districts, appointed by the Minnesota school boards association, one of whom must be a representative of an existing corporation created by a school district; and

(f) the state auditor or her designee.

In addition, the attorney general or his designee and the secretary of state or her designee shall serve on the task force ex officio as nonvoting members. Members must be appointed as soon as practicable after the effective date of this section. Vacancies and removal of members is governed by Minnesota Statutes, section 15.059, subdivision 4.

Subd. 3. [STAFF AND ADMINISTRATIVE ASSISTANCE.] Legislative staff shall provide staff and administrative assistance to the task force.

Subd. 4. [EXPIRATION.] This section expires June 30, 2000.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government; delaying the expiration of corporations created by political subdivisions; establishing a task force to develop legislation relating to establishment of corporations by political subdivisions; amending Minnesota Statutes 1998, section 465.715, subdivision 1a."

The motion prevailed and the amendment was adopted.

S. F. No. 851, A bill for an act relating to local government; removing the expiration of corporations created by political subdivisions; establishing a task force to develop legislation relating to establishment of corporations by political subdivisions; amending Minnesota Statutes 1998, section 465.715, subdivision 1a.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Howes	Mahoney	Pawlenty	Tingelstad
Abrams	Entenza	Huntley	Mares	Paymar	Tomassoni
Anderson, B.	Erhardt	Jaros	Mariani	Pelowski	Trimble
Anderson, I.	Erickson	Jennings	Marko	Peterson	Tuma
Bakk	Finseth	Johnson	McCollum	Pugh	Tunheim
Biernat	Folliard	Juhnke	McElroy	Rest	Van Dellen
Bishop	Fuller	Kahn	McGuire	Reuter	Vandever
Boudreau	Gerlach	Kalis	Milbert	Rifenberg	Wagenius
Bradley	Gleason	Kelliher	Molnau	Rostberg	Wejcmán
Broecker	Goodno	Kielkucki	Mulder	Rukavina	Wenzel
Buesgens	Gray	Knoblach	Mullery	Schumacher	Westerberg
Carlson	Greenfield	Koskinen	Munger	Seagren	Westfall
Carruthers	Greiling	Krinkie	Murphy	Seifert, J.	Westrom
Cassell	Gunther	Kubly	Ness	Seifert, M.	Wilkin
Chaudhary	Haake	Kuisle	Nornes	Skoe	Winter
Clark, J.	Haas	Larsen, P.	Olson	Skoglund	Wolf
Clark, K.	Hackbarth	Larson, D.	Opatz	Smith	Workman
Daggett	Harder	Leighton	Orfield	Solberg	Spk. Sviggum
Davids	Hasskamp	Lenczewski	Osskopp	Stanek	
Dawkins	Hausman	Leppik	Osthoff	Stang	
Dehler	Hilty	Lieder	Otremba	Storm	
Dempsey	Holberg	Lindner	Ozment	Swenson	
Dorman	Holsten	Luther	Paulsen	Sykora	

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

Abeler was excused between the hours of 1:40 p.m. and 3:00 p.m.

S. F. No. 1848 was reported to the House.

Rukavina moved to amend S. F. No. 1848 as follows:

Page 2, after line 22, insert:

"Sec. 2. Minnesota Statutes 1998, section 176.031, is amended to read:

176.031 [EMPLOYER'S LIABILITY EXCLUSIVE.]

(a) Except as otherwise provided in this section, the liability of an employer prescribed by this chapter is exclusive and in the place of any other liability to such employee, personal representative, surviving spouse, parent, any child, dependent, next of kin, or other person entitled to recover damages on account of such injury or death. If an employer other than the state or any municipal subdivision thereof fails to insure or self-insure liability for compensation to injured employees and their dependents, an injured employee, or legal representatives or, if death results from the injury, any dependent may elect to claim compensation under this chapter or to maintain an action in the courts for damages on account of such injury or death. In such action it is not necessary to plead or prove freedom from contributory negligence. The defendant may not plead as a defense that the injury was caused by the negligence of a fellow servant, that the employee assumed the risk of employment, or that the injury was due to the contributory negligence of the employee, unless it appears that such negligence was willful on the part of the employee. The burden of proof to establish such willful negligence is upon the defendant. For the purposes of this chapter the state and each municipal subdivision thereof is treated as a self-insurer when not carrying insurance at the time of the injury or death of an employee.

(b) In addition to the liability prescribed by this chapter, an injured employee or legal representative, or, if death results from the injury, any dependent, may maintain an action in the courts for damages on account of the injury or death if the employer knowingly violated a safety law, rule, standard, or ordinance, and the violation was a substantial contributing cause of the injury or death. It is negligence per se on the part of an employer if it is proved by a preponderance of the evidence that the employer knowingly violated a safety law, rule, standard, or ordinance, and the violation was a substantial contributing cause of the injury or death. Any recovery under this paragraph must be reduced by any benefits paid or payable under this chapter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Abrams moved that S. F. No. 1848 be returned to the General Register.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Abrams	Carlson	Dempsey	Gleason	Hasskamp	Juhnke
Anderson, B.	Carruthers	Dorman	Goodno	Hausman	Kahn
Anderson, I.	Cassell	Dorn	Gray	Hilty	Kalis
Bakk	Chaudhary	Entenza	Greenfield	Holberg	Kelliher
Biernat	Clark, J.	Erhardt	Greiling	Holsten	Kielkucki
Bishop	Clark, K.	Erickson	Gunther	Howes	Knoblach
Boudreau	Daggett	Finseth	Haake	Huntley	Koskinen
Bradley	Davids	Folliard	Haas	Jaros	Krinkie
Broecker	Dawkins	Fuller	Hackbarth	Jennings	Kubly
Buesgens	Dehler	Gerlach	Harder	Johnson	Kuisle

Larsen, P.	McCollum	Opatz	Rest	Solberg	Vandever
Larson, D.	McElroy	Orfield	Reuter	Stanek	Wagenius
Leighton	McGuire	Osskopp	Rifenberg	Stang	Wejzman
Lenczewski	Milbert	Osthoff	Rostberg	Storm	Wenzel
Leppik	Molnau	Otremba	Rukavina	Swenson	Westerberg
Lieder	Mulder	Ozment	Schumacher	Sykora	Westfall
Lindner	Mullery	Paulsen	Seagren	Tingelstad	Westrom
Luther	Munger	Pawlenty	Seifert, J.	Tomassoni	Wilkin
Mahoney	Murphy	Paymar	Seifert, M.	Trimble	Winter
Mares	Ness	Pelowski	Skoe	Tuma	Wolf
Mariani	Nornes	Peterson	Skoglund	Tunheim	Workman
Marko	Olson	Pugh	Smith	Van Dellen	Spk. Sviggum

Rukavina moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion did not prevail.

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

Abrams withdrew his motion to return S. F. No. 1848 to the General Register.

#### LAY ON THE TABLE

Pawlenty moved to lay S. F. No. 1848 on the table.

A roll call was requested and properly seconded.

The question was taken on the Pawlenty motion and the roll was called. There were 67 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorman	Holberg	Molnau	Seagren	Westerberg
Bishop	Erhardt	Holsten	Mulder	Seifert, J.	Westfall
Boudreau	Erickson	Howes	Ness	Seifert, M.	Westrom
Bradley	Finseth	Kielkucki	Nornes	Smith	Wilkin
Broecker	Fuller	Knoblach	Olson	Stanek	Wolf
Buesgens	Gerlach	Krinkie	Osskopp	Stang	Workman
Cassell	Goodno	Kuisle	Ozment	Storm	Spk. Sviggum
Clark, J.	Gunther	Larsen, P.	Paulsen	Swenson	
Daggett	Haake	Leppik	Pawlenty	Sykora	
Davids	Haas	Lindner	Reuter	Tingelstad	
Dehler	Hackbarth	Mares	Rifenberg	Van Dellen	
Dempsey	Harder	McElroy	Rostberg	Vandever	

Those who voted in the negative were:

Anderson, B.	Biernat	Chaudhary	Dorn	Gleason	Greiling
Anderson, I.	Carlson	Clark, K.	Entenza	Gray	Hasskamp
Bakk	Carruthers	Dawkins	Folliard	Greenfield	Hausman

Hilty	Kelliher	Mahoney	Murphy	Pugh	Trimble
Huntley	Koskinen	Mariani	Opatz	Rest	Tuma
Jaros	Kubly	Marko	Orfield	Rukavina	Tunheim
Jennings	Larson, D.	McCollum	Osthoff	Schumacher	Wagenius
Johnson	Leighton	McGuire	Otremba	Skoe	Wejcman
Juhnke	Lenczewski	Milbert	Paymar	Skoglund	Wenzel
Kahn	Lieder	Mullery	Pelowski	Solberg	Winter
Kalis	Luther	Munger	Peterson	Tomassoni	

The motion prevailed and S. F. No. 1848 was laid on the table.

#### CALL OF THE HOUSE LIFTED

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

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

S. F. No. 1609 was reported to the House.

Hausman moved that S. F. No. 1609 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 2044 was reported to the House.

Dehler moved to amend S. F. No. 2044 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) Except as otherwise provided in this subdivision, no retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein ~~except as provided in this subdivision~~.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law Number 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

(d) Dice may be kept and used on licensed premises and adjoining rooms as authorized by section 609.761, subdivision 4.

Sec. 2. Minnesota Statutes 1998, section 609.761, is amended by adding a subdivision to read:

Subd. 4. [SOCIAL DICE GAMES.] Sections 609.755 and 609.76 do not prohibit dice games conducted on the premises and adjoining rooms of a retail establishment licensed to sell alcoholic beverages if the following requirements are satisfied:



(1) the games consist of commonly known dice games such as "shake-a-day," "backgammon," "3-2-1," "who buys," "last chance," "liars poker," "6-5-4," "horse," and "aces";

(2) no betting is conducted on the games other than private social bets that are not part of or incidental to organized, commercialized, or systematic gambling; and

(3) the retail establishment does not organize or participate financially in the games."

Kahn moved to amend the Dehler amendment to S. F. No. 2044 as follows:

Page 2, line 5, after "of" insert "board games played with dice or"

Page 2, line 6, delete "backgammon,"

Page 2, line 8, after "than" insert "to determine responsibility for payment of food or beverages or"

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

The question recurred on the Dehler amendment, as amended, to S. F. No. 2044. The motion prevailed and the amendment, as amended, was adopted.

S. F. No. 2044, A bill for an act relating to gambling; authorizing dice games in retail establishments licensed to sell alcoholic beverages under certain circumstances; amending Minnesota Statutes 1998, sections 340A.410, subdivision 5; and 609.761, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 88 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorman	Holsten	Mariani	Pugh	Tomassoni
Anderson, I.	Dorn	Howes	Marko	Rest	Tuma
Bakk	Entenza	Jaros	McElroy	Reuter	Tunheim
Biernat	Erickson	Jennings	McGuire	Rostberg	Vandever
Bishop	Finseth	Juhnke	Milbert	Rukavina	Wejcman
Boudreau	Fuller	Kahn	Mulder	Schumacher	Wenzel
Bradley	Gerlach	Kalis	Mullery	Seagren	Westerberg
Buesgens	Gleason	Kielkucki	Murphy	Seifert, M.	Westrom
Carlson	Gunther	Knoblach	Ness	Skoe	Wilkin
Clark, J.	Haake	Kuisle	Nornes	Solberg	Winter
Clark, K.	Hackbarth	Larson, D.	Opatz	Stang	Wolf
Daggett	Harder	Leighton	Osskopp	Storm	Workman
Dawkins	Hasskamp	Lenczewski	Otremba	Swenson	Spk. Sviggum
Dehler	Hilty	Lieder	Paulsen	Sykora	
Dempsey	Holberg	Mares	Peterson	Tingelstad	

Those who voted in the negative were:

Anderson, B.	Goodno	Johnson	Luther	Pawlenty	Stanek
Broecker	Gray	Kelliher	Mahoney	Paymar	Trimble
Carruthers	Greenfield	Koskinen	McCollum	Pelowski	Van Dellen
Chaudhary	Greiling	Kubly	Molnau	Rifenberg	Wagenius
Davids	Haas	Larsen, P.	Orfield	Seifert, J.	Westfall
Erhardt	Hausman	Leppik	Osthoff	Skoglund	
Folliard	Huntley	Lindner	Ozment	Smith	

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

S. F. No. 891 was reported to the House.

Holberg moved that S. F. No. 891 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 233 was reported to the House.

Bishop moved to amend S. F. No. 233 as follows:

Page 1, line 22, strike "may" and insert "shall"

Page 2, line 29, after "produced" insert "and delivered"

Page 2, line 30, after the comma, insert "and provided that the property owner has not within 30 days responded to the public service corporation with a written objection to the terms of the property description."

The motion prevailed and the amendment was adopted.

S. F. No. 233, A bill for an act relating to real property; providing for definite and specific descriptions for certain easements; applying the requirement retroactively to all easements whenever created; providing that certain deficiency judgment requirements do not apply to property that is not used for agricultural production by the mortgagor; amending Minnesota Statutes 1998, sections 300.045; and 582.30, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Boudreau	Cassell	Dehler	Erickson	Goodno
Anderson, B.	Bradley	Chaudhary	Dempsey	Finseth	Gray
Anderson, I.	Broecker	Clark, J.	Dorman	Folliard	Greenfield
Bakk	Buesgens	Clark, K.	Dorn	Fuller	Greiling
Biernat	Carlson	Daggett	Entenza	Gerlach	Gunther
Bishop	Carruthers	Dawkins	Erhardt	Gleason	Haake

Haas	Kelliher	Mares	Osskopp	Schumacher	Tunheim
Hackbarth	Kielkucki	Mariani	Osthoff	Seifert, J.	Van Dellen
Hasskamp	Knoblach	Marko	Otremba	Seifert, M.	Vandever
Hausman	Koskinen	McCollum	Ozment	Skoe	Wagenius
Hilty	Kubly	McElroy	Paulsen	Skoglund	Wejcman
Holberg	Kuisle	McGuire	Pawlenty	Smith	Wenzel
Holsten	Larsen, P.	Milbert	Paymar	Solberg	Westerberg
Howes	Larson, D.	Molnau	Pelowski	Stanek	Westfall
Huntley	Leighton	Mulder	Peterson	Stang	Wilkin
Jaros	Lenczewski	Mullery	Pugh	Storm	Winter
Jennings	Leppik	Murphy	Rest	Swenson	Wolf
Johnson	Lieder	Ness	Reuter	Tingelstad	Workman
Juhnke	Lindner	Olson	Rifenberg	Tomassoni	Spk. Sviggum
Kahn	Luther	Opatz	Rostberg	Trimble	
Kalis	Mahoney	Orfield	Rukavina	Tuma	

Those who voted in the negative were:

Abeler	Davids	Harder	Nornes	Westrom
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1494 was reported to the House.

Olson, Dawkins, Skoglund, Krinkie and Pawlenty moved to amend H. F. No. 1494, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 244.03, is amended to read:

244.03 [REHABILITATIVE PROGRAMS.]

The commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates who desire to voluntarily participate in such programs and for inmates who are required to participate in the programs under the disciplinary offense rules adopted by the commissioner under section 244.05, subdivision 1b. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs.

No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, including employee assignments, may be maintained by an inmate in any court in this state.

Sec. 2. Minnesota Statutes 1998, section 244.035, is amended to read:

244.035 [SANCTIONS RELATED TO LITIGATION.]

(a) As used in this section, "board" means a licensing or certification board.

(b) The commissioner shall develop disciplinary sanctions to provide infraction penalties for an inmate who submits a frivolous or malicious claim as determined under section 563.02, subdivision 3, to a court or board, or who is determined by the court or board to have testified falsely or to have submitted false evidence to a court or board. Infraction penalties may include loss of privileges, punitive segregation, loss of good time, or adding discipline

confinement time. The determination of the commissioner regarding disciplinary sanctions under this section is limited to the nature and extent of the infraction penalty to be imposed. The commissioner is bound by the finding of the court or board that the inmate submitted a frivolous or malicious claim, testified falsely, or submitted false evidence.

(c) The court or board shall determine whether a claim is frivolous or malicious under section 563.02, subdivision 3."

Delete the title and insert:

"A bill for an act relating to corrections; modifying the law prohibiting inmates from bringing actions to challenge the level of expenditures for rehabilitation programs and the law related to sanctions for frivolous or malicious claims; amending Minnesota Statutes 1998, sections 244.03; and 244.035."

The motion prevailed and the amendment was adopted.

H. F. No. 1494, A bill for an act relating to corrections; modifying the law prohibiting inmates from bringing actions to challenge the level of expenditures for rehabilitation programs and the law related to sanctions for frivolous or malicious claims; amending Minnesota Statutes 1998, sections 244.03; and 244.035.

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

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Mares	Peterson	Tomassoni
Abrams	Dorn	Howes	Marko	Pugh	Trimble
Anderson, B.	Entenza	Huntley	McCollum	Rest	Tuma
Anderson, I.	Erhardt	Jennings	McElroy	Reuter	Tunheim
Bakk	Erickson	Juhnke	McGuire	Rifenberg	Van Dellen
Biernat	Finseth	Kalis	Milbert	Rostberg	Vandev eer
Bishop	Folliard	Kelliher	Molnau	Rukavina	Wagenius
Boudreau	Fuller	Kielkucki	Mulder	Schumacher	Wenzel
Bradley	Gerlach	Knoblach	Mullery	Seagren	Westerberg
Broecker	Gleason	Koskinen	Ness	Seifert, J.	Westfall
Buesgens	Goodno	Kubly	Nornes	Seifert, M.	Westrom
Carlson	Gray	Kuisle	Olson	Skoe	Wilkin
Carruthers	Greiling	Larsen, P.	Opatz	Skoglund	Winter
Cassell	Gunther	Larson, D.	Orfield	Smith	Wolf
Chaudhary	Haake	Leighton	Osskopp	Solberg	Workman
Clark, J.	Hackbarth	Lenczewski	Osthoff	Stanek	Spk. Sviggum
Daggett	Harder	Leppik	Otremba	Stang	
Davids	Hasskamp	Lieder	Ozment	Storm	
Dawkins	Hausman	Lindner	Paulsen	Swenson	
Dehler	Hilty	Luther	Pawlenty	Sykora	
Dempsey	Holberg	Mahoney	Pelowski	Tingelstad	

Those who voted in the negative were:

Clark, K.	Jaros	Mariani	Wejcman
Greenfield	Kahn	Paymar	

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

### **MOTIONS AND RESOLUTIONS**

Solberg moved that his name be stricken as an author on H. F. No. 842. The motion prevailed.

Anderson, I., moved that his name be stricken as an author on H. F. No. 842. The motion prevailed.

### **ADJOURNMENT**

Molnau moved that when the House adjourns today it adjourn until 9:00 a.m., Wednesday, May 5, 1999. The motion prevailed.

Molnau moved that the House adjourn. The motion prevailed, and Speaker pro tempore Boudreau declared the House stands adjourned until 9:00 a.m., Wednesday, May 5, 1999.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

